

[REPUBLIC ACT NO. 8103, July 09, 1995]

**AN ACT GRANTING A FRANCHISE TO ALL ASIA AIRLINES CO.,
INC., TO ESTABLISH AND MAINTAIN AIR TRANSPORT SERVICES
THROUGHOUT THE PHILIPPINES AND/OR BETWEEN THE
PHILIPPINES AND OTHER COUNTRIES**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. It is the policy of the State, as set forth in Executive Order No. 333 dated 16 August 1988, to encourage the operation and development of air transport industry and to further encourage healthy competition in order to promote the sound development of the same industry.

SEC. 2. There is hereby granted to All Asia Airlines Co., Inc., hereinafter referred to as the grantee, a franchise to establish, operate and maintain scheduled and/or non-scheduled and/or charter air transport services for the carriage of passengers, mail, freight and property by air, in and between any and all points and places throughout the Philippines and between the Philippines and other countries as a designated flag carrier.

SEC. 3. Excepting cases of *force majeure* and whenever weather conditions permit, the grantee shall maintain scheduled and/or non-scheduled and/or charter air transport services in and between any and all points and/or places throughout the Philippines, as well as between the Philippines and other countries, at such frequencies as traffic needs may require.

The term "air transport services" shall include the maintenance and operation of hangars, aircraft service stations, passenger and/or cargo terminals, lodges, warehouses, facilities, and other services which may be necessary, convenient, or useful as an auxiliary to aircraft transportation.

SEC. 4. The grantee shall fix just and reasonable rates for the transportation of passengers, mail, freight, and property subject to the regulation and approval of the Civil Aeronautics Board or such other regulatory agencies as the government may designate for this purpose. Any order of the Civil Aeronautics Board made under this section shall be subject to review by the courts.

All aircraft used by the grantee and the flight crew members operating such aircraft shall be licensed by the government of the Philippines.

The grantee's aircraft, together with their accessories and equipment, shall at all times be in airworthy condition. They shall be equipped with radio communication, safety and other equipment, and shall be operated and maintained in accordance

with the regulations and technical requirements of the Air Transportation Office or such other regulatory bodies as the government may prescribe for this purpose.

The grantee's equipment and the operation thereof shall at all times be subject to inspection and regulation by the Air Transportation Office whose decisions on technical matters shall be binding until revoked or annulled by superior authority under whose control this office falls or by the courts for excess or abuse of jurisdiction.

The grantee shall comply with the provisions of Republic Act Numbered Seven hundred and seventy-six, as amended, and the regulations promulgated thereunder.

SEC. 5. Subject to such terms and conditions as the Philippine government may prescribe, the grantee may use the landing and other airport facilities on land or water as may be maintained or owned by the government within the Philippines on the grantee's lines, excepting those which, in the opinion of the government, may not be used by the grantee because of military or naval considerations. Reciprocally, the government shall have the right to use the landing and other airport facilities on land or water maintained or owned by the grantee in the Philippines.

SEC. 6. The grantee shall have the right at its terminals and landing fields, as it is allowed to use under Section 5 hereof, as well as in its aircraft, to construct, operate and maintain stations or transmitting sets for wireless telegraphy and direction findings, and other radio aids to air navigation using wavelengths or frequencies in accordance with the rules and regulations made by the government: *Provided, however,* that the wireless communication facilities shall be used solely for receiving and transmitting weather forecasts and messages relating to the grantee's aircraft and other matters in connection with the grantee's services.

SEC. 7. The grantee is authorized to enter into transportation contracts with the government, including the carrying of mail, upon such terms and conditions as may be mutually agreed upon. The grantee shall give preferential consideration to contracts with the Philippine government and, reciprocally, the latter shall give preferential consideration to contracts with the grantee in the carrying of passengers, mail, freight and property.

The grantee may likewise enter into transportation maintenance and/or serving contracts and such other contracts relating to air transport with other foreign-owned airlines, particularly those which have international routes.

SEC. 8. In case of war, insurrection, civil disturbance or other national emergency, and when the public interest so requires, the government, upon order of the President, may temporarily take over or direct the operations of the grantee paying just compensation for such use and for damages that may result therefrom.

SEC. 9. With the approval of the President of the Philippines and subject to the limitations and procedures prescribed by law, the grantee shall be authorized to exercise the right of eminent domain as may be reasonably necessary for its stations and other structures in connection with the grantee's activities and operations.

No private property shall be taken for any purpose by the grantee without proper