

**[ REPUBLIC ACT NO. 4501, June 19, 1965 ]**

**AN ACT GRANTING A FRANCHISE TO AIR MANILA,  
INCORPORATED, TO ESTABLISH AND MAINTAIN AIR  
TRANSPORT SERVICE IN THE PHILIPPINES AND BETWEEN THE  
PHILIPPINES AND OTHER COUNTRIES.**

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

SECTION 1. There is hereby granted to Air Manila, Incorporated, a corporation duly created and existing under Philippine laws, and a holder of a Civil Aeronautics Board permit to operate domestically on a commercial basis, hereinafter called the grantee, a franchise to establish, operate and maintain transport services for the carriage of passengers, mail, industrial flights and cargo by air in and between, any and all points and places throughout the Philippines and other countries.

SEC. 2. Except in cases of *force majeure* and whenever weather conditions permit, the grantee shall maintain scheduled or non-scheduled air transport services in and between, any and all points and places throughout the Philippines as well as the Philippines and other countries at such frequencies as traffic needs may require.

SEC. 3. The grantee shall fix just and reasonable and uniform rates for the transportation of passengers and freight, subject to the regulations 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 aircrafts used by the grantee and the flight crew members operating such aircraft shall be licensed by the proper agencies of the Philippine Government and together with the accessories and equipment, shall at all times be airworthy; they shall be equipped with radio communications and such other equipment which will insure the safety of the passengers and cargo and shall be operated and maintained in accordance with regulations and technical requirements of the Civil Aeronautics Administration or of such other regulatory body as the Philippine Government may prescribe for this purpose.

The grantee's equipment and the operation of such equipment shall at all times be subject to inspection and regulation by the Civil Aeronautics Administration, whose decisions on technical matters shall be binding until revoked or annulled by the department head 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 and the regulations promulgated thereunder from time to time.

SEC. 4. Subject to such terms and conditions as the Philippine Government may prescribe, the grantee may use such landing and replenishment facilities on land, water or air as may be maintained or owned by the government within the Philippines on the grantee's lines, excepting those which, in the opinion of said government, may not be used by the grantee because of military or naval considerations, and, reciprocally, the Philippine Government shall have the right to use the landing and replenishment facilities on land, water or air maintained or owned by the grantee in the Philippines.

SEC. 5. The grantee shall have the right at its terminals, offices and landing fields, as well as in its aircrafts, to construct, operate and maintain stations or transmitting sets for wireless telegraphy and direction finding, and other radio aids to air navigation, using such wave lengths as shall be in accordance with the rules and regulations prescribed from time to time by the Philippine Government; but the wireless communications 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. 6. The grantee is authorized to enter into transportation contracts with the Philippine Government, including the carrying of mail, upon terms and conditions to be mutually agreed upon. The grantee shall give preferential consideration to contracts with the Philippine Government. The grantee may likewise enter into transportation, maintenance and/or servicing contracts, and such other contracts relating to air transport with other airlines, whether foreign or domestic, particularly with those having international routes.

SEC. 7. In case of war, insurrection, or national emergency, the Philippine Government, upon order of the President, shall have the right to take over and operate the equipment of the grantee, as long as the emergency exists, paying for its use or damages.

SEC. 8. The grantee shall be subject to the laws of the Philippines now existing or hereafter enacted.

SEC. 9. With the approval of the Chief Executive of the Philippine Government 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, landing fields, hangars, docks, ramps, telephone and telegraph lines and wireless stations and other structures in connection with the grantee's activities.

No private property shall be taken for any purpose by the grantee without proper condemnation proceedings and just compensation paid therefor, and any authority to take and occupy land contained herein shall not apply to the taking, use or occupation of any land except such as is required for the actual purpose for which this franchise was granted.

SEC. 10. It shall be unlawful for the grantee to use, employ, or contract for the services of persons held in involuntary servitude.

SEC. 11. The grantee shall hold the national, provincial, and municipal governments of the Philippines harmless of all claims, accounts, demands or actions arising out of