

**[ADMINISTRATIVE ORDER NO. 96, March 01,
2004]**

**DISSOLVING THE CABINET OVERSIGHT COMMITTEE ON THE
NINYO AQUINO INTERNATIONAL PASSENGER TERMINAL III
AND FOR OTHER PURPOSES.**

WHEREAS, on June 25, 2003 Administrative Order No. 75 was issued by the President of the Philippines entitled "Creating the Cabinet Oversight Committee on the Ninoy Aquino International Passenger Terminal III and for other purposes"

WHEREAS, on February 26, 2003 the Philippine International Air Terminal Company, Inc. (PIATCO) filed a Request for Arbitration against the Republic of the Philippines with the International Chamber of Commerce (ICC), Paris, France, asserting a variety of claims against the Republic in relation to the "Concession Agreement for the Build-Operate-Transfer Arrangement for the Ninoy Aquino International Passenger Terminal III", the "Amended and Restated Concession Agreement", and three (3) supplements thereto, all of which have been held to be null and void ab initio by the Supreme Court of the Philippines in the cases of Demosthenes D. Agan, Jr., et al. V. PIATCO, et al., G.R. No. 155001; Salacnib F. Bateria, et al. V. PIATCO, et al., G.R. No. 155547; and Severino C. Lopez, et al. Vs. PIATCO, et al., G.R. No. 155661 decided on May 5, 2003, PIATCO's et al., Motion for Reconsideration having been denied "with finality" on January 31, 2004;

WHEREAS, on September 17, 2003 Fraport AG Frankfurt Airport Services Worldwide (Fraport) filed a Request for Arbitration against the Republic of the Philippines with the International Centre for Settlement of Investment Disputes (ICSID) in Washington, DC alleging, among other things, that the Republic has expropriated the investments of Fraport in NAIA Terminal III in alleged violation of the Philippines-Germany Bilateral Investment Treaty signed on 17 April 1997;

WHEREAS, the President of the Philippines approved the recommendation of the Solicitor General of the Philippines that all proposals and suggestions concerning the resolution of the disputes which have been brought before the ICC and the ICSID shall be conveyed to the Government of the Republic of the Philippines and discussed only on a lawyer-to-lawyer basis, that is, on the basis of discussion and communication between and among, on the one hand, the Solicitor General of the Philippines, Justice Florentino P. Feliciano and White and Case; and on the other hand, the counsel of record of PIATCO and Fraport;

WHEREAS, evidence has emerged concerning numerous deficiencies and deviations from the plans and specifications of the NAIA Terminal III set out in the underlying bid documents and concerning failure of PIATCO to submit the detailed engineering drawings and plans of the NAIA Terminal III to the Manila International Airport Authority (MIAA) for the approval of the MIAA, as well as to the Japan Airport Consultants Inc. (JAC) the Quality Assurance Surveyor, resulting in serious doubts