

**[ EXECUTIVE ORDER NO. 219, January 03, 1995 ]**

**ESTABLISHING THE DOMESTIC AND INTERNATIONAL CIVIL  
AVIATION LIBERALIZATION POLICY**

WHEREAS, the Philippine Constitution provides: "The State shall regulate or prohibit monopolies when the public interests require. No combination in restraint of trade or unfair competition shall be allowed:"

WHEREAS, the policy of liberalization has been adopted in line with the Constitutional mandate and in pursuit of the Philippines 2000 strategy of Global Competitiveness;

WHEREAS, in the current thrust to expand investment and trade, and increase access for Filipino as well as foreign passengers, there is urgent need for the Philippines to improve air service availability, quality and efficiency through exposure to foreign markets and competition.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**1. International Air Transportation**

*1.1 Carrier Designation* - At least two (2) international carriers shall be designated official carrier(s) for the Philippines. However, if the designated carrier(s) do not service the total frequency entitlement of the Philippines under existing Air Services Agreements or other arrangements, then additional carrier(s) may be designated to operate such unused frequencies;

*1.2 Traffic Rights and Routes* - The exchange of traffic rights and routes with other countries shall be based on (a) the National Interest which shall include value for the Philippines in terms of promoting international trade, foreign investments and tourism, among others: and on (b) the reciprocity between the Philippines and other countries. Reciprocity shall be interpreted to mean the exchange of rights, freedoms, and opportunities of equal or equivalent value. The Civil Aeronautics Board (CAB) shall determine "national interest" taking into consideration the larger interest of the country, especially the users of air services.

*1.3 Frequency and Capacity* - All grants of frequencies or capacity to , any increase of existing frequencies or capacities of and/or the grant of new routes or traffic points to any foreign carrier (even if on a provisional basis) shall be the sole prerogative of the CAB subject to the confirmation of the Office of the President. The following rules shall determine the frequency and capacity for the carriers concerned;

- a. Frequency and capacity of third and fourth freedom carriers will be determined based on reciprocity and value for the Philippines.