

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



THIRTEENTH CONGRESS

First Regular Session

House Bill No. 4294

Introduced by Honorable Arthur D. Defensor

EXPLANATORY NOTE

In 1964, Congress through Republic Act No. 4147 granted Filipinas Airways, Inc. a franchise to establish and maintain air transport service between any and all points and places throughout the Philippines and other countries for a period of fifty years.

In 1973, or a year after the declaration of martial law, the operation of Filipinas Orient Airways, Inc. was suspended. In other words, Filipinas Orient Airways, Inc. was not able to maximize the benefits of the franchise due to inactivity and non-operation during the martial law years.

The existing franchise of Filipinas Orient Airways is yet to expire on 2014. However, to ensure the viability of the company its franchise is hereby sought to be extended for a period of twenty-five (25) years. Such extension will allow them to recoup the losses they incurred during martial law and the damages they sustained occasioned by the unwarranted suspension of their operations. Moreover, this will give its potential investors a reasonable assurance of a return of their investment considering that the airline business is a capital intensive venture.

Approval of this bill is earnestly sought.


ARTHUR D. DEFENSOR

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AN ACT
EXTENDING THE TERM OF FRANCHISE OF FILIPINAS ORIENT AIRWAYS
INC. GRANTED UNDER REPUBLIC ACT NUMBERED FORTY-ONE
HUNDRED AND FORTY-SEVEN AND FOR OTHER PURPOSES

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

SECTION 1. Extension of Franchise. – The term of the franchise of the Filipinas Orient Airways, Inc. granted under Republic Act No. 4147 is hereby extended to another twenty five (25) years from the date of effectivity of this Act.

SEC. 2. Equality Clause. – In the event that any competing individual, partnership or corporation receives or enjoys tax privileges and other favorable terms which tend to place the herein grantee at any disadvantage, then such provisions shall be deemed ipso facto part hereof and shall operate equally in favor of the grantee.

SEC. 3. Effectivity Clause. – This Act shall take effect fifteen days from the date of its publication, upon the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

Approved,