

[ADMINISTRATIVE ORDER NO. 397, May 13, 1998]

WHEREAS, the Construction and Development Corporation of the Philippines (CDCP), now Philippine National Construction Corporation (PNCC), entered into a contract with the Republic of the Philippines represented by the then Department of Public Highways (DPH), now Department of Public Works and Highways (DPWH) dated 20 November 1973 for the construction of the Manila-Cavite Coastal Road and the reclamation of some portions of the foreshore and off-shore lands along Manila Bay at PNCC's own expense, otherwise known as the Manila-Cavite Coastal Road and Reclamation project (MCCRRP);

WHEREAS, under the contract, the compensation for PNCC on the project was in the form of reclaimed lands with an area not exceeding 50% of the total reclaimed lands covered by Certificates of Pledge to be issued by DPWH;

WHEREAS, pursuant to the aforesaid contract, the lands ceded to PNCC are (1) the lands known as the Financial Center Area (FCA) consisting of 56.3212 hectares; (2) portion of the reclaimed lands known as the Central Business Park I (CBP-1) consisting of 77.1538 hectares and (3) all of the reclaimed lands known as the First Neighborhood Unit (FNU) consisting of 172.5299 hectares;

WHEREAS, pursuant to Presidential Decree No. 1084, the Public Estates Authority (PEA) was mandated to reclaim lands, including foreshore and submerged areas, and to acquire reclaimed lands for the purpose of developing and taking charge of their disposition;

WHEREAS, pursuant to Presidential Decree No. 1085, the ownership over the lands reclaimed in the foreshore and offshore area under the MCCRRP were to be transferred, conveyed and assigned to PEA provided that the rights and interests of PNCC pursuant to the aforesaid contract should be recognized and respected;

WHEREAS, in a Memorandum of Agreement (MOA) dated 29 December 1981, PNCC ceded and transferred all its rights, title, interest and participation over those reclaimed areas under the MCCRRP which were not yet transferred or disposed as of 30 December 1981, in favor of PEA;

WHEREAS, the reclaimed lands ceded consist of an area approximately 99,473 sq. m. in the FCA covered by Land Pledge No. 5 and approximately 3,382,888 sq. m. of reclaimed lands of varying elevations above mean low water level located outside the FCA and the FNU and that PEA agreed to pay PNCC the sum of P1,517,959,000.00;

WHEREAS, PNCC still has unsettled claims against PEA arising from the MCCRRP contract and the MOA dated 29 December 1981;

WHEREAS, Memorandum Order No. 293, series of 1995 created an Arbitration Committee composed of representatives from the Departments of Finance, Justice,