

[EXECUTIVE ORDER NO. 14, February 28, 2017]

REVERTING THE CLARK INTERNATIONAL AIRPORT CORPORATION AS A SUBSIDIARY OF THE BASES CONVERSION AND DEVELOPMENT AUTHORITY, AND MAINTAINING THE POLICY SUPERVISION AND OPERATIONAL CONTROL OF THE DEPARTMENT OF TRANSPORTATION OVER THE CLARK INTERNATIONAL AIRPORT

WHEREAS, Republic Act (RA) No. 7227, or the "Bases Conversion and Development Act of 1992" created the Bases Conversion and Development Authority (BCDA) for the purposes of adopting, preparing and implementing a comprehensive and detailed development plan for the sound and balanced conversion of the Clark military reservation; encouraging the active participation of the private sector in transforming said military reservation into other productive uses; and serving as the holding company of subsidiary companies created under said law, among others;

WHEREAS, Proclamation No. 163 (s. 1993) created the Clark Special Economic Zone (CSEZ) consisting of parcels of land formerly occupied by the Clark military reservation and its contiguous extensions, and transferring said lands to the BCDA;

WHEREAS, in line with the vision to convert Clark into an international civil aviation complex, Executive Order (EO) No. 80 (s. 1993) created the Clark Development Corporation (CDC) as a subsidiary of BCDA, to serve as the latter's operating and implementing arm for the management of the CSEZ;

WHEREAS, EO No. 174 (s. 1994) designated the CSEZ as the site for the Clark International Airport and mandated the BCDA to recommend the organizational structure of a proposed Clark International Airport Corporation (CIAC) which shall have jurisdiction over the operations of the entire Clark Civil Aviation Complex (CCAC);

WHEREAS, EO No. 192 (s. 1994) created CIAC, a non-chartered, wholly- owned subsidiary of CDC, duly registered with the Securities and Exchange Commission (SEC), to operate and manage CCAC;

WHEREAS, RA No. 9400 amended Section 15 of RA No. 7227, and declared 4,400 hectares of the Clark Main Zone/Air Base Proper as the Clark Freeport Zone (CFZ), and the remaining area comprised of approximately 27,000 hectares as the CSEZ;

WHEREAS, EO No. 716 (s. 2008), amending EO No. 193 (s. 2003), transformed CIAC from a subsidiary of CDC to a subsidiary of the BCDA, and subjected CIAC to the policy supervision of the then Department of Transportation and Communications (DOTC);

WHEREAS, EO No. 64 (s. 2011) attached the CIAC to DOTC (now Department of Transportation [DOTr]) and granted the latter administrative control and supervision over the former, and likewise directed BCDA, or the entity or persons in whose

names the shares of stock of CIAC are registered, to transfer and convey the shares of stock of CIAC to the National Government;

WHEREAS, the national government promotes and supports the full development of the Clark International Airport as part of efforts to decongest air and land traffic in Metropolitan Manila;

WHEREAS, there is a need to restructure CIAC as a subsidiary of the BCDA to ensure that the development of the CCAC remains parallel with the development of CFZ as a premier investment and promotions destination;

WHEREAS, EO No. 292 (s. 1987) or the "Administrative Code of 1987" grants the President of the Philippines continuing authority to reorganize the administrative structure of the Executive Branch;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Declaration of Policy. There is a need to facilitate the full development of the Clark International Airport (the Airport) as a major and alternative gateway to and from the Philippines to achieve economic efficiency and support the development thrust of the government.

SECTION 2. Restructuring of CIAC. The CIAC is hereby restructured from being an attached agency of DOTr to a subsidiary of BCDA. The ownership of CIAC shall be transferred to BCDA.

The DOTr is hereby ordered to facilitate the transfer and conveyance of the shares currently owned by the Republic of the Philippines, as well as those shares held in the name of its nominee stockholders, in favor of BCDA and its nominees; *Provided,* however, that any delay in the execution of such documents of transfer and conveyance of the shares of stock of CIAC shall not, in any event, delay, hinder or deter the immediate exercise of ownership rights over CIAC by BCDA.

The respective governing boards and management of CIAC and BCDA are directed to implement all pertinent laws, rules and regulations necessary for the said transfer of shares, and to take all proper and necessary steps under Securities and Exchange Commission regulations to accomplish this purpose.

All other heads of government departments, bureaus, offices, agencies, government-owned and -controlled corporations and instrumentalities are hereby enjoined to render full assistance and cooperation to CIAC for the full development of the CCAC.

SECTION 3. Mandate of CIAC. The CIAC shall only engage in civil aviation, aviation-related services and aviation-related logistics activities within CCAC and the Clark Industrial Estate 5 areas, as defined in EO No. 716. For all other business activities, prior approval of the DOTr and BCDA shall be secured.

SECTION 4. Authority of DOTr. The DOTr shall exercise policy supervision and full regulatory and operational control over the operations of the Airport.

SECTION 5. Board of Directors. The powers and functions of the CIAC shall be vested in and exercised by a Board of Directors to be composed of the following: