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[G.R. No. 155001, January 21, 2004]

DEMOSTHENES P. AGAN, JR., JOSEPH B. CATAHAN, JOSE MARI B. REUNILLA, MANUEL ANTONIO B. BOÑE, MAMERTO S. CLARA, REUEL E. DIMALANTA, MORY V. DOMALAON, CONRADO G. DIMAANO, LOLITA R. HIZON, REMEDIOS P. ADOLFO, BIENVENIDO C. HILARIO, MIASCOR WORKERS UNION-NATIONAL LABOR UNION (MWU-NLU), AND PHILIPPINE AIRLINES EMPLOYEES ASSOCIATION (PALEA), PETITIONERS, VS. PHILIPPINE INTERNATIONAL AIR TERMINALS CO., INC., MANILA INTERNATIONAL AIRPORT AUTHORITY, DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS AND SECRETARY LEANDRO M. MENDOZA, IN HIS CAPACITY AS HEAD OF THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS, RESPONDENTS,

MIASCOR GROUNDHANDLING CORPORATION, DNATA-WINGS AVIATION SYSTEMS CORPORATION, MACROASIA-EUREST SERVICES, INC., MACROASIA-MENZIES AIRPORT SERVICES CORPORATION, MIASCOR CATERING SERVICES CORPORATION, MIASCOR AIRCRAFT MAINTENANCE CORPORATION, AND MIASCOR LOGISTICS CORPORATION, PETITIONERS-IN-INTERVENTION,

FLORESTE ALCONIS, GINA ALNAS, REY AMPOLOQUIO, ROSEMARIE ANG, EUGENE ARADA, NENETTE BARREIRO, NOEL BARTOLOME, ALDRIN BASTADOR, ROLETTE DIVINE BERNARDO, MINETTE BRAVO, KAREN BRECILLA, NIDA CAILAO, ERWIN CALAR, MARIFEL CONSTANTINO, JANETTE CORDERO, ARNOLD FELICITAS, MARISSA GAYAGOY, ALEX GENERILLO, ELIZABETH GRAY, ZOILO HERICO, JACQUELINE IGNACIO, THELMA INFANTE, JOEL JUMAO-AS, MARIETTA LINCHOCO, ROLLY LORICO, FRANCIS AUGUSTO MACATOL, MICHAEL MALIGAT, DENNIS MANALO, RAUL MANGALIMAN, JOEL MANLANGIT, CHARLIE MENDOZA, HAZNAH MENDOZA, NICHOLS MORALES, ALLEN OLAÑO, CESAR ORTAL, MICHAEL ORTEGA, WAYNE PLAZA, JOSELITO REYES, ROLANDO REYES, AILEEN SAPINA, RAMIL TAMAYO, PHILLIPS TAN, ANDREW UY, WILLIAM VELASCO, EMILIO VELEZ, NOEMI YUPANO, MARY JANE ONG, RICHARD RAMIREZ, CHERYLE MARIE ALFONSO, LYNDON BAUTISTA, MANUEL CABOCAN AND NEDY LAZO, RESPONDENTS-IN-INTERVENTION,

NAGKAISANG MARALITA NG TAÑONG ASSOCIATION, INC., RESPONDENTS-IN-INTERVENTION,

[G.R. NO. 155547]

**SALACNIB F. BATERINA, CLAVEL A. MARTINEZ AND
CONSTANTINO G. JARULA, PETITIONERS, VS. PHILIPPINE
INTERNATIONAL AIR TERMINALS CO., INC., MANILA
INTERNATIONAL AIRPORT AUTHORITY, DEPARTMENT OF
TRANSPORTATION AND COMMUNICATIONS, DEPARTMENT OF
PUBLIC WORKS AND HIGHWAYS, SECRETARY LEANDRO M.
MENDOZA, IN HIS CAPACITY AS HEAD OF THE DEPARTMENT OF
TRANSPORTATION AND COMMUNICATIONS, AND SECRETARY
SIMEON A. DATUMANONG, IN HIS CAPACITY AS HEAD OF THE
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS,
RESPONDENTS,**

**JACINTO V. PARAS, RAFAEL P. NANTES, EDUARDO C. ZIALCITA,
WILLY BUYSON VILLARAMA, PROSPERO C. NOGRALES,
PROSPERO A. PICHAY, JR., HARLIN CAST ABAYON, AND
BENASING O. MACARANBON, RESPONDENTS-INTERVENORS,**

**FLORESTE ALCONIS, GINA ALNAS, REY AMPOLOQUIO,
ROSEMARIE ANG, EUGENE ARADA, NENETTE BARREIRO, NOEL
BARTOLOME, ALDRIN BASTADOR, ROLETTE DIVINE BERNARDO,
MINETTE BRAVO, KAREN BRECILLA, NIDA CAILAO, ERWIN
CALAR, MARIFEL CONSTANTINO, JANETTE CORDERO, ARNOLD
FELICITAS, MARISSA GAYAGOY, ALEX GENERILLO, ELIZABETH
GRAY, ZOILO HERICO, JACQUELINE IGNACIO, THELMA INFANTE,
JOEL JUMAO-AS, MARIETTA LINCHOCO, ROLLY LORICO,
FRANCIS AUGUSTO MACATOL, MICHAEL MALIGAT, DENNIS
MANALO, RAUL MANGALIMAN, JOEL MANLANGIT, CHARLIE
MENDOZA, HAZNAH MENDOZA, NICHOLS MORALES, ALLEN
OLAÑO, CESAR ORTAL, MICHAEL ORTEGA, WAYNE PLAZA,
JOSELITO REYES, ROLANDO REYES, AILEEN SAPINA, RAMIL
TAMAYO, PHILLIPS TAN, ANDREW UY, WILLIAM VELASCO,
EMILIO VELEZ, NOEMI YUPANO, MARY JANE ONG, RICHARD
RAMIREZ, CHERYLE MARIE ALFONSO, LYNDON BAUTISTA,
MANUEL CABOCAN AND NEDY LAZO, RESPONDENTS-IN-
INTERVENTION,**

**NAGKAISANG MARALITA NG TAÑONG ASSOCIATION, INC.,
RESPONDENTS-IN-INTERVENTION,**

[G.R. NO. 155661]

**CEFERINO C. LOPEZ, RAMON M. SALES, ALFREDO B. VALENCIA,
MA. TERESA V. GAERLAN, LEONARDO DE LA ROSA, DINA C. DE
LEON, VIRGIE CATAMIN, RONALD SCHLOBOM, ANGELITO
SANTOS, MA. LUISA M. PALCON AND SAMAHANG MANGGAGAWA
SA PALIPARAN NG PILIPINAS (SMPP), PETITIONERS, VS.
PHILIPPINE INTERNATIONAL AIR TERMINALS CO., INC.,
MANILA INTERNATIONAL AIRPORT AUTHORITY, DEPARTMENT
OF TRANSPORTATION AND COMMUNICATIONS, SECRETARY
LEANDRO M. MENDOZA, IN HIS CAPACITY AS HEAD OF THE**

**DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS,
RESPONDENTS,**

**FLORESTE ALCONIS, GINA ALNAS, REY AMPOLOQUIO,
ROSEMARIE ANG, EUGENE ARADA, NENETTE BARREIRO, NOEL
BARTOLOME, ALDRIN BASTADOR, ROLETTE DIVINE BERNARDO,
MINETTE BRAVO, KAREN BRECILLA, NIDA CAILAO, ERWIN
CALAR, MARIFEL CONSTANTINO, JANETTE CORDERO, ARNOLD
FELICITAS, MARISSA GAYAGOY, ALEX GENERILLO, ELIZABETH
GRAY, ZOILO HERICO, JACQUELINE IGNACIO, THELMA INFANTE,
JOEL JUMAO-AS, MARIETTA LINCHOCO, ROLLY LORICO,
FRANCIS AUGUSTO MACATOL, MICHAEL MALIGAT, DENNIS
MANALO, RAUL MANGALIMAN, JOEL MANLANGIT, CHARLIE
MENDOZA, HAZNAH MENDOZA, NICHOLS MORALES, ALLEN
OLAÑO, CESAR ORTAL, MICHAEL ORTEGA, WAYNE PLAZA,
JOSELITO REYES, ROLANDO REYES, AILEEN SAPINA, RAMIL
TAMAYO, PHILLIPS TAN, ANDREW UY, WILLIAM VELASCO,
EMILIO VELEZ, NOEMI YUPANO, MARY JANE ONG, RICHARD
RAMIREZ, CHERYLE MARIE ALFONSO, LYNDON BAUTISTA,
MANUEL CABOCAN AND NEDY LAZO, RESPONDENTS-IN-
INTERVENTION,**

**NAGKAISANG MARALITA NG TAÑONG ASSOCIATION, INC.,
RESPONDENTS-IN-INTERVENTION.**

RESOLUTION

PUNO, J.:

Before this Court are the separate Motions for Reconsideration filed by respondent Philippine International Air Terminals Co., Inc. (PIATCO), respondents-intervenors Jacinto V. Paras, Rafael P. Nantes, Eduardo C. Zialcita, Willie Buyson Villarama, Prospero C. Nograles, Prospero A. Pichay, Jr., Harlin Cast Abayon and Benasing O. Macaranbon, all members of the House of Representatives (Respondent Congressmen),^[1] respondents-intervenors who are employees of PIATCO and other workers of the Ninoy Aquino International Airport International Passenger Terminal III (NAIA IPT III) (PIATCO Employees)^[2] and respondents-intervenors Nagkaisang Maralita ng Tañong Association, Inc., (NMTAI)^[3] of the Decision of this Court dated May 5, 2003 declaring the contracts for the NAIA IPT III project null and void.

Briefly, the proceedings. On October 5, 1994, Asia's Emerging Dragon Corp. (AEDC) submitted an unsolicited proposal to the Philippine Government through the Department of Transportation and Communication (DOTC) and Manila International Airport Authority (MIAA) for the construction and development of the NAIA IPT III under a build-operate-and-transfer arrangement pursuant to R.A. No. 6957, as amended by R.A. No. 7718 (BOT Law).^[4] In accordance with the BOT Law and its Implementing Rules and Regulations (Implementing Rules), the DOTC/MIAA invited the public for submission of competitive and comparative proposals to the unsolicited proposal of AEDC. On September 20, 1996 a consortium composed of the People's Air Cargo and Warehousing Co., Inc. (Paircargo), Phil. Air and Grounds Services, Inc. (PAGS) and Security Bank Corp. (Security Bank) (collectively,

Paircargo Consortium), submitted their competitive proposal to the Prequalification Bids and Awards Committee (PBAC).

After finding that the Paircargo Consortium submitted a bid superior to the unsolicited proposal of AEDC and after failure by AEDC to match the said bid, the DOTC issued the notice of award for the NAIA IPT III project to the Paircargo Consortium, which later organized into herein respondent PIATCO. Hence, on July 12, 1997, the Government, through then DOTC Secretary Arturo T. Enrile, and PIATCO, through its President, Henry T. Go, signed the "Concession Agreement for the Build-Operate-and-Transfer Arrangement of the Ninoy Aquino International Airport Passenger Terminal III" (1997 Concession Agreement). On November 26, 1998, the 1997 Concession Agreement was superseded by the Amended and Restated Concession Agreement (ARCA) containing certain revisions and modifications from the original contract. A series of supplemental agreements was also entered into by the Government and PIATCO. The First Supplement was signed on August 27, 1999, the Second Supplement on September 4, 2000, and the Third Supplement on June 22, 2001 (collectively, Supplements) (the 1997 Concession Agreement, ARCA and the Supplements collectively referred to as the PIATCO Contracts).

On September 17, 2002, various petitions were filed before this Court **to annul the 1997 Concession Agreement, the ARCA and the Supplements** and to prohibit the public respondents DOTC and MIAA from implementing them.

In a decision dated May 5, 2003, this Court granted the said petitions and declared the 1997 Concession Agreement, the ARCA and the Supplements null and void.

Respondent PIATCO, respondent-Congressmen and respondents-intervenors now seek the reversal of the May 5, 2003 decision and pray that the petitions be dismissed. In the alternative, PIATCO prays that the Court should not strike down the entire 1997 Concession Agreement, the ARCA and its supplements in light of their separability clause. Respondent-Congressmen and NMTAI also pray that in the alternative, the cases at bar should be referred to arbitration pursuant to the provisions of the ARCA. PIATCO-Employees pray that the petitions be dismissed and remanded to the trial courts for trial on the merits or in the alternative that the 1997 Concession Agreement, the ARCA and the Supplements be declared valid and binding.

I

Procedural Matters

a. Lack of Jurisdiction

Private respondents and respondents-intervenors reiterate a number of procedural issues which they insist deprived this Court of jurisdiction to hear and decide the instant cases on its merits. They continue to claim that the cases at bar raise factual questions which this Court is ill-equipped to resolve, hence, they must be remanded to the trial court for reception of evidence. Further, they allege that although designated as petitions for certiorari and prohibition, the cases at bar are actually actions for nullity of contracts over which the trial courts have exclusive jurisdiction. Even assuming that the cases at bar are special civil actions for

certiorari and prohibition, they contend that the principle of hierarchy of courts precludes this Court from taking primary jurisdiction over them.

We are not persuaded.

There is a question of fact when doubt or difference arises as to the truth or falsity of the facts alleged.^[5] Even a cursory reading of the cases at bar will show that the Court decided them by interpreting and applying the Constitution, the BOT Law, its Implementing Rules and other relevant legal principles on the basis of **clearly undisputed facts**. All the **operative facts** were settled, hence, there is no need for a trial type determination of their truth or falsity by a trial court.

We reject the unyielding insistence of PIATCO Employees that the following factual issues are critical and beyond the capability of this Court to resolve, *viz*: (a) whether the National Economic Development Authority- Investment Coordinating Committee (NEDA-ICC) approved the Supplements; (b) whether the First Supplement created ten (10) new financial obligations on the part of the government; and (c) whether the 1997 Concession Agreement departed from the draft Concession Agreement contained in the Bid Documents.^[6]

The factual issue of whether the NEDA-ICC approved the Supplements is hardly relevant. It is clear in our Decision that the PIATCO contracts were invalidated on other and more substantial grounds. It did not rely on the presence or absence of NEDA-ICC approval of the Supplements. On the other hand, the last two issues do not involve disputed facts. Rather, they involve contractual provisions which are **clear and categorical and need only to be interpreted**. The interpretation of contracts and the determination of whether their provisions violate our laws or contravene any public policy **is a legal issue which this Court may properly pass upon**.

Respondents' corollary contention that this Court violated the hierarchy of courts when it entertained the cases at bar must also fail. The rule on **hierarchy of courts** in cases falling within the concurrent jurisdiction of the trial courts and appellate courts generally applies to cases involving warring factual allegations. For this reason, litigants are required to repair to the trial courts at the first instance to determine the truth or falsity of these contending allegations on the basis of the evidence of the parties. Cases which depend on disputed facts for decision cannot be brought immediately before appellate courts as they are not triers of facts.

It goes without saying that when cases brought before the appellate courts do not involve factual but **legal questions**, a strict application of the rule of hierarchy of courts is not necessary. As the cases at bar merely concern the construction of the Constitution, the interpretation of the BOT Law and its Implementing Rules and Regulations on **undisputed contractual provisions** and government actions, and as the cases **concern public interest**, this Court resolved to take primary jurisdiction over them. This choice of action follows the consistent stance of this Court to settle any controversy with a high public interest component in a single proceeding and to leave no root or branch that could bear the seeds of future litigation. The suggested remand of the cases at bar to the trial court will stray away from this policy.^[7]