

# PRESIDENTIAL DECREE NO. 1084

## CREATING THE PUBLIC ESTATES AUTHORITY, DEFINING ITS POWER AND FUNCTIONS, PROVIDING FUNDS THEREFORE AND FOR OTHER PURPOSES

WHEREAS, there is a need to provide a coordinated, economical and efficient administration of lands and real estate, especially reclaimed lands, belonging to, managed and/or operated by the Government;

WHEREAS, a government-owned and/or controlled entity organized for the purpose is necessary;

NOW, THEREFORE, I FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

**SECTION 1. Short Title** - This decree shall be known as the Charter of the Public Estates Authority.

**SECTION 2. Declaration of Policy** - It is the declared policy of the State to provide for a coordinated, economical and efficient reclamation of lands, and the administration and operation of lands belonging to, managed and/or operated by the Government, with the object of maximizing their utilization and hastening their development consistent with the public interest.

**SECTION 3. Creation, Name, Domicile and Term** - There is hereby created a body corporate to be known as the Public Estates Authority, hereinafter referred to as the "Authority" which shall have the attribute of perpetual succession and possessed of the powers of corporations, to be exercised in conformity with the provisions of this Charter.

The principal office of the Authority shall be determined by its Board of Directors. It may establish such offices, agencies or branches in the Philippines as its business operations would require.

The Authority shall have a term of fifty (50) years from the issuance hereof, which shall be deemed for an equal period unless sooner dissolved by law.

**SECTION 4. Purposes** - The Authority is hereby created for the following purposes:

- a. To reclaim land, including foreshore and submerged areas, by dredging, filling or other means, to acquire reclaimed land;
- b. To develop, improve, acquire, administer, deal in, sub- divide, dispose, lease and sell any and all kinds of lands, buildings, estates, and other forms of real property, owned, managed, controlled and/or operated by the Government; and
- c. To provide for, operate or administer such services as may be necessary for the efficient, economical and beneficial utilization of the above properties.

**SECTION 5 - Powers and Functions of the Authority** - The Authority shall, in carrying out the purposes for which it is created, have the following powers and functions:

- a. To prescribe its By-Laws;
- b. To sue and be sued in its corporate name;
- c. To adopt and use a seal and alter it at its pleasure;
- d. To purchase, lease, build, alter, construct, erect, enlarge, occupy, manage, sell, mortgage, dispose of, or otherwise deal in, buildings of every kind and character whatsoever, whether belonging to, or to

be acquired by the Authority;

e. To construct, maintain and operate mains, pipes, machinery, water reservoirs, artesian wells as may be reasonably and necessarily required for the transaction of the lawful business of the Authority;

f. To own or operate railroads, tramways and other kinds of land transportation, vessels and pipelines, power house, hotels, restaurants, terminals, warehouses and to manufacture, produce, purchase, sell, dispose, encumber or otherwise deal in, rolling stock, equipment, tools and other appliances; to construct and operate in connection with its railroad lines toll viaducts, toll bridges and toll tunnels;

g. To construct, maintain and operate such systems of sanitary sewers as may be necessary for the proper sanitation of its areas of operation; to charge and collect such sums for constructions and rates for this service as may be determined by the Board to be equitable and just; and to process waste materials obtained in the sewers for fertilizing purposes;

h. To construct, maintain and operate such storm drains as may be necessary;

i. To hold lands of the public domain in excess of area permitted to private corporations by statute;

j. To reclaim lands and to construct work across, or otherwise, any stream, watercourse, canal, ditch, flume, street, avenue, highway or railway of private or public ownership, as the location of said works may require, provided, that, said works be constructed in such a manner as not to endanger life or property or in a manner not to impair unnecessarily their usefulness. Every person or entity whose property is crossed or interested by said works shall not obstruct any such crossings or intersections and shall grant the Authority or its representatives, the proper authority for the execution of such work. The Authority is hereby given the right-of-way to locate, construct and maintain such works over and throughout the lands owned by the Republic of the Philippines or any of its branches and political subdivisions. The Authority or its representatives may also enter upon private property in the lawful performance or prosecution of its business and purposes; provided, that, the owner of such private property shall be indemnified for any actual damage caused thereby;

k. To issue such regulations as may be necessary for the proper use by private parties of any or all of the highways, roads, utilities, buildings and/or any of its properties and to impose or collect fees or tolls for their use, provided that, all receipts by the Authority from fees, tolls and other charges are automatically appropriated for its use;

l. To organize subsidiary companies to undertake any of the activities mentioned herein. The capital stock of such subsidiary companies shall be subscribed in whole or in part by the Authority.

m. To enter into, make, perform and carry out contracts of every class and description, including loan agreements, mortgages and other types of security arrangements, necessary or incidental to the realization of its purposes with any person, firm or corporation, private or public, and with any foreign government or entity;

n. To exercise the right of eminent domain in the name of the Republic of the Philippines, and in the acquisition of real estate by condemnation proceedings, the title to such real estate shall be taken in the name of the Republic of the Philippines, and thereupon, all such real estate shall be entrusted to the Authority as the agent of the Republic of the Philippines to accomplish the aims and purposes of this Decree;

o. To perform such acts and exercise such functions as may be necessary for the attainment of the purposes and objectives herein specified;

p. To promulgate such rules and regulations as may be necessary to carry out its purposes and to provide penalties for the violation thereof which penalties shall be a fine of not more than five hundred pesos or imprisonment for not more than six months, or both such fine and imprisonment in the discretion of the Court; and

q. To perform such other functions as may be provided by law.

**SECTION 6. - Governing Body** - The Authority shall be governed by a Board of Directors, hereinafter referred to as the "Board" which shall be composed of a Chairman and four (4) members, to be appointed by the President of the Philippines. The Chairman and members of the Board shall serve for a term of three (3) years or until their successors shall have been appointed and qualified. In case of any vacancy in the Board the same shall be filled by the President of the Philippines for the unexpired term.

The Chief Executive of the Authority shall be a General Manager who shall be appointed by the President of the Philippines for the same term.

No person shall be appointed as Chairman or member of the Board, or as General Manager, unless he is a natural-born citizen of the Philippines, at least thirty (30) years of age and of established integrity.

**SECTION 7 - Capital Stock** - The Authority shall have an authorized capital stock divided into THREE MILLION (3, 000,000.00) no par value shares to be subscribed and paid for as follows:

a. TWO MILLION (2,000,000.00) shares shall be originally subscribed and paid for by the Republic of the Philippines by the transfer, conveyance and assignment of all the rights and interest of the Republic of the Philippines in that contract executed by and between the Construction and Development Corporation of the Philippines and the Bureau of Public Highways on November 20, 1973, the fair value of such rights and interests to be determined by the Board of Directors and approved by the President of the Philippines and the amount of FIVE MILLION (P5,000,000.00) PESOS in cash; and

b. The remaining ONE MILLION (1, 000,000.00) shares of stock may be subscribed and paid for by the Republic of the Philippines or by government financial institutions at values to be determined by the Board and approved by the President of the Philippines.

The fair value of the interests hereby transferred shall, for all intents and purposes, be considered as paid-up capital pertaining to the Government of the Republic of the Philippines or the Authority.

The voting power pertaining to the shares of stock subscribed by the Government of the Republic of the Philippines shall be vested in the President of the Philippines or in such person or persons as he may designate.

**SECTION 8. - Duties and Responsibilities of the General Manager.** The General Manager shall have the following duties and responsibilities:

a. To act as Chief Executive of the Authority;

b. To execute, administer and implement the policies and measures approved by the Board;

c. To direct and supervise the operations and administration of the Authority;

d. To represent the Authority in all dealings with offices, agencies and instrumentalities of the government and with all persons and other entities, public or private, domestic or foreign;

e. To prepare the agenda for the meetings of the Board, and to submit for the consideration of the Board, such policies and measures as he believes necessary to carry out the purposes and objectives of this Decree; and

f. To exercise such other powers and perform such other duties provided in the By-Laws and as may be vested in him by the Board.

**SECTION 9. Issuance of Bonds.** - The Authority, upon the recommendation of the Secretary of Finance, the Monetary Board and the National Economic and Development Authority and with the approval of the President, is hereby authorized to issue bonds or other securities, whether tax-exempt or not, which may be guaranteed by the Government, to finance its operations.

**SECTION 10. Auditor.** - The Commission on Audit shall appoint subject to the approval of the Board, a representative who shall be the Auditor of the Authority and such personnel as may be necessary to assist said representative in the performance of his duties.

**SECTION 11. Appointment, Control and Discipline of Personnel.** The Board, upon recommendation of the General Manager of the Authority, shall appoint the officers and employees of the Authority and its subsidiaries; fix their compensation, allowances and benefits, their working hours and such other conditions of employment as it may deem proper; grant them leaves of absence under such regulations as it may promulgate; discipline and/or remove them for cause; and establish and maintain a recruitment and merit system for the Authority and its affiliates and subsidiaries.

**SECTION 12. Loans.** - The Authority, as well as any affiliate corporation in which it holds, owns and/or controls by itself or jointly with one or more government-owned or controlled corporations at least seventy-five percent (75%) of the issued and outstanding shares of stock entitled to vote, when specifically authorized by the President of the Philippines, is hereby authorized to contract loans, credits, in any convertible foreign currency or capital goods, and indebtedness from time to time from foreign governments, or any international financial institutions or fund sources, or any entities, on such terms and conditions as it shall deem appropriate for the accomplishment of its purposes and to enter into and execute agreements and other documents specifying such terms and conditions.

**SECTION 13. Government Financial Institutions Guarantee.** - The provision of any law to the contrary notwithstanding, any financial institution owned or controlled by the Government of the Republic of the Philippines, other than the Central Bank, Government Service Insurance System, and the Social Security System, is hereby empowered to guarantee acceptance credits, loans, transactions, undertakings or obligations of any kind which may be incurred by the Authority, whether directly or indirectly, in favor of any person, association or entity, whether domestic or foreign.

**SECTION 14. Reports.** - The Authority shall, within three months after the end of every fiscal year submit its annual report to the President. It shall likewise submit such periodic or other reports as may be required of it from time to time.

**SECTION 15. Appropriation.** - The amount of FIVE MILLION PESOS (P5,000,000.00) which shall constitute partial payment of the subscription of the Republic of the Philippines in the capital stock of the corporation as provided in Section 7 of this Charter is hereby appropriated out of any funds in the National Treasury not otherwise appropriated.

**SECTION 16. Separability Clause.** - Should any provision of this Decree be held unconstitutional, no other provision hereof shall be affected thereby.

**SECTION 17. Repealing Clause.** - All laws, decrees, executive orders, administrative orders, rules and regulations or parts thereof inconsistent herewith are hereby repealed, amended or modified accordingly.

**SECTION 18. Effectivity.** - This Decree shall take effect immediately.

DONE in the City of Manila, this 4th day of February, in the year of Our Lord, Nineteen Hundred and Seventy-Seven.

(SGD.) **FERDINAND E. MARCOS**  
President of the Philippines