Mactan-Cebu International Airport Passenger Terminal Public-Private Partnership (PPP) Project

Project Background

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The Prospective Bidder shall bear all its costs associated with or relating to the preparation and submission of its Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the DOTC and MCIAA or any other costs incurred in connection with or relating to its Bid. All such costs and expenses will remain with the Prospective Bidder and the DOTC and MCIAA shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Prospective Bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the Bidding Process.

PROJECT BACKGROUND

Mactan Cebu International Airport (MCIA) is located on Mactan Island in Cebu Province of the Central Visayas area in the Philippines. Apart from being the second largest airport in the Philippines in terms of domestic traffic, MCIA is also a gateway airport for various tourist destinations in the Visayas Islands. The Airport has witnessed significant growth in traffic and handled more than 4.74 million domestic passengers and more than 1.47 million international passengers in 2011.

The airport is currently managed and operated by Mactan-Cebu International Airport Authority ("MCIAA") - a body corporate created pursuant to Republic Act No. 6958, otherwise known as the Charter of the Mactan-Cebu International Airport Authority. MCIAA is attached to the Department of Transportation and Communications, Government of Philippines. It is mandated to principally undertake the economical, efficient, and effective control, management, and supervision of the Mactan Cebu International Airport.

Mactan Cebu International Airport - Prominence in the Philippines Air Transportation System

The Philippines is an archipelago of 7,107 islands spread over a total land area of 299,764 square kilometers and depends on air transport as a quick mode of transportation. Because of this, a large number of airports of various sizes have been developed across the Philippines.

The airports are divided in categories of National airports and Private airports. National airports are sub-divided into Domestic and International airports. Private airports are small airstrips, which are used by provincial governments or corporates and are used only for non-scheduled air services.

Growth in aviation sector in the Philippines has largely moved in tandem with economic growth. In terms of distribution of passenger traffic, 4 major international airports handle more than 70% of total passenger traffic of the Philippines. Mactan-Cebu International Airport is the second most important airport for the Philippines in terms of passenger traffic. The table below presents the passenger traffic at 4 major international airports for calendar year 2010.

Table 1: Passenger Traffic at 4 major international airports in Philippines

S.N.	Airports	Passengers	% Share
1.	Ninoy Aquino (Manila) International Airport	20,281,231	49.63%
2.	Mactan-Cebu International Airport	5,791,387	14.17%
3.	Francisco Bangoy (Davao) International Airport	2,229,177	5.46%
4.	Kalibo International Airport	1,048,288	2.57%
	Grand Total of all airports in Philippines	**40,862,311**	

The Philippines is categorized broadly into three geographical divisions: Luzon, Visayas, and Mindanao. The Visayas consists of several islands, primarily surrounding the Visayan Sea. There are three administrative Regions of Philippines in the Visayas: Western Visayas, Central Visayas and Eastern Visayas.

Central Visayas, designated as Region VII, is located in the central part of the Visayas island group. It consists of four provinces—Bohol, Cebu, Negros Oriental, and Siquijor— and the highly urbanized cities of Cebu City, Lapu-Lapu City, and Mandaue City. The City of Cebu is the capital city of Cebu and is the "second city" in the Philippines with the second most significant metropolitan center and known as the oldest settlement established by the Spaniards in the country, located on the eastern shore of Cebu. Cebu City is

the center of a metropolitan area called Metro Cebu, which includes the cities of Mandaue, Lapu-Lapu and Talisay.

One of the unique advantages of the Cebu city, which has also contributed to rapid growth in air passenger traffic over the last few years, is the fact that the city is a hub for industrial and tourism sectors and attracts both business as well as leisure travellers (tourists) from across the world.

Cebu Region - A Prominent Industrial Area

Government of Philippines has promoted Special Economic Zones in the country to spur economic growth. Cebu City and Mactan Islands have Manufacturing Economic Zone, IT & BPO zone and Tourism Eco-zone. Presented below is a list of economic zones in Cebu and Mactan:

- Arcenas Estate IT Building
- CBP-IT Park
- Cebu I.T. Park (formerly Asia Town Information Technology Park)
- Cebu I.T. Tower
- Cebu Light Industrial Park
- Cebu South Road Properties
- Mactan Economic Zone
- Mactan Ecozone II
- Mango Square
- Bigfoot Information Technology Park

Primary contribution from these zones is for IT-BPO services, manufacturing goods and agro-industrial goods. The development of above economic zones, amongst other factors, have enabled Cebu City to be transformed into a highly-urbanized city, which makes itself independent of Cebu province, despite hosting the province's capital. Cebu City is considered as one of the most progressive cities in the Philippines. Over the past 5 years, the entry of business process outsourcing (BPO) firms such as call centers has contributed much to the growth of the local economy. BPO sites are scattered throughout the city.

The Port of Cebu is the region's main gateway. It is the Philippines' main domestic shipping port and is home to about 80% of the country's domestic shipping companies.

Trade and commerce lead as the Cebu City’s source of livelihood and form its main economic base. Over the years, the city has also become the center for the following economic activities in the region.

- Banking and finance
- General merchandising
- Manufacturing
- Wholesale and retail establishments
- Other linkages, including transport and communications

Mactan Island is also known for its factories, which are perceived to have contributed significantly as successful industrial ventures in the Philippines. Many of them are located at the Mactan Export Processing Zone (MEPZ), an industrial tax-free zone opened in 1979 that includes over 35 business ventures.

The above industrial and business activities have led to generation of passenger and freight traffic for Mactan-Cebu International Airport. Continuing focus from the Government through upcoming ecozones is expected to provide further support for growth of traffic at the airport.

Cebu Region – An Attractive Tourism Destination

The region of Cebu and Mactan Islands has a number of tourist attractions. These attractions have resulted in significant inflow of tourists to the tune of nearly 1.6 million tourists per year and the Department of Tourism plans to develop tourism further in this region.

Being one of the major tourist Islands of Cebu, Mactan Island boasts of a diverse collection of tourist spots and attractions. Being a coral island, Mactan offers some of the best diving, snorkeling, island hopping, jet ski, sailing and cultural activities of any island in the Philippines.

The table below presents a number of regional travellers coming in Region VI and Region VII, which are potential catchment area for Mactan-Cebu International Airport, for the calendar year 2010.

Table 2: Number of Travellers to Region VI and region VII				
	Region VI	Region VII	Philippines	% share
ASEAN	7168	18660	241824	10.68%
East Asia	208910	544652	1515755	49.72%
South Asia	1181	5163	28139	22.55%
North America	25069	101863	591776	21.45%
Oceania	8798	26053	146703	23.76%
Europe	40779	107300	505967	29.27%
Middle East	3062	7861	37069	29.47%
Others and unspecified	34069	42755	920842	8.34%
Total Foreign travellers	329576	854307	3998109	29.61%
Overseas Filipinos	48228	20307	197824	34.64%
Sub-Total	377804	874614	4195933	29.85%
Total Domestic Travellers	1216782	1492358	14931600	18.14%
Grand Total	1594586	2366972	19127533	20.71%

The table above indicates that in terms of foreign travellers to Philippines, Region VI and Region VII contribute significantly. Almost 50% of the tourists in Philippines from East Asia travel to Cebu for business or leisure purposes. Overseas Filipinos also travel extensively to this region. These travellers form the mainstay of passenger traffic for Mactan Cebu International Airport.

The Department of Tourism (DOT), Philippines, is in the process of creating a new National Tourism Development Plan (NTDP) which will lay out the country's tourism development plans and direction until 2016. In the NTDP, there are plans for improvement of tourism infrastructure, strengthening and development of new tourism destinations, divergence of tourism products and enhancement of tourism human resources.

The DOT Central Visayas Plans as part of the NTDP include:

- Strengthening Central Visayas as a MICE, leisure, shopping and tourism destination in key and strategic destinations.
- Increase the presence of Central Visayas especially Cebu in emerging and niche markets.

The immediate plans of DOT Regional Office in Cebu for boosting tourist inflow into the region include:

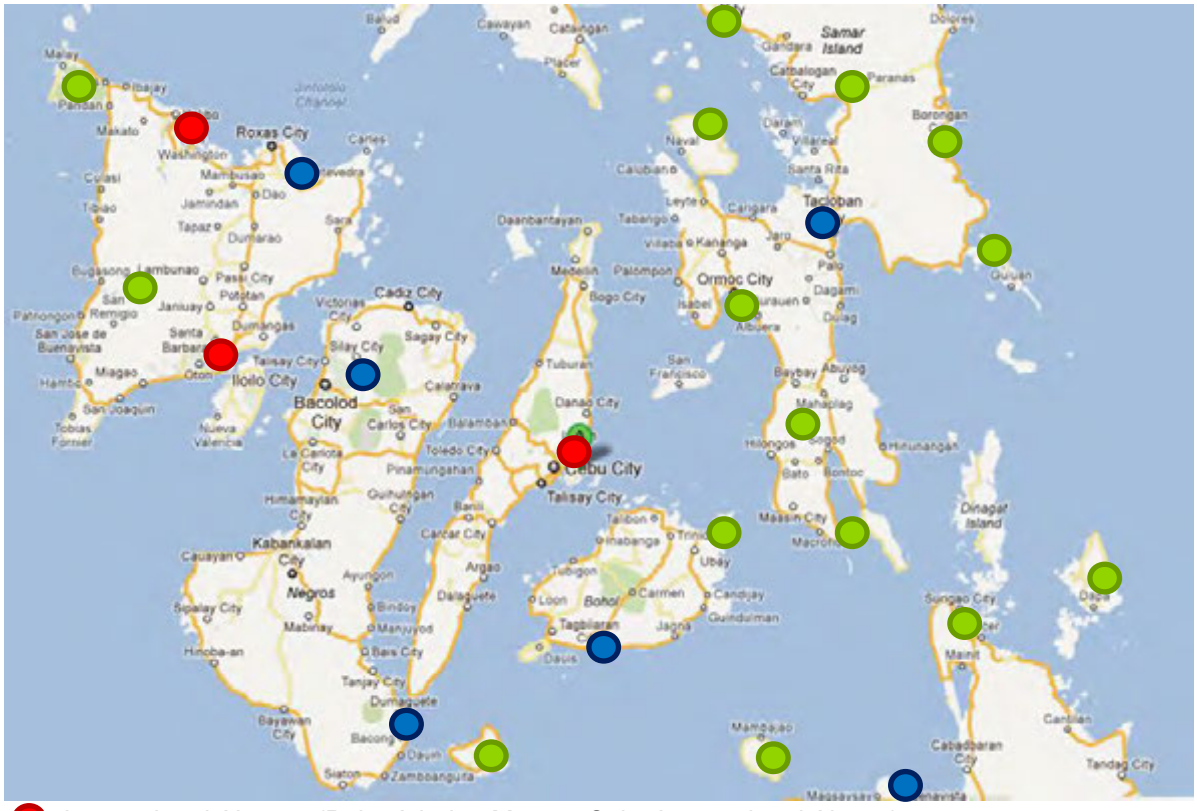
- Cebu as the pilot project for the Pinoy Homecoming Program;
- Development of Camotes Islands as a tourism destination – formulation of tourism development plan, capability development programs, tourism awareness program for communities; and
- Proposed Cebu Shopping Funfest 2012.

Apart from Department of Tourism's NTDP plan, the Cebu City Tourism Commission (CCTC) has also continued to focus on initiatives, which are likely to enhance the tourist inflow in this region. The Commission plans to hold seven annual festivals in different months of the year to keep a sustained flow of tourists to Cebu region round the year. Among the festivals planned are the Barangayan Festival, Chinese Moon Festival in September, Christmas Tree Festival during Christmas season, Food Festival, Flower Festival and Water Sports Festival in summer.

Airport's Location

Mactan Cebu International Airport is located on Mactan Island, province of Cebu and connected to Cebu City, the provincial capital 20 kilometers due southwest, through the Mactan-Mandaue bridge. The airport is about 600 kilometers off the Ninoy Aquino (Manila) International Airport (NAIA) and serves as the southern hub of the air transportation system of the Philippines. Mactan (Cebu) International Airport is ideally and strategically located that travel time is only 3 to 4 hours to fourteen (14) cities in Asia Pacific. It is the only major airport in the Visayas serving international flights (others being Kalibo International Airport and Iloilo International Airport that provide limited connections to couple of international destinations) and is a vital international gateway contributing to the country's economic prosperity.

Figure 1: Airports in the vicinity of Cebu City



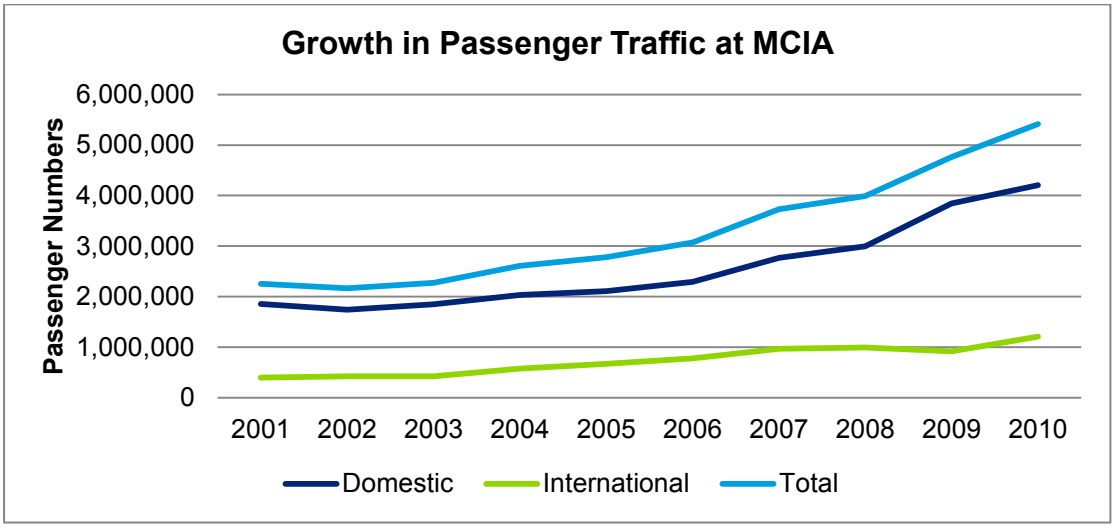
International Airports (Point A being Mactan Cebu International Airport)
Principal-class 1 Airports
Principal-class 2 Airports

Airports in the vicinity of Cebu have been presented in the diagram above. While there are 4 international airports, Iloilo and Bacolod have minimal international traffic and Cebu continues to be the key gateway to international destinations for this catchment area. The airports at Dumaguete, Zamboanguita, Tagbilaran and Tacloban have domestic scheduled services and function as feeder airports to Mactan-Cebu.

Passenger Traffic Growth

Passenger traffic at MCIA has grown at a consistent pace over the last decade and registered double digit percentage growth. The historic 10 year CAGR (from 2002-2011) at Mactan Cebu International Airport has been 12.02%.

Figure 2: Passenger Traffic Growth at the Mactan Cebu International Airport



Historic passenger traffic (both domestic and international) at Mactan Cebu International Airport has been presented below.

Table 3: Historic Passenger Traffic at MCIA

	Domestic			International		
Year	Incoming	Outgoing	Total	Incoming	Outgoing	Total
1991	700836	700836	1401671	28999	28999	57998
1992	796087	796087	1592173	48921	48921	97842
1993	817890	817890	1635779	86483	86483	172966
1994	857052	857052	1714104	122301	122301	244602
1995	920952	920952	1841904	153602	153602	307203
1996	1023783	1023783	2047566	177409	177409	354818
1997	1151717	1179714	2331431	202697	184493	387190
1998	862697	896444	1759141	160311	152352	312663
1999	961530	950577	1912107	195258	188789	384047
2000	943886	955228	1899114	206612	197123	403735
2001	923973	931390	1855363	198042	199328	397370
2002	831054	878205	1709259	213705	212252	425957
2003	907690	942763	1850453	212394	209935	422329
2004	996466	1037090	2033556	288049	290157	578206
2005	1030340	1076040	2106380	333347	338937	672284
2006	1121427	1170525	2291952	386237	391973	778210
2007	1371953	1393570	2765523	481985	483992	965977
2008	1493930	1503231	2997161	496376	497713	994089
2009	1921417	1920573	3841990	462997	457916	920913
2010	2120332	2086319	4206651	607256	599545	1206801
2011	2360452	2387881	4748333	734509	733104	1467613
5 years CAGR			14.47%			11.02%
10 years CAGR			12.02%			14.73%
15 years CAGR			5.21%			9.99%
20 years CAGR			5.92%			15.32%

ATM Traffic

The ATM traffic for Domestic, International and General Aviation movements at MCIA for 2010 and 2011 are presented below:

Table 4: ATM Traffic at MCIA for 2010 and 2011		
	2010	2011
Domestic	39,470	44,300
International	7,907	9,509
General Aviation	28,653	32,029

Existing Airport Facilities

The existing passenger terminal is located north-west of the runway. It currently handles both domestic as well as international passenger traffic. The area earmarked for the domestic operations in the existing terminal is 18,575 m^2 and that for the international operations is 19,950 m^2.

Existing Terminal Space

The breakdown of the existing terminal space for each floor area of each building is tabulated below.

Table 2: Existing PTB Areas & Processors			
Item	International	Domestic	Total
DEPARTURES			
Pre-Departure Hall / General Lobby (m^2)	667	604	1,271
Check-in Area			
Counter Frontage (lm)	55	55	110
Counter Area (m^2)	271	271	542
Passenger Queuing Area (m^2)	498	498	996
Check-In Lobby/Circulation (m^2)	1,281	1,133	2,414
Airline Office (m^2)	831	391	1,222
Airline Sale/Information counter (m^2)	85	341	426
Outbound Immigration			
Passport Control Positions (No.)	14		14
Passport Position Area (m^2)	80		80
Passport Queuing Area (m^2)	143		143
Administration Office Area (m^2)	87		87
Security			
Security Screening Position (No.)	2	4	6
Screening Area (m^2)	28	73	101
Security Queuing Area (m^2)	32	41	73
CIP Lounge (m^2)	266	301	567
Concourse Circulation (m^2)	1,799	1,892	3,691
Gate Area			
Number of Departure Lounges	3	3	6
Departure Lounge (m^2)	2,667	2,618	5,285
Departure Level Subtotal (m^2)	**8,735**	**8,163**	**16,898**
ARRIVALS			
Concourse (m^2)	699	649	1,348
Transfer/Transit Lounge (m^2)	0	0	0
Inbound Health/ Quarantine			

Table 2: Existing PTB Areas & Processors			
Item	**International**	**Domestic**	**Total**
Health Control Positions (No.)	4		4
Health Position Area (m^2)	11		11
Health Queuing Area (m^2)			
Administration Office Area (m^2)	69		69
Inbound Immigration Area			
Visitor Passport Control Positions (No.)	16		16
Inspection Position Area (m^2)	133		133
Passenger Queuing Area (m^2)	165		165
Administration Office Area (m^2)	78		78
Baggage Area			
No. Baggage Reclaim Unit - Narrow Body (lm)	3	3	6
Reclaim Device Frontage - Narrow Body (lm)	110	84	194
Reclaim Device Area - Narrow Body (m^2)	233	223	456
Passenger Reclaim Area & Cir. - Narrow Body (m^2)	573	791	1,364
Inbound Customs			
Inspection Positions (No.)	10		10
Inspection Position Area (m^2)	341		341
Passenger Queuing Area (m^2)	207		207
Administration Office Area (m2) 100% of Ops. Area	192		192
Meeting/Greeters Hall			
International (m^2)	797	762	1,559
Arrival Level Subtotal (m^2)	**3,498**	**2,425**	**5,923**
GENERAL FACILITIES			
Concessions (m^2)	1,628	1,286	2,914
Toilets (m^2)	850	718	1,568
Airport Administration/Police/Medical Clinic (m^2)	690	1,162	1,852
Airline Administration (m^2)	1,172	731	1,903
VIP Lounge (m^2)	81	81	162
Arrivals Baggage Handling System			
Off-Loading Frontage Length (lm)	25	45	70
Baggage Off-Loading Area (m^2)	130	148	278
Departure Baggage Handling System			
Number of Devices	4	4	8
Device Area (m^2)	226	208	434
Ramp Operations (m^2)	693	1,187	1,880
General Facilities Subtotal (m^2)	**5,470**	**5,521**	**10,991**
BUILDING SERVICES			
Building Maintenance & Storage Area (m^2)	500	432	932
Building Mechanical & Electrical Area (m^2)	505	1,074	1,579
Building Services Subtotal (m^2)	**1,005**	**1,506**	**2,511**
LEVEL 3 TERMINAL OFFICES			
Total Area in Use (m^2)			**2,257**
Total Terminal Area (m^2)	**18,708**	**17,615**	**38,580**

Airside Facilities

Information on existing airside facilities at Mactan Cebu International Airport is summarized in the table below:

Table 3: Existing Airside Information		
#	Particular	Description
1	Area	747 Hectare which includes 406 Ha for airport operations including General Aviation, the area with Philippine Air Force (PAF 255 Ha), Mactan Export Promotion Zone (MEPZ)86Ha
2	ARP coordinate	100 18'27.16523" N1230 58 45.914745'E
3	Altitude	9.632 M AMSL
5	Runway Orientation	0440 51' TRUE-2240 51' TRUE 0450 26' MAG – 225026' MAG
6	Runway Length	3300 m
11	Critical operating aircraft	Code E – B 747, A 330
12	Airport Code	Code 4 E
13	Take off run available TORA	3300 m- 04; 3300 M – 22
14	Take off distance available TODA	3500 M - 04; 3450 M –22
15	Accelerate-stop distance available (ASDA)	3300 m -04; 3300 M – 22
16	Landing distance available (LDA)	3300 M - 04; 3300 M – 22

Airside facilities at the airport include:

- Runway - Mactan Airport is a single runway airport and the runway length is adequate for Code 4C operations, and Code 4E operations. The runway is fitted with precision approach CAT1 lights on 22 approach and simple approach lights on 04 approach.
- Taxiway - There is an existing parallel taxiway of 3300 m length, at a distance of 315m from the runway. This taxiway is connected to the runway at the ends with 23 m wide taxiways. The runway has two rapid exit taxiways to the parallel taxiway and also has three perpendicular link taxiways. There are two taxi links to the apron.
- Apron - The existing apron has 5 Code E stands along the terminal frontage, of which 4 are contact stands. In addition, there are two Code C stands along the frontage of the building. The Remote Stands at the rear of the apron provide for either 3 Code E or 6 Code C parking positions.
- Communication Navigation and Surveillance (CNS) facilities – The management and operations of CNS facilities is done by CAAP while meteorological facilities are operated by PAGASA. The CNS facilities currently in operation include:
  - ILS on both ends of the runway with glide path and DME
  - VOR
  - NDB
  - ASR/SSR and
  - Meteorological facilities.
- The Air Traffic Control Tower (ATC) is located between the existing passenger terminal and the proposed site for the new passenger terminal. ATC is managed by Civil Aviation Authority of Philippines (CAAP). The height of the control tower is 34 m.
- Cargo Facilities - A number of small-sized cargo terminal facilities are present at the airport area. A number of agencies, including individual airlines handle cargo operations at the airport. Each of the agencies has its own warehouse at the airport and deploys their own

cargo handling equipment. The total area of the existing cargo terminals is 24,200 m2. The site and facilities for cargo operations are leased by MCIAA.

- Maintenance Facilities - There is an existing on-line maintenance hangar of Lufthansa Technique Philippines north of the passenger terminal.
- General Aviation – GA is located in the south east corner of the airport. The land to the GA operators is provided on lease basis. The gross area of GA is 40,800 m2 including the apron. There are 24 hangars with area of approximate 30m x 30m each. There is a 2-story General Aviation terminal such that the first level serves as a passenger waiting area and the second level as the control room. Chartered flights constitutes around 48% of the total GA aircraft movements while the training flights constitutes 42%.
- There is an MIP Lounge, a VIP terminal, located adjacent to the CAAP administrative building and the ATC Tower. The MIP Lounge parking is also used as a VIP parking lot when necessary.
- Fueling Facility - Aircrafts are refueled by bowzers and bowzers are refueled at the fuel depot which is located in the north-west corner of the airport.
- In-flight Catering - There is one in-flight unit at the airport which is located in the MEPZ 1 which is in the north-west corner of the airport.
- Power Supply and Distribution - The power supply equipment is located north of the existing passenger terminal. Power supply to the various airport facilities is sourced from the local power supply agency Mactan Electric Company (MECO) which draws its power from the national grid. The supplied power is then transferred into three areas of MCIAA, MECO, and Mactan Waterfront Hotel, according to the subject of operation.
- Water Supply and Distribution - Water is sourced from the local water supply agency - the MCWD (Metro Cebu Water District). The overhead elevated tank is located on the city side behind the hotel plot and has a height of 25.3 m. The water supply capacity of the existing terminal is 1,150 cubic meters.
- Sewage Treatment Plant - There is a Sewage Treatment Plant (STP) in the north-west corner of the airport. The waste water after treatment from the STP is discharged in the sea. The maximum treatment capacity of the sewage treatment system is 900 cubic meters.

SCOPE AND STRUCTURE OF THE PPP PROJECT

The recent significant growth in passenger traffic at MCIA has impacted the level of convenience and service to passengers in the existing passenger terminal, as well as the general lack of ability to handle more passengers, especially in the peak hours. The Philippines Government has recognized the need to de-congest the terminal facility at the airport in view of the growth potential of the MCIA and the fact that the area in Philippines is most frequently visited by international tourists from places like Korea, Japan, and US etc. MCIAA and DOTC propose construction of a new world-class passenger terminal, including all related facilities, to separately cater to domestic and international operations, efficiently handle the increasing air traffic demand, ensure convenience of passengers, and promote aircraft operational efficiency.

Accordingly, DOTC and MCIAA seek construction of a new passenger terminal and renovation of the existing terminal, including all associated facilities, and operation and maintenance of both passenger terminals including associated landside facilities under an appropriate Public Private Partnership (PPP) arrangement based on the Philippines BOT Law and its Implementing Rules and Regulations (IRR) as legal framework.

Scope of the Project

The scope of the Project under the PPP arrangement would cover:

a. Construction of a new passenger terminal, along with all associated infrastructure and facilities as per Philippines / international guidelines and ICAO standards;

b. Construction of apron for the new passenger terminal;

c. Renovation and expansion of the existing terminal along with all associated infrastructure and facilities as per Philippines / international guidelines and ICAO standards to handle domestic operations;

d. Installation of all the required equipment and other associated facilities as per Philippines / international guidelines and ICAO standards;

e. Installation of the required IT and other equipment commensurate with the operations; and

f. Operation and maintenance of both the passenger terminals (new and existing) during the entire concession period.

Legal Framework for the Project

Republic Act No. 6957, as amended by Republic Act No. 7718 ("BOT Law"), and its 2012 Revised Implementing Rules and Regulations ("Revised IRR"), are the primary legal framework for Public-Private Partnerships ("PPP") in the Philippines. The BOT Law enunciates the policy of the state to recognize the indispensable role of the private sector as the main engine for national growth and development. It further declared that the government shall provide the most appropriate incentives to mobilize private resources for the purpose of financing the construction, operation and maintenance of infrastructure and development projects normally financed and undertaken by the Government.

Proposed Contractual Arrangement

The sections below provide a brief outline of various aspects that are being considered in terms of the structuring of the PPP Project. The final details shall be provided as part of the draft contract during the Request for Proposal stage after the pre-qualification process.

PPP Structure

A Build-Operate-Transfer ("BOT") arrangement is being evaluated / considered for the Mactan Cebu International Airport Passenger Terminal PPP Project.

Implementing Agencies

The implementing agencies for the Project would be DOTC and MCIAA. CAAP would continue to provide ANS services at the Airport. MCIAA shall continue to operate and maintain the airside facilities at MCIA and will be responsible for performance of such facilities.

Concession Period

The PPP concession shall be for a period of 20 years with terminal creation/ expansion envisaged across 2 Phases with design years of 2023 and 2033.

Incentives

Section 10 of the BOT Law extends to Project Proponents, the Investment Incentives under the Omnibus Investments Code upon registration with the Board of Investments ("BOI"), depending on the level of capital requirements.

Right of Way and Possession of Airport Land

MCIAA will grant 'right of way'/usufructuary right/ possessory rights over the project site and relevant existing assets in favor of the Project Proponent on the Handover Date.

Transfer of Employees

Based on the structure of the PPP project, landside operations at the existing terminal building will be transferred to the private sector, while the MCIAA will continue to operate and maintain airside facilities at the airport. For a fixed period from the turnover of landside operations from MCIAA to the Private Proponent, MCIAA employees associated with operations of the landside facilities shall assist the Private Proponent with handing-over of operations of landside facilities.

The private proponent shall be free to hire resources on its own, as per mutually agreed terms and conditions as long as the terms and conditions agreed upon are not contrary to law, morals, customs, public policy or public order.

Existing Contracts

MCIAA has entered into various agreements with private entities for the provision of services and the pursuit of business activities within the Mactan Cebu International Airport. When the Proponent takes over the operation of the terminal buildings and associated landside facilities at the Mactan Cebu International Airport, the existing relevant contracts (related to O&M of the terminal buildings) will be novated by MCIAA to the Proponent and once the Proponent assumes MCIAA's existing contracts, it would have the option to allow the contracts to expire, renegotiate the contracts, or terminate the contracts on various grounds, within the boundaries of legal requirements. The Proponent would also be allowed to enter into new contracts for the provision of services should there be a need to provide additional services to airport clientele or should there be additional space to lease out.

Tariffs at the Airport

When the operation and management of terminal buildings and associated landside facilities at the Mactan Cebu International Airport will be ceded to the Proponent, MCIAA will concession the levying of landside related commercial charges and Passenger Service Charge (PSC) to the Proponent. MCIAA will state in the BOT Agreement with the Proponent, the manner in which these charges will be levied by the Proponent, consistent with applicable laws as well as industry standards and practices. Broadly, MCIAA contemplates specifying a base tariff as identified upfront and also specifying modalities on tariff variations over the concession period.