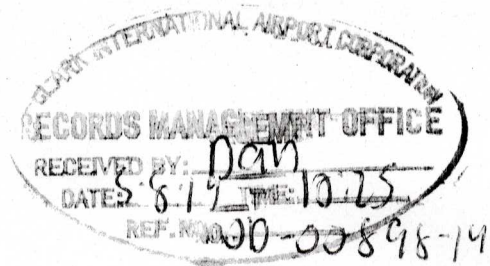




29 April 2019

**HON. CARLOS G. DOMINGUEZ III**  
 Secretary  
 Department of Finance  
 Roxas Blvd., Corner Pablo Ocampo Sr. Street,  
 Manila 2004

**THRU :** **HON. ANTONETTE C. TIONKO**  
 Undersecretary



Dear **Secretary Dominguez:**

Pursuant to the pertinent provisions of the revised implementing rules and regulations of Republic Act No. 7656, Clark International Airport Corporation (CIAC) is bound to declare and remit the amount of Php161,391,533.50 to the National Government (NG) for CY 2018 net earnings.

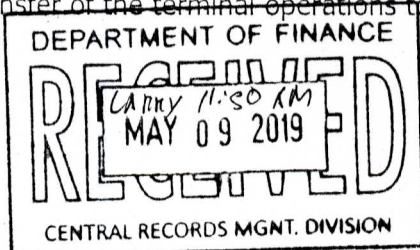
However, the same law mindful of the financial status of GOCCs, included under Section 7, circumstances where a GOCC can actually request for a rate lower than the minimum dividend rate.

It is within this purview that CIAC respectfully requests for a downward adjustment of the minimum dividend rate to 0% due to the following justifications:

- a) The retained earnings deficit of CIAC as of 31 December 2018 stands at Php324,928,059.29;
- b) CIAC has earmarked around Php300.0 million for the settlement of the separation incentive pay of its employees in view of the impending take-over by the winning proponent of the O & M of the airport operations;
- c) Reduced revenue of CIAC after the Operations & Maintenance (O&M) private concessionaire takes over about 75% of the present gross revenue of the corporation;
- d) Outstanding loan obligations of CIAC as of 31 December 2018 stands at Php300.0 million.

The first citation on the negative retained earnings is based on Section 7(b) of the revised IRR which provides that where declaration and payment of dividends at the minimum dividend rate exceeds the unrestricted retained earnings, the GOCC may be allowed to request for a downward adjustment of the dividend rate.

The three (3) other aforementioned reasons would obviously deplete the present cash position of CIAC which is vital to ensure the viable operation of the corporation after the transfer of the terminal operations to the private operator.



*Rec by:*



REPUBLIC OF THE PHILIPPINES

**CLARK INTERNATIONAL AIRPORT CORPORATION**

ISO 9001:2015 CERTIFIED Certificate No. 01 100 096505



Management System  
ISO 9001:2015

www.tuv.com  
ID: 9105050005



May our humble request be attended to with your usual favorable support as we continue to exert effort to contribute to the national economy by delivering the abridged mandate of the corporation.

Thank you and our best regards.

Very truly yours,

**JAIME ALBERTO C. MELO** *mm*

Officer In-Charge, President and Chief Executive Officer

CIAC-OP LETTER NO 19-236

Attachments:

1. Board Resolution No. RM 04-03, Series of 2019
2. Unaudited Financial Statements for CY 2018

