

MALACAÑANG Manila

PRESIDENTIAL DECREE No. 189 May 11, 1973

**AMENDING PART IX OF THE INTEGRATED REORGANIZATION
PLAN BY RENAMING THE DEPARTMENT OF TRADE AND
TOURISM AS THE DEPARTMENT OF TOURISM, AND CREATING
THE DEPARTMENT OF TOURISM WITH A PHILIPPINE TOURIST
AUTHORITY ATTACHED TO IT IN LIEU OF PHILIPPINE TOURIST
COMMISSION**

WHEREAS, there is need to realign government efforts towards trade promotion and tourism development for greater effectiveness;

WHEREAS, the tourist industry will represent an untapped resource base toward an accelerated socio-economic development of the Philippines;

WHEREAS, the tourism program is subjected to various administrative and organizational problems; and

WHEREAS, tourism properly deserves the Government's immediate and priority attention.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippine, by virtue of the powers vested in me by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081 dated September 21, 1972, as amended, and in order to effect desired changes and reforms in the social, economic, and political structures of our society do hereby adopt, approve, and make as part of the law of the land the amendment to the provisions of Part IX of the Integrated Reorganization Plan by renaming the Department of Trade and Tourism as the Department of Trade and creating the Department of Tourism with a Philippine Tourist Authority attached to it in lieu of the Philippine Tourist Commission.

Section 1. Declaration of Policy. It is hereby declared to be the policy of the Government to make the tourist industry a positive instrument towards accelerated national development; through which more people from other lands may visit and better appreciate the Philippines and through which the Filipinos themselves may learn more about the natural beauty, history and culture of their country and thus develop greater pride in and commitment to the nation.

Section 2. Creation of a Department of Tourism. There is hereby created a Department of Tourism, hereinafter referred to as the Department, which shall be the primary policy, planning, programming, coordinating and administrative entity of the executive branch of government in the development of the tourist industry, both domestic and international.

Section 3. Authority and Responsibility. The authority and responsibility for the exercise of the powers and the discharge of the functions of the Department shall be vested in the Secretary of Tourism, hereinafter referred to as the Secretary. The Secretary shall be assisted by one Undersecretary.

Section 4. Functions. The Department shall be responsible for the following functions:

- a. Supervise all activities of the government which concern tourism;
- b. Effect the removal of unnecessary barriers to travel; the integration and simplification of travel regulations; as well as their efficient, fair and courteous enforcement to assure expeditious and hospitable reception of all visitors;
- c. Formulate an integrated program of promotion and publicity designed to attract and induce people abroad to visit the Philippines, and patronize things Philippine, and to enhance the prestige of the Filipino people and the Republic;
- d. Review all tourism which may involve loans from government financial institutions before said institutions may take action on them, and approve all tourism projects and firms applying for tax incentives under the Export Incentives Act, as amended by Presidential Decree No. 92, before the Board of Investments may take action on them;
- e. Represent the Government in all such conferences and meetings concerning tourism and travel and discharge such responsibilities of Government as may arise from treaties, agreements and other commitments on tourism and travel, to which it is a signatory;
- f. License, regulate and supervise travel agents, tour operators, and tour guides;
- g. Classify, regulate, supervise and license hotels, resorts, inns, motels, hotels, restaurants and other related facilities and services which cater

to foreign and domestic tourist and in addition, formulate suitable standards to ensure that the highest possible standards are met, reasonable fees and charges are made and that services are given with honesty, courtesy, and efficiency; and

h. Perform such other functions as may be provided by law.

Section 5. The Department shall have an Administrative Service, a Planning Service, and a Financial and Management Service in conformity with Part II of the Integrated Reorganization Plan.

Section 6. The Department shall have such number of field offices here and abroad as may be necessary for the effective promotion of the tourist industry.

Section 7. Bureau of Tourist Promotion. There is created a Bureau of Tourist Promotion which shall, among others, be responsible for organizing and supporting a program of public relations, promotion and publicity calculated to interest, attract and encourage overseas travelers to visit the Philippines, including the publication and dissemination of pamphlets, brochures and other literature and publicity materials and the production and distribution of audio-visual materials, participation in travel fairs and other sales and promotion arts.

It shall have the following divisions with corresponding duties and responsibilities, among others:

(a) Press and Publication Division

1. Publish, produce and disseminate publicity materials as may have bearing on tourist attractions in the country, and the history of the Philippines, its progress, its natural resources and the culture and art of its people;
2. Encourage educational and cultural tours to increase travel within the country as a means of developing domestic tourism; and
3. Participate in fairs and exhibits to promote local goods and products and provide a medium for the dissemination of information about the Philippines as a tourist spot.

(b) Research and Statistics Division

1. Compile, analyze and integrate statistical data on Tourist Industry;

2. Develop, forecast and prepare economic reports and review based on conductive research; and

3. Undertake continuing analysis of economic conditions and trends relating to the sectoral area concerned.

(c) Training and Evaluation Division

1. Conduct training courses and apprenticeship programs for tourist guides, hotel and restaurant personnel and such other personnel who perform functions that have a bearing upon the tourist industry; and

2. Organize and conduct promotional training seminars.

Section 8. Bureau of Special Services. There is hereby created a Bureau of Special Services which shall have the following divisions with corresponding duties and responsibilities, among others:

(a) Tourist Reception Division

1. Coordinate with all other agencies concerned, whether government, or private, on procedures to assure hospitable reception of tourist during their visit to the country, including the establishment of efficiently-run information centers at strategic locations; and

2. Maintain a security force, where necessary, to provide security and assistance to tourists and travelers and to extend investigative services to tourists who may require such assistance.

(b) Licensing and Inspection Division

1. Prepare and maintain for ready reference a register of all business and establishments that offer transportation, accommodation or service of any kind to tourists;

2. Regulate and license the business of travel agencies; tour operators, and tour guides;

3. Classify, regulate and license hotels, resorts, restaurants, inns, motels, and hostels in accordance with set standards and guidelines; and

4. Exercise supervision over the operation of all facilities and services that cater to, or have anything to do with travelers.

Section 9. Creation of Philippine Tourism Authority. To implement the policies and programs of the Department, there is hereby created a Philippine Tourism Authority, hereinafter referred to as the Authority, which shall be attached to the Department. The functions of the Authority are hereby declared to be governmental.

Section 10. Purposes and Specific Powers. The purposes and specific powers of the Authority are as follows:

- a. Implement all policies and programs of the Department on project development;
- b. Collect such taxes as may be provided by law;
- c. Operate and/or contract to operate such agencies, functional units, offices and departments of the Authority as it may deem necessary or useful for the furtherance of any of the purposes of this Decree;
- d. Extend assistance whenever necessary, to private enterprise in undertaking tourist projects;
- e. Undertake the development of tourist attraction including the conduct of feasibility studies and where necessary, recommend agreements for tourist plant and facilities development with private entities;
- f. Provide and maintain essential facilities for tourists and travelers where private enterprise is not prepared to take care of them; and
- g. Adopt, alter and use a corporate seal which shall be judicially noticed; make contracts, lease, own or otherwise dispose of personal and real property; sue and be sued; and otherwise do and perform any and all things that may be necessary or proper to carry out the purposes of the Authority.

Section 11. Capitalization. The capital of the Authority shall consist of (1) existing assets transferred to it from the Board of Travel and Tourist Industry and the Philippine Tourist and Travel Association as hereinafter provided and such other properties as may be contributed to the Authority by the government to form part of its capital and (2) the taxes under Republic Act No. 1478 and Republic Act No. 6141. All hotel room taxes that will be collected under the provisions of existing laws are likewise assigned to the Authority to form part of its capital.

Section 12. Power to Issue Bonds or Incur Indebtedness. Whenever the

Board may deem it advisable and necessary for the Authority to contract loans, credits and other indebtedness, or to issue bonds, notes, debentures, securities, and other instruments of indebtedness for the development and/or operation of the tourist industry, it shall by resolution so manifest and declare stating the purpose for which the indebtedness is to be applied and citing the project study devised for the purpose. In order for such resolution to be valid, it shall be passed by the affirmative vote of at least four members of the Board and approved by the President of the Philippines upon the recommendation of the Secretary of Finance, after consultation with the National Economic and Development Authority and the Monetary Board of the Central Bank.

Section 13. The Authority shall be administered by a General Manager who shall be appointed by the President from among persons of proven executive competence and experience in the field of tourist development.

Section 14. Board of Directors. The corporate powers of the Authority shall be vested in and exercised by a Board of Directors composed of the Secretary of Tourism as Chairman, the General Manager as Vice Chairman and three part-time members who shall be appointed by the President for their expertise.

Section 15. Tenure of Office. The tenure of office of the members shall be six years: Provided, That in the first appointments, the term of office of the three members appointed by the President shall be fixed as follows: one member for six years, one member for four years, and the third member for two years: Provided, finally, That no vacancy shall be filled except for the unexpired portion of the term.

Section 16. Meetings and Quorum. The Board shall meet regularly once a month and as often as the exigencies of the service demand. The presence of at least three members shall constitute a quorum, and the vote of three members shall be necessary for the adoption of any rule, resolution or decision or any other act of the Board.

Section 17. Compensation of Chairman and Members of the Board. The members of the Board shall receive such per diems and allowances as may be fixed by the President.

Section 18. Powers and Duties of the Board. The Board shall have the following powers and duties:

a. To promulgate policies and to prescribe such rules and regulations as

may be necessary to implement the intent and provisions of this Decree, which rules and regulations shall take effect thirty (30) days following their publication in two (2) newspapers of general circulation in the Philippines;

b. To approve the annual budget and such implemental budgets which may be submitted to it by the Chairman;

c. Upon the recommendation of the General Manager, to organize, reorganize, and determine the Authority's staffing pattern; to fix their salaries and to define their powers and duties;

d. Notwithstanding the provisions of law, rules and regulations to the contrary, to enter by itself into any contract or agreement as may be necessary for the proper, efficient and stable administration of the Authority and for the attainment of the purposes and objectives of this Decree;

e. To render annual reports to the President and such special reports as may be requested; and

f. Generally, to exercise all the powers necessary or incidental to attain the purposes of this Decree.

Section 19. General Manager: Powers and Duties. The General Manager shall have the following powers and duties:

a. To direct and manage the affairs of the Authority in accordance with policies of the Board;

b. To prepare the agenda for the meeting of the Board and submit for its consideration and approval the policies and measures which he deems necessary and proper to carry out the provisions of this Decree;

c. To submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required;

d. To submit an annual budget and necessary supplemental budgets to the Board for its approval;

e. To establish the internal organization of the Authority under such conditions that the Board may prescribe; Provided, That any major reorganization shall be subject to the approval of the Board; and

f. To perform such other duties as may be assigned to him by the Board;

Section 20. The Secretary of Tourism may establish a Tourism Advisory Council, which may be composed of representatives of the following trade organizations; (1) hotels, (2) restaurants, (3) air carriers, (4) travel agencies, (5) cottage industry producers and/or distributors, (6) sea carriers, (7) land transportation operators, and (8) bankers association who shall be entitled to such per diems and allowances as may be authorized: Provided, That the Secretary may designate representatives from other trade organizations as may be necessary. The members of this Council shall be exempt from conflict-of-interest provisions of the Anti-Graft and Corrupt Practices Act.

Section 21. Applicability of the Civil Service Law. All officials and employees of the Authority, except technical and professional personnel, shall be subject to Civil Service Law, rules and regulations and the coverage of the Wage and Position Classification Office.

Section 22. Appointment by the Board. Employees of the Authority shall be appointed by the Board, upon the recommendation of the General Manager, to positions in the approved budget using as guide the standards set forth in the Civil Service Law and rules.

Section 23. Transitory Provisions. The properties, monies, assets, rights, choses in action, obligations, liabilities, records, and contracts of the defunct Board of Travel and Tourist Industry shall continue to be vested in and assumed by the Authority, as a government corporation, pursuant to this Decree.

The Board of Directors shall determine what personnel of the Board of Travel and Tourist Industry shall be absorbed by the Authority.

Section 24. Rescission of the Charter of the Philippine Tourist and Travel Association. The Charter of the Philippine Tourist and Travel Association as granted under Republic Act No. 710 is hereby rescinded, without prejudice to its continuing as a duly registered private corporation. Any assets derived from the government subsidy under the aforementioned charter shall be transferred to the Authority.

Section 25. The staffing requirements of the Department shall be provided for in the General Appropriation Act.

Section 26. The Civil Aeronautics Board is reconstituted and attached to the Department. It shall be composed of the Secretary of Tourism as

Chairman, the Civil Aeronautics Administrator, the Commander Officer of the Philippine Air Force, the Assistant Director for Air Transportation of the Bureau of Transportation and two other members appointed by the President of the Philippines.

Section 27. The Hundred Islands Conservation and Development Authority, the San Juanico Tourist Development Authority, the Looc Estate and such other entities as may be organized to promote tourism are hereby attached to the Department.

Section 28. The Department of Trade shall perform all the functions, except those on tourism, of the Department of Trade and Tourism pursuant to the applicable provisions of the Integrated Reorganization Plan.

Section 29. Repeal. Presidential Decree No. 132, dated February 19, 1973 and any all acts, statutes, decrees, rules, repealed or modified accordingly.

Section 30. Effectivity. This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of May, in the year of Our Lord, nineteen hundred and seventy-three.