



1974

Bataan

EXECUTIVE ORDER NO. 5

TRANSFERRING TO THE NATIONAL GOVERNMENT THE PHILIPPINE NUCLEAR POWER PLANT I (PNPP-1), ITS EQUIPMENT, MATERIALS, FACILITIES, RECORDS AND URANIUM FUEL, PROVIDING FOR THE ASSUMPTION OF THE REMAINING FOREIGN LOAN OBLIGATIONS OF THE NATIONAL POWER CORPORATION (NAPOCOR) WITH FOREIGN LENDERS UNDER THE LOANS CONTRACTED BY THE NATIONAL POWER CORPORATION AND GUARANTEED BY THE REPUBLIC OF THE PHILIPPINES AND OF THE PESO OBLIGATIONS INCURRED TO FINANCE THE CONSTRUCTION OF THE SAID NUCLEAR PLANT BY THE NATIONAL GOVERNMENT, AND FOR OTHER PURPOSES

WHEREAS, the Government of the Philippines has decided not to operate the Philippine Nuclear Power Plant I (PNPP-I) located in Bataan for reasons of safety and economy;

WHEREAS, the National Power Corporation (NAPOCOR) has remaining foreign loan obligations with foreign lenders for the loans contracted by it and guaranteed by the Republic of the Philippines to finance the construction of the said nuclear plant;

WHEREAS, the National Power Corporation has also incurred peso obligations to finance the construction of the Philippine Nuclear Power Plant I;

WHEREAS, the non-operation of the Philippine Nuclear Power Plant I will necessarily require the preservation, maintenance and security of the nuclear power plant, its equipment, materials, facilities, records and uranium fuel pending the results of the study on the final disposal and/or the utilization of the plant, its related equipment and facilities;

WHEREAS, as the non-operation of the Philippine Nuclear Power Plant I will not provide revenues to enable the

National Power Corporation to shoulder the foreign debt service burden and the expenditures for the interim preservation and maintenance activity, the National Power Corporation must be relieved of this financial burden;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. The Philippine Nuclear Power Plant I (PNPP-I) its equipment, materials and facilities, records and uranium fuel are hereby transferred and placed under the ownership and disposition of the National Government or its duly designated agency.

SECTION 2. The National Government, as guarantor of the foreign loans contracted by the National Power Corporation to finance the construction of the Philippine Nuclear Power Plant I (PNPP-I), hereby assumes all the remaining foreign obligations, including but not limited to interest charges, with the foreign lenders, thereby transferring the corresponding obligations from the National Power Corporation. Likewise, the National Government assumes all the peso obligations incurred by the National Power Corporation to finance the construction of the Philippine Nuclear Power Plant I (PNPP-I). For this purpose, there shall be appropriated out of the General Fund in the National Treasury not otherwise appropriated such sum or sums as may be necessary for the National Government to acquire the nuclear plant and its related assets and to assume the corresponding liabilities therefor as well as the servicing thereof. Further, the requisite arrangements with the foreign lenders will be undertaken by the National Government and/or the National Power Corporation. Nothing in this Executive Order shall operate to make valid or enforceable any debts that are otherwise invalid or unenforceable. Nor shall this Executive Order operate as estoppel or a waiver of any defenses or claims the National Power Corporation might have against any lending institution concerning any of the debts herein transferred, or against any other person or entity.

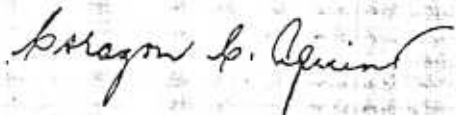
SECTION 3. For purposes of effecting the transfer of the nuclear power plant and of the remaining foreign loan obligations, an inventory of the plant and its related assets and an accounting of the remaining foreign obligations shall be undertaken jointly by the National Power Corporation and the National Government thru its duly authorized representatives, within a reasonable time from the effectivity of this Executive Order.

SECTION 4. Until the National Government or its duly designated government agency shall have studied and ultimately determined the disposition of the Philippine Nuclear Power Plant I (PNPP-I), the National Power Corporation is hereby designated as the caretaker thereof, undertaking the necessary and requisite preservation, maintenance and security program therefor with the expenditures necessarily connected thereto to be shouldered by the National Government for which purpose there shall likewise be an annual appropriation of such sums out of the General Fund in the National Treasury not otherwise appropriated.


SECTION 5. All laws, parts of laws, orders or ordinances, or regulations in conflict with the provisions of this Executive Order are hereby repealed, amended or modified accordingly.

SECTION 6. This Executive Order shall take effect October 1, 1986.

Done in the City of Manila, this 4th day of November, in the year of Our Lord, nineteen hundred and eighty-six.



By the President:



JOKER P. ARROYO
Executive Secretary