

[EXECUTIVE ORDER NO. 701, January 22, 2008]

DIRECTING ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES, AGENCIES, AND THE INSTRUMENTALITIES OF THE GOVERNMENT TO SUPPORT THE POWER INFRASTRUCTURE REQUIREMENTS AND THE INVESTMENT OF HANJIN HEAVY INDUSTRIES AND CONSTRUCTION-PHILIPPINES, INC. IN SUBIC AND IN MINDANAO

WHEREAS, it is a declared national policy to attract foreign investment and trade in the country to promote economic growth, generate employment, upgrade technology and accelerate national development;

WHEREAS, the ten-point agenda of the present administration includes the development of Subic as the best international service and logistic center in the region;

WHEREAS, Hanjin Heavy Industries and Construction-Philippines, Inc. (Hanjin) will invest about US\$1.6 Billion for a shipyard project in the Subic Bay Freeport Zone that will generate about 20,000 employment thereat;

WHEREAS, Hanjin will likewise invest about US\$2 Billion for another shipyard project in Mindanao that will generate about 30,000 employment thereat;

WHEREAS, there is a need for the concerned government entities to support the investment of Hanjin, particularly its power requirements, in order for the country to become a landmark in the shipping industry in the Southeast Asian Region.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. *Connection Assets in Subic.* - The National Transmission Corporation (TRANSCO) shall acquire and take possession of the Connection Assets (15 km. 230 kV Transmission Line and 230kV/22.9kV Substation) constructed by Hanjin in Subic.

Section 2. *Funding and repayment scheme.* - TRANSCO shall advance the necessary funds to immediately acquire and take possession of the Connection Assets.

The specific responsibilities of government agencies involved in the acquisition of the Connection Assets (such as, but not limited to TRANSCO, DBM and DOF), including the details of implementing a repayment scheme, shall be embodied in a Memorandum of Agreement for the purpose.

Section 3. *TRANSCO Connection Charges.* - Where applicable, TRANSCO may collect Connection Charges as approved by the Energy Regulation Commission