

# DoE signs two more deals with US to enable nuclear transition

THE Department of Energy (DoE) signed two memoranda of understanding with the US State Department on Tuesday enabling the Philippines to safely transition to nuclear power, with the two sides moving forward from the initial 123 Agreement, which had opened the door to US nuclear technology exports.

On the sidelines of the Indo-Pacific Business Forum, Assistant Secretary Daniel J. Kritenbrink of the State Department's Bureau of East Asian and Pacific Affairs, said the memoranda are vital in supporting the Philippines as it builds a safe and secure civil nuclear industry.

"Signing the 123 Agreement is just the first step; building a safe

and secure civil nuclear sector also requires skilled engineers and technicians, robust regulations, and strong commercial partnerships to bring the nuclear sector to life and to maintain it safely throughout its life cycle," Mr. Kritenbrink said.

The two sides signed the 123 Agreement last year.

The agreement that the DoE signed with the Philippine-American Educational Foundation (PAEF) aims to establish a framework of cooperation for creating scholarship opportunities and academic exchanges centered around civil nuclear and renewable energy.

"This will help the Philippines develop the skilled workforce needed to build clean energy in-

frastructure, including the ability to operate state-of-the-art nuclear power plants," Mr. Kritenbrink said.

"The collaboration with the PAEF will give the country an opportunity to have advanced training for the clean energy sector in developing the human resources that are needed, including the opportunities for civil nuclear cooperation," Energy Secretary Raphael P.M. Lotilla said.

Meanwhile, the agreement between the US Agency for International Development (USAID) and the DoE aims to promote the US-Philippines Civil Nuclear Cooperation Agreement and develop a smart and green grid plan.

Under the agreement, USAID will commission a study on nuclear power viability that will assist the Philippine government in enhancing public acceptance of nuclear power in the country.

In November, the Philippine and US governments will organize the first Nuclear Suppliers Forum in the Philippines.

"This forum will bring together US experts, private sector leaders, and Philippine energy stakeholders to further solidify our civil nuclear cooperation," Mr. Kritenbrink said.

In the Philippine Energy Plan for 2023-2050, the DoE is targeting a 35% share for renewable energy in the power generation mix by 2030, rising to 50% by 2040. — **Justine Irish D. Tabile**

## Customs collections top P330B as of mid-May

THE Bureau of Customs (BoC) has collected P330.27 billion as of May 13, exceeding its target for the period.

Citing preliminary data, the BoC said collections were 3.9% ahead of target and up 7% from collections generated over the same period a year earlier.

The BoC also reported that it conducted 132 apprehensions in the first quarter with seizures valued at about P28.02 billion.

"These seizures encompassed a range of items, including general merchandise, counterfeit goods, cigarettes/tobacco, and illicit drugs discovered at various ports," it added.

The BoC marked 7.01 billion liters of fuel worth P908.52 billion for since the start of the fuel marking program in 2019 to May 9, 2024.

"The BoC remains committed to contributing to the Department of Finance's goal of fostering national socio-economic growth by collecting additional revenue and safeguarding the country's borders," Customs Commissioner Bienvenido Y. Rubio said.

The BoC said it is also working with the World Bank on the next steps of the Customs Modernization Project as well as reforms to the value-added tax refund process.

This year, Customs is expected to generate close to P1 trillion in revenue. — **Luisa Maria Jacinta C. Jocsen**

## Challenges to Bohol, Iloilo airport upgrade proposals expected this year, DoTr says

CHALLENGES to the original proponents are expected this year for the New Bohol-Panglao International Airport and the Iloilo International Airport this year, the Department of Transportation (DoTr) said.

"When we publicize the instructions to bidders, it will also be the publication of the concession agreement," Roberto C.O. Lim, Transportation undersecretary for aviation and airports, told reporters at a forum last week.

Mr. Lim was responding to a query on the government's timetable for inviting parties to challenge the unsolicited proposal of Aboitiz InfraCapital, Inc. for the P4.53-billion contract to upgrade New Bohol-Panglao International Airport.

The Public-Private Partnership (PPP) Center estimates that the Bohol airport is targeted for award by year's end.

The Aboitiz group secured in 2018 the original proponent status (OPS) for the New Bohol-Panglao International Airport's operations and maintenance which will feature a 25-year concession period.

The government is hoping to finalize its negotiations with the Aboitiz group, and issue its instruction to challengers within one month.

Mr. Lim said once the negotiations are finalized, the government will publish the instruction to bidders and the proposal opened to challenge.

"We hope we can do that in one month, we hope. Because we are talking with the same party as Laguindingan. Now, we will talk to Aboitiz again about this airport. We'll do it using the same process, but it should be shorter," Mr. Lim said.

The DoTr invited challengers for the unsolicited proposal of Aboitiz InfraCapital for the

### Puerto Princesa Port expansion bidders invited

THE Philippine Ports Authority (PPA) has issued an invitation to bidders for the first phase expansion of the Puerto Princesa Port, valued at nearly P600 million.

"The Philippine Ports Authority now invites bids for the Procurement Project. Completion of the Works is required in Six Hundred Sixty (660) calendar days from the receipt by the successful bidder of the Notice to Proceed," the PPA said.

P12.75-billion operation, maintenance, and upgrade contract for Laguindingan International Airport, which serves northern Mindanao.

Aboitiz InfraCapital also holds OPS for the Laguindingan contract, which has attracted two challengers, Mr. Lim said.

The PPP Code, or Republic Act No. 11966, amended the Build-Operate-Transfer Law to create a unified legal framework for all PPPs at both national and local levels.

Under the PPP Code, unsolicited proposals must undergo a comparative challenge following a right-to-match mechanism within a given time period.

The grant of OPS gives the original bidder the option to match offers made by challengers.

The government's negotiations with Prime Asset Ventures, Inc. which secured the OPS for the right to operate, maintain, and upgrade Iloilo International Airport, are expected to be completed by September, Mr. Lim said, adding that the awarding of the contract will take place by the first quarter of 2025.

"The negotiations will be finished in September... right now

In PPA's invitation to bid notice on Tuesday, it said it is investing P599.15 million for the phase 1 expansion of the Port of Puerto Princesa.

"Bids received in excess of the approved budget for the contract (ABC) shall be automatically rejected at the bid opening," PPA said.

Bidders should have completed a similar project beforehand, the PPA said. It said the format will be open competi-

we are looking at the first quarter for the issuance of the award," Mr. Lim said.

Nigel Paul C. Villarete, senior adviser on PPP at the technical advisory group Libra Konsult, Inc., said the government's approach to privatizing regional airports has proven to be faster and has led to better outcomes, following the success of Mactan-Cebu International Airport.

In 2022, Aboitiz InfraCapital finalized a deal with Megawide Construction Corp. and GMR Airports International, B.V., allowing it to acquire shares in GMR-Megawide Cebu Airport Corp., the company behind Mactan-Cebu International Airport.

"This is a big boost to the aviation sector which will benefit from improved and more efficient operations by the private sector," Mr. Villarete said in a Viber message on Tuesday.

He said the government's PPP approach has proven beneficial as it structures airport deals that generate positive financial returns.

"Many of the other smaller airports are still government-subsidized and may not qualify for PPP. These can still be offered but with

competitive bidding with pass or fail criterion.

Bidding documents for interested parties may be acquired for P75,000, with a pre-bid conference set for May 30 and bid opening scheduled for June 14.

Phase 1 of the Puerto Princesa Port Expansion project includes removal and excavation works, and enclosure and upgrading of the port operational area. — **Ashley Erika O. Jose**

a government subsidy factored in. But that's for the government to decide," he said.

"Good for the country, and the aviation sector, if the three regional airports go the way of Mactan Cebu. But I don't expect the government to privatize more regional airports soon — for the simple reason that there are few, if any, in the pipeline," Rene S. Santiago, former president of the Transportation Science Society of the Philippines, said in a Viber message.

Mr. Lim said the government is also looking at the possibility of bundling smaller airports to offer as PPPs.

"Part of the strategy we are looking at is how to bundle, how many and which ones to make it attractive to be offered for PPP," he said.

For now, Mr. Lim said other regional airports have attracted unsolicited offers.

"Other airports remain candidates, of course — General Santos, Busuanga, even Bacolod, Bicol. There are bigger airports — Laoag, Tacloban... that can be the central airport to bundle with," he added. — **Ashley Erika O. Jose**

## Luzon Economic Corridor to receive US support for feasibility studies

THE US Trade and Development Agency will assist with feasibility studies for projects to develop the Luzon Economic Corridor, a White House adviser said.

At the Indo-Pacific Business Forum on Tuesday, Amos Hochstein, a deputy assistant to the US President and Senior Adviser for Energy and Investment, said that the US government will help identify the projects that need to be in place to attract companies to invest in Luzon.

Mr. Hochstein said the initial works are likely to be infrastructure projects like port modernization and rail lines.

"What we want to do is look at what kinds of projects can be invested in and what kinds of projects can be supported first. So we've worked with the government of the Philippines on identifying the exact infrastructure projects," he said.

"That includes port development in Batangas and in Subic Bay, building the freight rail from the ports to Clark, and connecting Subic to Clark to Manila to Batangas. If you can have that kind of integrated investment in infrastructure, that will support the companies coming in," he added.

Once the feasibility studies are done and the Philippine government starts to put out the tenders for the project, the US government will then come in again through its agencies to provide financing via debt, equity, political risk insurance, and other financial instruments.

"Again, the US government is not here to make investments in the sector, whether it's in the semiconductor sector or anything else, but rather to look at what kinds of things are the necessary infrastructure that make the private sector come in and make the investments," he added.

President Ferdinand R. Marcos, Jr. called the Luzon Economic Corridor one of the most important collaborations among the Indo-Pacific Economic Framework for Prosperity (IPEF) partner countries.

"Given Luzon's critical status as the host of most of the Philippines' export manufacturing and high-technology industries, upgrading infrastructure in this area is essential," Mr. Marcos said in his remarks.

"These enhancements are crucial for empowering the workforce and facilitating the smooth flow of goods and services," he added.

Aside from key projects in the Luzon Economic Corridor, Mr. Marcos also pitched the Philippines' 491,821-megawatt renewable energy potential, semiconductor, electronics, and critical minerals industries, digital transformation initiatives, and information technology and business process management industry, among others.

Meanwhile, he said that foreign direct investment (FDI) has expanded for four consecutive months, providing support for further growth.

"Notably, IPEF partner countries play a significant role in our robust economic growth, contributing substantially to our FDI and other approved investments," he added.

To support further growth, he said his government will continue to implement reforms to ensure a conducive business environment, develop a competitive workforce, and drive industrial transformation.

"Through these steadfast efforts, we are attracting foreign investments that are not only fueling our growth, but also broadening our economic base," he added. — **Justine Irish D. Tabile**

## Biofuel decision seen requiring study due to impact on poor

THE decision to raise the biofuel blend must undergo an impact study to consider the possible impact on more vulnerable commuters, an economist said.

Leonardo A. Lanzona, an economics professor at the Ateneo de Manila, said that while the new policy "may be socially acceptable, the burden will be carried disproportionately by the lower-income populations who spend a larger proportion of their incomes on transportation."

"While the long-term benefits of this program on health may be gained eventually by the poor, careful consideration and impact assessments would be necessary to ensure a just and equitable transition to more environmentally friendly fuels like biodiesel, without unduly burdening vulnerable populations," he said via chat.

On Monday, the Department of Energy (DoE) announced the guidelines for raising the biofuel content of the biodiesel blend.

Oil companies have been directed to increase the coco diesel blend to 3% starting Oct. 1, to 4% by Oct. 1, 2025, and to 5% by Oct. 1, 2026.

The Biofuels Act of 2006 requires that all liquid fuels for motors and engines contain locally sourced biofuel components.

Since February 2009, fuel retailers have been required to offer a 2% biodiesel blend by volume on all diesel fuel.

Under the new policy, oil companies can also offer gasoline consisting of 20% bioethanol, on a voluntary basis.

At present, the DoE has required a 10% bioethanol blend by volume on all gasoline sold in the Philippines.

The DoE said an estimated net savings of P4.17 per liter of diesel could be realized with an increase of around 10% in mileage, based on a 30,000-kilometer road test using a coco methyl ester blend of 5%.

Meanwhile, increasing the bioethanol blend to 20% could result in a P3.21 per liter reduction in gasoline pump prices.

DoE Director for Energy Policy and Planning Michael O. Sinocruz said raising the biofuel content could help reduce pollution, and generate additional jobs. — **Sheideen Joy Talavera**

## Collins Aerospace may expand PHL aircraft interiors product lineup

COLLINS AEROSPACE, a division of US-listed RTX, is considering making more products at its facility in the Philippines over the next five years, in the process expanding its supply chains in the region.

"It would be interior aircraft products. So it would be a complement to what we do today, which is main cabin seating, galleys, lavatories, and galley inserts. So it would be along those product lines," according to Mary DeSteffan, general manager of the Collin Aerospace facility in Tanauan, Batangas.

"This is all part of the strategic plan as we continue to grow the business here and support Asian customers. It is still in the works, but the Philippines has the commitment of Collins Aerospace, as (the facility) has a very competitive advantage," she added.

She said the company prepares a strategic and financial plan over a five-year period, and the company is looking to roll out the additional product lines within the same period.

"Right now, we are looking to do the expansion at our current site. We have an additional footprint available, and once (we get the go signal) and the right products, we will consider expanding at our current location," she added.

The Collins Aerospace facility is located at the First Philippine Industrial Park in Tanauan, Batangas. It is the largest US manufacturer in the country.

"So it could be a new assembly line, but truly, there is nothing firm right now. We are just exploring different options, and we continue to

partner with airlines to understand what they need and how we can support that," Ms. DeSteffan said.

Collins Aerospace supplies parts to Boeing and Airbus.

"Our (Philippine) site is one of the largest sites within Collins Aerospace, and so the investment that we've made here from 2012 until now shows our commitment to be here in the Philippines," she said.

"I'm excited to lead the site, to continue to advocate for growth here in the Philippines, and to just be a good partner here," she added.

Ms. DeSteffan said that regionalizing Collins Aerospace's supply chain does not only mean more revenue for the Philippines but will also allow the company to respond faster to customer demands. — **Justine Irish D. Tabile**