



Meralco was sold to Marcos under duress, says Pimentel

- [Sammy Santos](#) -

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Sen. Aquilino Pimentel Jr. said yesterday "there is reasonable ground to believe" the Lopez family sold the Manila Electric Co. (Meralco) to the government in the 1970s under duress.

Pimentel said he "doesn't buy the assertion of former Sen. Juan Ponce Enrile that the Lopezes voluntarily gave up the ownership" of Meralco during the martial law regime of the late dictator Ferdinand Marcos.

"As a human rights lawyer, I must say that Manong Johnny Enrile's basic assumption that the Lopezes sold Meralco and other assets willingly to Marcos simply doesn't hold water," Pimentel said in a statement.

He said the late family patriarch, Eugenio Lopez Sr., sealed the Meralco deal with Marcos in the hope of securing the release of his son, Eugenio Lopez Jr., from military detention.

"It was martial law and Marcos was holding the Lopez patriarch by the neck. No matter what fault may be attributed to the Lopezes, nobody can say the Meralco and other deals between them and Marcos were done freely and voluntarily," Pimentel said.

The debate over the ownership of the largest power distributor in the country was revived as Congress deliberated on an extension of Meralco's franchise and after Enrile claimed he had documents to prove that the Lopezes voluntarily sold Meralco to the government.

Enrile claimed the documents show that the Lopezes appealed to Marcos to take over Meralco in 1973 because they were facing imminent bankruptcy.

He said Lopez wrote two letters to Marcos conveying his offer to sell Meralco. The first letter was dated Feb. 19, 1973, while the second was written on March 20, 1973.

But the Lopez family belied Enrile's claim and likened the Meralco "sale" to the government to "something similar to a kidnap-for-ransom situation."

Oscar Lopez, chairman of the Lopez group of companies, admitted that his father (the former vice president) was forced to sign some documents and letters that were prepared by Marcos' henchmen.

Lopez said his father signed the documents shortly after martial law because "Enrile, the martial law administrator acting for the mastermind of the kidnap for ransom gang, was keeping my brother Geny (the late Eugenio Lopez Jr.) hostage at Fort Bonifacio" and that the military had "taken over Meralco and all its facilities."

However, Lopez said the former vice president was "double-crossed" by Marcos and kept the younger Geny hostage "even after he signed everything they wanted him to sign."

Lopez said his father was "forced" to accept a downpayment of P10,000 for Meralco which then had a purchase price of P150 million. It was agreed that the government would pay the balance "when able."

But in 1985, Lopez said the government defaulted in its payments, and unpaid shares reverted to the Lopez-controlled First Philippine Holdings Corporation.

The government later contested the return of the unpaid shares, which was reviewed by government officials until the Supreme Court declared it valid in 1991.

Also yesterday, the Lopezes' First Gas Power Corp. dismissed as "rehashed charges" the claim of Enrile that Meralco had overcharged consumers because their transactions were scrutinized by the Energy Regulatory Board (ERB).

Far from over-billing electricity consumers, First Gas said that the company and Quezon Power, another power supplier of Meralco, went through the effort of offering the biggest cuts in the controversial purchased power adjustment (PPA).

Meralco and its power suppliers could not have come up with "sweetheart deals" as alleged by Enrile because not only did the ERB, now known as the Energy Regulatory Commission (ERC), closely examine the transactions but also posted notices in 111 towns and cities in its franchise that there would be public hearings on the matter, First Gas said in a statement.

First Gas said Enrile's statements were "malicious, misleading and baseless, meant to taint the integrity of the Lopezes."

First Gas also dismissed Enrile's recycled allegations of escalating capacity fees, saying its ERB-approved contract with Meralco allowed an increase in capacity fees only up to the date of the commercial operations, which means that there have not been any adjustment since that time.