

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 4672



Introduced by HON. ALETA C. SUAREZ

EXPLANATORY NOTE


The Constitution is replete with provisions protecting vital industries from being effectively controlled by foreign participants. Article XII Section 1 paragraph 2 explicitly states that, "the State shall protect Filipino enterprises against unfair foreign competition and trade practices". Section 2 of the same Article mandates that: (1) Congress enact measures that will encourage the formation and operation of enterprises whose capital is wholly owned by Filipinos; (2) in the grant of rights, privileges, and concessions covering national economy and patrimony, the State shall give preference to qualified Filipinos; and (3) the State shall regulate and exercise authority over foreign investments within its national jurisdiction and in accordance with its national goals and priorities.

The National Grid Corporation of the Philippines (NGCP), a privately-owned company with a legislative franchise to operate, maintain, and develop the country's transmission network, is owned by a consortium composed of the State Grid Corporation of China, One Taipan Holdings Corp., and Calaca High Power Corporation.

The State Grid Corporation of China holds 40 percent stake in the NGCP while One Taipan Holdings and Calaca High Power Corp. each have 30 percent.

The NGCP is in charge of the transmission of high-voltage electricity through an interconnected system of transmission lines, towers, substations and related facilities. Given the past tensions between the Philippines and China, the NGCP, being a vital industry owned and controlled by Chinese entity, poses national security concerns.

This bill seeks to make NGCP exclusively owned, controlled, and operated by Filipinos to eliminate security risks. This is a re-filed bill from House Bill No. 5209 authored by Minority Leader and Quezon Third District Representative Danilo E. Suarez in the 17th Congress.



ALETA C. SUAREZ
Representative
3rd District, Quezon Province

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AN ACT LIMITING THE OWNERSHIP AND OPERATION OF THE NATIONAL GRID
CORPORATION OF THE PHILIPPINES (NGCP) EXCLUSIVELY TO FILIPINOS

Be it enacted by the Senate and House of Representatives in Congress assembled:

SECTION 1. Declaration of Policy - The National Grid Corporation of the Philippines, a privately-owned company in charge of operating, maintaining, and developing the national power grid, whose operations affect national security, shall be exclusively owned and operated by Filipinos.

SEC. 2. Implementing Rules and Regulations - The Department of Energy (DOE), Department of National Defense (DND) and other concerned agencies shall formulate the rules and regulations in granting stock ownership to qualified Filipino individuals and corporations.

SEC. 3. Repealing Clause - All laws, decrees, rules and regulations and other issuances or part thereof which are inconsistent with the provisions of this Act are hereby amended, repealed, or modified accordingly.

SEC. 4. Effectivity - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two newspapers of general circulation in the Philippines, whichever comes earlier.

Approved.