

**MALACAÑANG**  
**MANILA**  
**BY THE PRESIDENT OF THE PHILIPPINES**

**ADMINISTRATIVE ORDER NO. 278**

**DISPOSAL OF THE TWO (2) 501-F TURBINES AS PART OF THE PROCEEDS FROM THE WESTINGHOUSE SETTLEMENT RELATIVE TO CIVIL ACTION NO. 88-5150 DRD AND ARBITRATION CASE NO. 6401/BGD**

**WHEREAS**, the Presidential Committee on the Bataan Nuclear Power Plant (BNPP), created under Executive Order No. 315 dated 04 January 1988, as amended, to oversee, supervise and coordinate all legal claims and options, loans and financial obligations and maintenance and preservation, including the disposition or liquidation of all assets relating to the BNPP, has fully implemented all legal claims and actions relating to BNPP;

**WHEREAS**, on 13 October 1995, a Settlement Agreement was executed by and among Westinghouse Electric Corporation, Westinghouse Electric S.A., Westinghouse International Projects Company (together referred to as "Westinghouse"), Burns and Roe Enterprises, Inc. ("Burns & Roe"), the Republic of the Philippines and National Power Corporation ("NPC"), which together shall sometimes be referred to as the "Republic", relative to the lawsuits filed in the United States District Court of New Jersey (Civil Action No. 88-5150 DRD) and before the International Chamber of Commerce (Arbitration Case No. 6401/BGD);

**WHEREAS**, pursuant to the Settlement Agreement entered into by and among Westinghouse, Burns & Roe and the Republic, Westinghouse offered to the Republic a settlement consisting of two (2) units of 501-F Gas Turbines, 100 MW each, and US\$40.3 million in cash, the latter of which has been received by the National Government;

**WHEREAS**, following the settlement by Westinghouse and Burns and Roe to the Republic, the Republic irrevocably, fully and forever releases, discharges, waives and renounces any and all claims against Westinghouse arising out of the lawsuits filed in the United States District Court of New Jersey (Civil Action No. 88-5150 DRD), and before the International Chamber of Commerce (Arbitration Case No. 6401/BGD);

**WHEREAS**, by virtue of Section 2 of Executive Order No. 55, the National Government, as guarantor of the foreign loans contracted by the National Power Corporation (NPC) to finance the construction of BNPP Plant, assumed all the remaining foreign obligations, including but not limited to interest charges, with the foreign lenders, thereby transferring the corresponding obligations from NPC. Likewise, the National Government

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assumed all the peso obligations, incurred by NPC to finance the construction of the BNPP.

**NOW, THEREFORE, I, FIDEL V. RAMOS**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1.** The National Power Corporation (NPC) shall conduct the disposition of the two (2) 501-F Gas Turbines in behalf of the National Government.

**SEC. 2.** The conduct of disposition shall be in accordance with existing rules and procedures. The Department of Finance (DOF) shall have the final approval with respect to the price and buyer and other terms of the disposition.

**SEC. 3.** The timing of disposition, including other specifics of the disposition arrangement between DOF and NPC, shall be contained in a Memorandum of Agreement between the two offices which shall be submitted to the Office of the President for approval within one hundred twenty (120) days from receipt of this Order.

**SEC. 4.** The proceeds from the sale of the subject turbines shall be remitted to the Bureau of the Treasury and credited to a Special Account under the General Fund. The proceeds therefrom shall be earmarked for expenses relative to the BNPP account transferred to the National Government and any excess/shortfall shall be reverted to/taken from the common fund under the General Fund, subject to existing rules and regulations.

**SEC. 5.** This Administrative Order shall take effect immediately.

**DONE** in the City of Manila, this 1<sup>st</sup> day of J u l y in the year of Our Lord, Nineteen Hundred and Ninety-Six.



By the President:



**RUBEN D. TORRES**  
Executive Secretary