

# Metro Pacific-San Miguel rivalry shifts to Subic-Clark-Tarlac Expressway

by MARY ANN LL. REYES  
Philstar.com

AFTER a protracted battle for control of power utility giant Manila Electric Co. (Meralco), two of the country's biggest conglomerates have both expressed interest in acquiring a stake in the Subic-Clark-Tarlac Expressway (SCTEX) from the state-run Bases Conversion Development Authority (BCDA).

BCDA sources told *The STAR* that the Metro Pacific Group—which have ownership ties with Philippine Long Distance Telephone Co. (PLDT)—and San Miguel Corp. have proposed separate offers for the SCTEX stake.

BCDA financed the construction of the 93.77 kilometer toll road through a P22-billion loan from the Japan Bank for International Cooperation (JICA).

Metro Pacific Tollways Corp. (MPTC) chairman Manuel V. Pangilinan confirmed his group's interest in acquiring government's interest in the project, as well as his desire that the JICA concessional loan remain.

BCDA officials said they are always open to the possibility of the sale of SCTEX but added they are not sure how that would impact on the JICA loan.

Meanwhile, the San Miguel group reportedly offered to enter into a joint venture with the BCDA for SCTEX.

The Tollways Management

Corp. (TMC), partly owned by MPTC, currently operates the SCTEX as well as the North Luzon Expressway (NLEX).

The Lopez Group earlier sold its toll road business held in First Philippine Infrastructure Inc. (FPII) to Metro Pacific Investment Corp. (MPIC) for P12.2 billion. MPIC has renamed FPII into MPTC.

FPII owns 100 percent of First Philippine Infrastructure Development Corp. (FPIDC), which, in turn, owns 67.1 percent of NLEX concessionaire Manila North Tollways Corp. (MNTC) and 46 percent of TMC.

SCTEX is the country's longest toll road. A flagship project of BCDA, this four-lane expressway runs through the provinces of Bataan, Pampanga, Tarlac and Zambales, and interconnects three major economic zones in Central Luzon, namely Central Techno Park in Tarlac, Clark Freeport Zone and Subic Bay Freeport Zone.

BCDA has inaugurated early this year the Clark Logistics Interchange and Clark South Interchange, bringing to a total of nine the fully operational interchanges.

Two more interchanges, Floridablanca and Porac, are under construction and are scheduled to be finished soon. Supplemental

loans from Japan would fund the construction of the Floridablanca and Porac interchanges.

Pangilinan said P2.1 billion would be spent for the construction of the NLEX-Segment 8.1, which will link it to the C-5 Road. The project is expected to be completed by April 2010.

Meanwhile, Pangilinan said around P20 billion would be spent on the road that will link the NLEX and South Luzon Expressway (SLEX).

MPTC and state-owned Philippine National Railways (PNR) earlier signed a deal to conduct a pre-feasibility study link the NLEX and SLEX by road and rail. The link will be an integrated rail and tollway project using the PNR's right of way, which cuts across Metro Manila.

Initial discussions focused on the development of an 18-kilometer integrated rail and tollway project that will have "at-grade" and elevated roads over the existing PNR line.

The project is an alternative to various plans to link the two tollways. Other alternatives include the government's P420-million plan of building a flyover that will connect the C-5 Road to Commonwealth Ave. in Quezon City, so that vehicles from the SLEX no longer have to deal with traffic on EDSA to get to the NLEX. ■

# PLDT taps Meralco for new venture

by AMY R. REMO, DORIS DURLAO  
Inquirer.net

MANILA Electric Co. will soon test in Malabon City a broadband-over-powerline (BPL) project, which if proven commercially viable, is a potential new cash cow for the country's biggest power retailer.

Philippine Long Distance Telephone Co. chair Manuel V. Pangilinan last June 30 told shareholders of subsidiary Pilipino Telephone Corp. that BPL, cited as among the many synergies between Meralco and the telecom giant, would begin soon.

He added that they were proven right in investing in Meralco by the fact that share prices had gone up sharply since the group agreed to buy a 20-percent stake in the company from the Lopezzes at P90 a share. As of Tuesday, Meralco closed at P143 a share.

Piltel is the vehicle used by the PLDT group to take up the 20-percent stake sold by the Lopezzes in

Meralco. On top of this, the PLDT Beneficial Trust Fund owns another 10.2 percent, which it will soon sell to affiliate Metro Pacific Investments Corp.

The BPL project—which can potentially provide cheaper high-speed Internet to millions of households—was believed to be the PLDT group's biggest motivation in buying into Meralco especially because another powerful voting block that had come in much earlier, San Miguel Corp., was also keen on entering the highly competitive telecom business.

"But they won't do that until after August. They would like to test for two or three months," Pangilinan said.

In an interview with the Inquirer, Martin Lopez, vice president and chief information officer of Meralco, said the company expected to "start some kind of a rollout of pilot equipment in August" for the BPL project. ■

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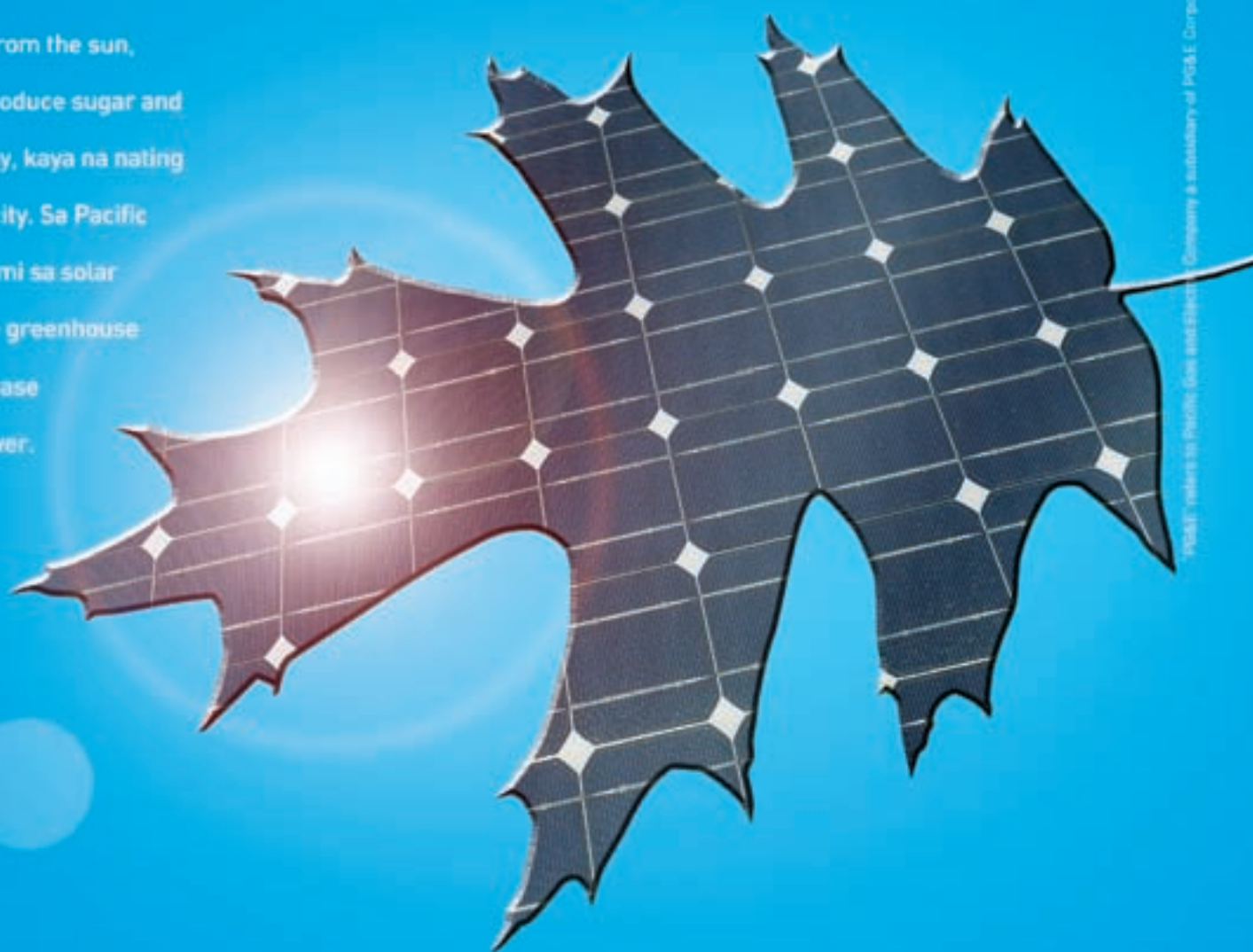
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