

NEDA OKS 'AEROTROPOLIS' PROJECT IN BULACAN

San Miguel subsidiary plans to build international airport in Bulacan; Swiss challenge on

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A new international airport may soon rise in Bulacan after the National Economic and Development Authority Board on Wednesday green-lighted the Swiss challenge for San Miguel Corp.'s unsolicited proposal to build a P735.6-billion "aerotropolis."

In a text message to reporters Wednesday night, Finance Secretary Carlos G. Dominguez III said that while the Neda Board, chaired by the President, confirmed the Bulacan International Airport Project to be implemented by the Department of Transportation, it was still "subject to final review of the concession agreement."

To recall, the Department of Finance had reservations about SMC's proposal, as it would be rolled out by the subsidiary San Miguel Holdings Corp., whose capitalization was supposedly smaller than the project itself.

The DOF was also reportedly wary of the project's economic impact as it would be implemented by the private sector.

But economic managers during March 28's Neda Investment Coordination Committee-Cabinet Committee meeting gave its go-ahead for SMC's proposed airport project, with a "recommendation to the Neda Board for negotiations between DOTr and San Miguel Holdings toward conducting the prescribed Swiss challenge, after finalizing the bidding parameters with the DOF."

Under a Swiss challenge, other companies can bid for the project, after which the original proponent that submitted the unsolicited proposal will be allowed to match or submit a better bid before the project is awarded.

The new international aerotropolis, or a metropolis revolving around an airport, will involve a massive airport spanning 1,168 hectares as well as city complex to be built at a 2,500-hectare location along Manila Bay.

The airport project, which had been awarded an original proponent status by the DOTr, will have six parallel runways and an initial capacity of 100 million passengers or over three times that of the Ninoy Aquino International Airport.

It will be under a build-operate-transfer scheme, with SMC to operate the airport under a 50-year concession.

SMC will also build an expressway that will link its airport to the North Luzon Expressway in Marilao, Bulacan.

SMC plans to complete the project within six years.

With its offer, SMC hopes to eventually replace Naia.

However, Socioeconomic Planning Secretary and Neda chief Ernesto M. Perina had said that the government was open to accepting the proposals of the country's biggest conglomerates to redevelop and rehabilitate Naia.

Naia is suffering from worsening congestion, as its four passenger terminals serve over 42 million passengers yearly, or 40 percent more than its design capacity.

But despite this, the government earlier announced that under its ambitious “Build, Build, Build” program, the improvement of Naia will be a priority, alongside the development of the Clark International Airport as the second major airport by 2020.

Last Monday, Pernia said the upcoming Bulacan airport, Naia’s rehabilitation and Clark’s development need not compete as they “can go concurrently—there’s no conflict in terms of attention.”

“Bulacan will be handled by the private sector, and Naia also by the private sector; Clark is being handled by the Bases Conversion and Development Authority, so these are separate efforts,” Pernia pointed out.

Besides the Bulacan International Airport Project, the Neda Board also approved the following:

- The DOTr’s P50-billion Subic-Clark Railway Project; The BCDA’s P12.6-billion Clark International Airport Expansion Project-Operations and Maintenance Public-Private Partnership concession.

- The Department of Public Works and Highways’ P39.2-billion Ambal-Simuay River and Rio Grande de Mindanao River Flood Control Projects.

- The DPWH’s P27.4-billion Pasig-Marikina River and Manggahan Floodway Bridges Construction Project.

- The DPWH’s P11.4-billion Bridge Construction Acceleration Project for Socio-Economic Development.

- The DPWH’s P6.2-million Change in Scope and Cost and Loan Validity Extension of the Integrated Disaster Risk Reduction and Climate Change Adaptation Measures in Low-Lying Areas of Pampanga Bay.

- The Department of Trade and Industry’s P4.8-billion Rural Agro-Enterprise Partnership for Inclusive Development and Growth Project, “subject to have a two-phase approach with up to 25 percent of total project costs as pilot-testing phase and upon successful performance evaluation, will expand the project to second phase of up to 75 percent of total project costs”.

- The DTI’s P1-billion Davao Food Complex Project; the Department of Environment and Natural Resources’ P7.2-billion Restructuring for the Integrated Natural Resources and Environment Management Project; the Department of Agriculture-Bureau of Fisheries and Aquatic Resources’ P1.7-billion Change in Scope and Cost for Integrated Marine Environment Monitoring System Phase 2 Project; and the Metropolitan Waterworks and Sewerage System’s P14.3million Increase in Cost of the New Centennial Water SourceKaliwa Dam Project.

Through ad referendum, the following projects were also confirmed by the Neda Board:

The DPWH’s change in financing from local funding to Official Development Assistance (ODA) of the Arterial Bypass Project Phase 3, Contract Packages 1, 2, and 4; the DPWH’s P25.3-billion Improving Growth Corridors in Mindanao Road Sector Project (Tawi-Tawi Bridges); the National Irrigation Administration’s P4.4-billion Proposed Change in Design and Increase in Cost of the Chico River Pump Irrigation Project; the Land Bank of the Philippines’ P1.3-billion Conflict-Sensitive Resource and Asset Management Program-Financial Cooperation; the Department of the Interior and Local Government’s P20.3-billion Safe Philippines Project Phase 1, “subject to having security component linked with other infrastructure projects”; the DOTr’s Request for Supplemental Loan for the new Bohol Airport Construction and Sustainable Environment Protection Project; the DPWH’s P1-billion Request for 24-Month Loan Validity Extension, Revision of Construction Period and Schedule, and Change in Scope of the Samar Pacific Coastal Road Project; the NIA’s P11.2-billion Request for 46Month Extension of Loan Validity and Project Completion Schedule for the Jalaur River Multi-Purpose Project, Stage 2.

Subject:

- Regional Planning