

# The Foreign Chambers of the Philippines

American Chamber of Commerce of the Phils., Inc. ♦ Australian-New Zealand Chamber of Commerce (Phils.), Inc.  
Canadian Chamber of Commerce of the Phils., Inc. ♦ European Chamber of Commerce of the Phils., Inc.  
Japanese Chamber of Commerce & Industry of the Phils., Inc. ♦ Korean Chamber of Commerce of the Phils., Inc.  
Philippine Association of Multinational Companies Regional Headquarters, Inc.



May 12, 2008

Mr. Jose C. Ibazeta  
President & Chief Executive Officer  
Power Sector Assets & Liabilities Management Corporation (PSALM)  
7th Floor Bankmer Building  
6756 Ayala Avenue  
Makati City 1226



Dear Mr. Ibazeta:

We are writing in relation to your plans to privatize the administration of NPC IPP power contracts later this year in accordance with the provisions concerning open access in the EPIRA law.



As you may know, the Joint Foreign Chambers have long held the view that the procurement of fuel by NPC both for the plants it owns and for the plants it is contractually obligated to provide for should be driven by market forces. Accordingly, the JFC strongly urges that NPC and PSALM transfer to the new owners of former NPC generation assets and to the IPPA administrators the right to supply fuel for their respective power plants.



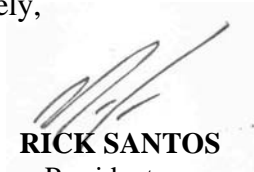
If that cannot be done, it is the opinion of the JFC that NPC should hire a reputable fuel consultant who will recommend and implement a transparent fuel procurement strategy for all of the plants NPC is currently supplying with fuel. It is exceedingly clear that as a country the Philippines must have a short term or spot market strategy, a medium term strategy, and ultimately a long term strategy for the procurement of fuel in order to optimize the impact of rising fuel costs on energy prices.



Continuation of the current practice adds unnecessarily to the cost of power and accordingly harms national competitiveness and efficiency.

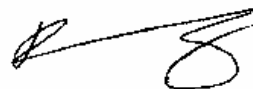


Sincerely,



**RICK SANTOS**  
President

American Chamber of Commerce  
of the Philippines, Inc.



**RICHARD BARCLAY**  
President  
Australian-New Zealand Chamber  
of Commerce of the Philippines, Inc.





**STEWART HALL**

President  
Canadian Chamber of Commerce  
of the Philippines, Inc.



**HUBERT D'ABVILLE**

President  
European Chamber of Commerce  
of the Philippines, Inc.



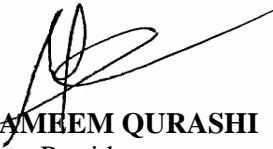
**TOSHIFUMI INAMI**

President  
Japanese Chamber of Commerce  
& Industry of the Philippines, Inc.



**JAE J. JANG**

President  
Korean Chamber of Commerce  
of the Philippines, Inc.



**SHAMBEM QURASHI**

President  
Philippine Association of Multinational Companies  
Regional Headquarters, Inc.

cc: DTI Secretary Peter Favila  
DOE Secretary Angelo Reyes  
Executive Secretary Eduardo Ermita  
NCC Co-Chairman Cesar Bautista and Mr. Ruy Moreno  
ECOP, EDC, MAP, PCCI  
Mr. Ronnie Concepcion, COPW