

Ex-Im Bank and Nuclear Tourism*

By: Doug Norlen and Maris dela Cruz**

The mothballed Bataan Nuclear Power Plant (BNPP) should be converted into a novel tourist attraction, and adjacent beaches and coastal areas transformed into an ecotourism destination, says Philippine lawmaker Herminia Roman,¹ a representative from the district of Bataan where the nuclear power station is located. The proposal represents a reversal of Roman's earlier proposed legislation for the rehabilitation and commercial operation of BNPP². Ronald Tiotuico, Regional Director of the Department of Tourism, says the unused nuclear plant can be a "learning experience," that can help educate visitors on how the Fukushima nuclear disaster in Japan happened and how to avoid it.³

The tourist attraction would likely strengthen the resolve of the Philippine public's opposition to nuclear power, yet there is still a "slim chance" that nuclear power proponents will continue to try to revive the sector, according to Amalie Obusan Climate and Energy Campaigner, Greenpeace.⁴ Despite the catastrophe at Fukushima Daiichi nuclear plant, the government has not yet shown firm action to lay to rest plans of reviving BNPP as officials continue to have differing positions. For instance, the President has expressed that he is not supporting the revival of BNPP,⁵ but the Secretary of Department of Science and Technology still believes BNPP is safe and should be activated – a view shared by the main proponent of a House Bill in 2009 that would mandate the commercial operation of BNPP. Former Rep. Mark Cojuangco, whose wife succeeded him and refilled his bill, opposes the total abandonment of activating BNPP.⁶ Members of the nationwide Network Opposed to BNPP (NO to BNPP) demand more than verbal statement from the government. The Freedom from Debt Coalition calls on President Benigno S. Aquino III to drop nuclear power as solution to the country's power generation woes and for a nuclear power-free Medium Term Philippine Development Plan.⁷ Greenpeace asks the same – for the government to abandon all nuclear power plans, including those in the Philippine Energy Plan and the Energy Reform Agenda⁸

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Perhaps the BNPP museum could include an exhibit of the failure of export credit agencies' accountability on environmental, economic and corruption concerns. The U.S. Export-Import Bank provided loans worth \$277.2 million in January 1976 and guaranteed worth \$367.2 million for BNPP, supporting participation of Westinghouse in the project, which became a white elephant because of technical, environmental and corruption problems.¹⁰

Built between 1977 and 1984, the 640-megawatt BNPP is located between major earthquake faults and near the Mount Natib volcano. The nation-wide Nuclear Free Philippines Coalition, established in 1981, grew out of organized opposition to BNPP. The nuclear power plant was originally approved by then-President Ferdinand Marcos, but the project was scrapped by subsequent President Corazon Aquino based on safety concerns and an earlier investigation which revealed 4000 safety defects.¹¹

Damage of a nuclear disaster at Bataan could be extensive—similar to Fukushima. Using very detailed Google maps, Engr. Roberto Verzola (Philippine Greens) had identified six provinces (Zambales, Tarlac, Pampanga, Bulacan, Cavite, and Batangas) and Metro Manila in Luzon as potential danger zone if an 80-km danger zone were declared around the BNPP similar to what the U.S. Nuclear Regulatory Commission had advised U.S. citizens living in Fukushima, Japan. The maps show the streets, roads, highways, subdivisions, villages and even major buildings that must be evacuated.¹²

In 2004, Philippine officials revived graft charges against a Marcos associate amidst charges of receiving \$17 million in bribes to help Westinghouse secure engineering and design contract for the project.¹³

BNPP's sordid financing resulted in massive odious debt for the Philippines, and one of the country's largest sources of foreign debt, according to the Freedom from Debt Coalition. In its position paper submitted to the Congress in February 2009, the coalition described BNPP as a "glaring representation of the country's fraudulent, wasteful, and useless debts... a symbol of the Philippines' struggle against a debt-driven development strategy – often peppered with rent seeking and cronyism – that different administrations, including the current disposition, have espoused." Further, over-projecting of demand and over-pricing of energy have worsened the debt load.¹⁴

Ex-Im Bank should shoulder responsibility for the negative impacts of the project on the Philippine government and the Filipino people. The odious debt from building of the nuke plant has not only led to draining the government coffers, but has also bled people's pockets dry thereby impoverishing millions of Filipinos. The government is spending at least P40 million a year to maintain the nuke plant says Engineer Mauro Marcelo Jr., head of the group maintaining the BNPP. Civil society groups in the Philippines, especially FDC, have been demanding the repudiation of odious debts¹⁵ such as the BNPP project. However, the BNPP debts were already

fully paid by the government in April 2007,¹⁶ “without a single benefit to the people, and without calling to account Westinghouse, the US Eximbank, Marcos crony Herminio Disini, and the Marcoses themselves,” says FDC.¹⁷ Ex-Im Bank and Westinghouse should provide reparation for the social costs of the fraudulent BNPP project to the Filipino people.

Ironically Ex-Im Bank could now help finance the Bataan eco-education tourism attraction through the Bank’s Environmental Exports Program. However, given Ex-Im Bank’s ignoble history with Westinghouse on the project, project organizers might want to look elsewhere for financing this time around.

Meanwhile, Ex-Im Bank’s most recent nuclear transaction supports nuclear fuel exports to the Laguna Verde nuclear plant on the Gulf of Mexico,¹⁸ despite Greenpeace and local environmental organizations’ long-standing demands to close the plant due to safety concerns.¹⁹

¹ Alternative Use for Bataan Nuclear Power Plant Sought, Philippine Star, May 18, 2011, available at <http://www.philstar.com/nation/article.aspx?publicationSubCategoryId=200&articleId=687358>

² Representatives Jose Solis, Mark Cojuangco, Roger Mercado & Herminia Roman, Substitute Bill to House Bills 1039 & 4631 & House Resolutions 250 & 257 “Mandating the immediate rehabilitation, commissioning and commercial operation of the Bataan Nuclear Power Plant, and appropriating funds therefore,” 14th Congress, House of Representatives, Philippines.

³ Philippine Nuclear Plant to Become Tourist Site, AFP, May 15, 2011, available at <http://www.independent.co.uk/travel/news-and-advice/philippine-nuclear-plant-to-become-tourist-site-2284571.html>

⁴ Philippines Turns Nuclear Plant into Tourist Attraction, Radio Australia, May 13, 2011.

⁵ Noy won’t back BNPP opening, May 18, 2011, PhilSTAR.com, available at <http://www.philstar.com/Article.aspx?articleId=667291>

⁶ Mothballed BNPP more modern and sturdier than the Fukushima Plants — Cojuangco, available at <http://balita.ph/2011/04/01/mothballed-bnpp-more-modern-and-sturdier-than-the-fukushima-plants-cojuangco/>

⁷ FDC Asks Aquino to Drop Nuclear Plans, Calls for Nuclear Power-Free MTPDP, Freedom from Debt Press Release, 15 March 2011, available at http://fdc.ph/index.php?option=com_content&view=article&id=535:fdc-asks-aquino-to-drop-nuclear-plans-calls-for-nuclear-power-free-mtpdp&catid=37:advocacy-on-power&Itemid=88

⁸ <http://notobnpp.wordpress.com/>

¹⁰ ECAs in the Philippine Power Sector and the Continuing Debt Problem, Maris Dela Cruz-Cardenas, Freedom from Debt Coalition-Philippines, available at http://www.jubileesouth.org/index.php?option=com_content&task=view&id=73

¹¹ The Bataan Nuclear Power Plant, The Ongoing Struggle for a Nuclear Free Philippines, WISE Communiqué, October 16, 1998, available at <http://www10.antenna.nl/wise/index.html?http://www10.antenna.nl/wise/499-500/4935.html>

¹² See <http://rverzola.wordpress.com/#content>

¹³ Graft Raps RE Bataan Nuclear Power Plant Bid Vs. Disini Revived, Star, July 2, 2004, available at <http://www.newsfash.org/2004/02/hl/hl100593.htm>

¹⁴ On the Proposed Revival of Bataan Nuclear Power Plant, A Position Paper Submitted by the Freedom from Debt Coalition to the House of Committees on Energy and Appropriations, 2 February 2009, available at http://www.yonip.com/archives/nukepower/FDC_BNPPpositionpaper.pdf

¹⁵ Rep. Edcel Lagman, The concept of odious debt in the Philippine setting, available at

<http://www.edcellagman.com.ph/speeches/national/116-the-concept-of-odious-debt-in-the-philippine-setting.html>

¹⁶ Nuclear power plant loan finally paid, Inquirer.net, 13 June 2007, available at

<http://business.inquirer.net/money/topstories/view/20070613-71098/Nuclear-power-plant-loan-finally-paid>

¹⁷ The Movement Continues: The Continuing Struggle of the Debt and Development Movement in the Philippines, FDC Debt and Public Finance Campaign Team, May 2008, available at

http://www.fdc.ph/index.php?option=com_docman&task=doc_details&gid=57&Itemid=74

¹⁸ Summary of Minutes of Meeting of Board of Directors, January 3, 2011, available at <http://www.exim.gov/article.cfm/EC35D986-B7B9-8DA7-08A3AE01BD97FCBC/>

¹⁹ Exigen el Cierre de la Laguna Verde, Proceso.com.mx, 25 April 2011, available at <http://www.proceso.com.mx/rv/modHome/detalleExclusiva/90597>