


THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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OFFICE OF THE SECRETARY

5 FEB 24 P1:49

SENATE

RECEIVED BY: 

S. B. No. 1932

Introduced by SENATOR JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

The government is tasked by the fundamental law of the land to be the guardian and custodian of our country's natural resources. This includes care of our marine resources.

This legislative measure therefore institutes a mechanism for the prevention, abatement, mitigation and control of oil pollution within the territorial boundaries of the country.

In view of the foregoing, immediate passage of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

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**AN ACT
CREATING THE OIL SPILL LIABILITY FUND**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Title. This Act shall be known as the "Oil Spill Liability Fund Act of 2005."

SECTION 2. Statement of Policy. It is hereby declared the policy of the State to prevent, abate, mitigate and control the pollution by oil and oily mixture of the seas within the territorial jurisdiction of the Philippines.

SECTION 3. Definition of Terms. As used in this Act:

- a. "DENR" means the Department of Environment and Natural Resources;
- b. "Discharge" in relation to oil or to an oily mixture means any discharge or escape or spillage, however caused;
- c. "Fund" means the Oil Spill Liability Fund;
- d. "LGU" means Local Government Unit;
- e. "MARINA" means Maritime Industry Authority;
- f. "Oil" means oil of any kind or in any form including but not limited to crude oil, fuel oil, heavy diesel oil and lubricating oil, oil refuse and sludge;
- g. "Seas" means the waters surrounding, between and around the islands comprising the Philippine Archipelago;

- h. "Vessel" means every description of watercraft, or other artificial contrivance used, or capable of being used, as means of transportation on water except;
- i. ships which are, or for the time being used as naval auxiliaries; and
- j. ships of under 500 tons gross tonnage;

SECTION 4 *Creation of the Oil Spill Liability Fund; Manner of Constitution.*

There is hereby created an Oil Spill Liability Fund to be managed and administered as a Trust Fund by the Department of Environment and Natural Resources (DENR). The Fund shall be sourced from contributions of owners and operators of tankers and barges hauling oil and/or petroleum products in Philippine waterways and coast wise shipping routes. During its first year of existence, the Fund shall be constituted by an impost of ten centavos per liter for every delivery of transshipment of oil made by tanker barges and tanker haulers. For the succeeding fiscal years, the amount of contribution shall be jointly determined by the DENR, other concerned government agencies, and representatives from the owners of tanker haulers, and ships hauling oil and/or petroleum products. In determining the amount of contribution, the purpose for which the Fund was set up shall always be closely considered.

SECTION 5. *Purpose of the Fund.* Amounts in the Oil Spill Liability Fund shall be available for purposes of making expenditures for the payment of clean-up and/or removal costs and natural resources damage assessments and claims as determined by the Department of Environment and Natural Resources (DENR) and administrative expenses related to such costs, assessments and claims caused or occasioned by any ship, tanker vessel, tanker barge or any other watercraft as understood in this Act which accidentally or otherwise discharges oil or oily mixture on waters subject to the jurisdiction of the Philippines; Provided, however, that the assessment or claim made by the DENR of the natural resource damage caused by an oil spill shall be payable, without need of demand, to the Local Government Unit (LGU) within whose territorial jurisdiction are situation waters affected by the oil spill; Provided, finally, that, the Fund shall also be used to enable the Philippine Coast Guard to develop an adequate capability for containment, recovery and removal or clean-up of spilled oil or oily mixture in waters within the territorial jurisdiction of the Philippines.

SECTION 6. *Limitations on Expenditures.* The maximum amount which may be paid from the Oil Spill Liability Fund with respect to –

- i. removal costs resulting from a single incident shall not exceed

P5,000,000.00; and

- ii. natural resource damage assessments and claims in connection with any single incident shall not exceed P2,500,000.00.

SECTION 7. *Liability of Owners of Ships, Tanker Barges and Tanker Haulers for Oil Spill Limited to Contribution in the Fund.* The liability of owners of tanker barges and tanker haulers or of ships or watercraft as understood in this Act for any oil spill or natural resource damage however caused or occasioned shall be limited to their contribution to the Fund.

SECTION 8. *Responsibility for Physical Removal and/or clean-up of oil spills.* Without prejudice to the right of the DENR to engage the services of a private contractor, the Philippine Coast Guard, using available funds from the Oil Spill Liability Fund, shall be the agency primarily responsible for the physical removal and/or clean-up operations of oil spills.

SECTION 9. *Repealing Clause.* All laws, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 10. *Effectivity Clause.* This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation.

Approved,