

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

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SENATE

RECEIVED BY: _____



P.S. Res. No. 383

Introduced by
Senators Franklin M. Drilon, Juan M. Flavio and Juan Ponce Enrile

**RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENERGY
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE
ALLEGED PROFITEERING OR PRICE GOUGING OF OIL COMPANIES**

WHEREAS, newspaper reports show that as early as 1970, oil companies have been allegedly engaged in transfer pricing, excessive advertising and public relations expenses, unfavorable dealer contracts, short selling, unlawful use of tax credits, oil smuggling, and other malpractices;

WHEREAS, the Downstream Oil Industry Deregulation Act of 1996 (Republic Act No. 8180) was enacted into law on March 28, 1996 "to foster a truly competitive market which can better achieve the social policy objective of fair price and adequate continuous supply of environmentally clean and high quality petroleum products";

WHEREAS, there has been no control of the excessive price increases since the passage of the said Downstream Oil Industry Deregulation Act and the Department of Energy appears to have failed to act on the petitions of concerned citizens and non-governmental organizations to protect consumers and regulate oil overpricing;

WHEREAS, there are allegations of inefficiency and incompetence on the part of the Department of Energy by allowing the oil companies to abuse the market and to obtain unreasonable enormous profits at the expense of the consuming public;

WHEREAS, oil companies have increased prices during the last three months, with gasoline prices reaching P39 per liter;

WHEREAS, notwithstanding the fact that the price of crude oil is now down to \$54 per barrel from \$70.50, the pump prices have not been proportionately reduced to P30 per liter;

WHEREAS, the charges against the oil companies are so serious that the United States Senate has opened an investigation on the record profits of US oil companies;

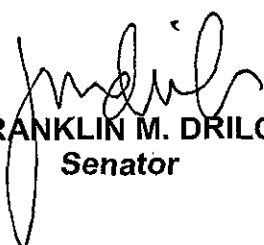
WHEREAS, there have also been newspaper reports that the Commissioner of the Bureau of Customs is conducting an investigation on oil smuggling, estimated to be worth P10 Billion a year; but despite of the lapse of many months, no investigation report on this matter has been made public by the Bureau of Customs;

WHEREAS, the effect of these uncontrolled price increases likewise undermine the economy, as well as the political stability of the country and the capacity for a sustained economic recovery;

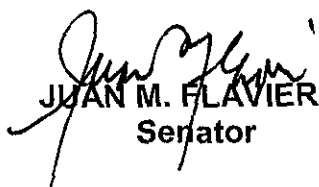
WHEREAS, if the government is serious to protect its citizens from all forms of economic sabotage, the alleged anomalies, malpractices and other corrupt activities committed by these oil companies must be looked into, and there is an urgent need to address these issues and propose recommendations and solutions therein: Now, therefore, be it

Resolved by the Senate, to direct, as it hereby directs, the Senate Committee on Energy to conduct an inquiry, in aid of legislation, into the alleged profiteering or price gouging of the oil companies, and on the dubious quality of oil products, unlawful use of tax credits and oil smuggling.

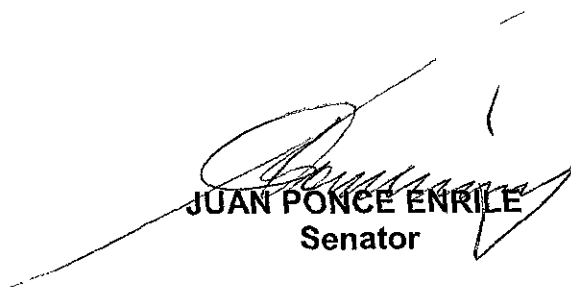
Adopted,



FRANKLIN M. DRILON
Senator



JUAN M. FLAVIER
Senator



JUAN PONCE ENRILE
Senator