


FOURTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

7 NOV 20 12:00

SENATE
P.S. Res. **216**

RECEIVED BY: 

Introduced by Senator Villar

RESOLUTION

URGING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN IMMEDIATE INQUIRY, IN AID OF LEGISLATION, ON THE LAX IMPLEMENTATION OF REPUBLIC ACT 8479, THE DOWNSTREAM OIL DEREGULATION ACT OF 1998, AND THE REPORTED CARTEL OIL OPERATION EXISTING IN THE INDUSTRY WITH THE END-IN-VIEW OF CHARTING REMEDIAL POLICIES AND MEASURES TO LESSEN THE IMPACT OF CONTINUOUSLY HIGH OIL PRICES ON THE DOMESTIC ECONOMY AND THE PEOPLE'S LIVELIHOOD

Whereas, the present law, Republic Act 8479 (The Downstream Oil Deregulation Act of 1998) is a statute in which the government is mandated not to interfere with the pricing, export and importation of oil products, not the establishment of retail outlets, storage depots, ocean receiving facilities and refineries;

Whereas, as envisioned, the law would result in open competition amongst industry players and assures the public of a more efficient and effective oil companies;

Whereas, while it is true that the prices of fuel products are dictated by world market factors and because the oil producing nations have raised the prices of crude oil, there are observations that the extra-ordinary increases in the prices are happening because of reported cartelization and predatory pricing of some market players;

Whereas, cartelization "the agreement, combination, or concerted action by refiners, importers and/or dealers or their representatives, to fix prices, restrict outputs or divide markets, either by products or areas, or allocate markets, either by products or by areas, in restraint of trade or free competition, including any contractual stipulation, which prescribes pricing levels and profit margins" occurs at present;

Whereas, relevant records reveal that almost nine (9) out of ten (10) liters of oil sold in the country come from three big players (out of 62 players in the oil industry)--- Pilipinas Shell, Caltex (Philippines) and Petron and it has been


reported that the three corporations are setting prices and manipulating the price of petroleum at the expense of the consumers and the economy;

Whereas, the energy consumption program being implemented by the DOF has failed to bring immediate relief for the Filipino public and in fact, there is a perception that the government as a whole has no credible energy program that will lessen the impact of high oil prices on the domestic economy and people's livelihood;

Whereas, a transparent system on the implementation of the Oil Deregulation Law and an honest-to-goodness inquiry anent the same must be conducted for the Filipinos: Now therefore be it

Resolved, by the Senate of the Philippines, To Urge the Senate Committee on Energy to Conduct an immediate inquiry on the lax implementation of Republic Act 8479, the Downstream Oil Deregulation Act of 1998, and the reported cartel oil operation existing in the industry with the end-in-view of charting remedial policies and measures to lessen the impact of continuously high oil prices on the domestic economy and the people's livelihood.

Adopted,



MANNY VILLAR