

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

10 JUL 21 05:37

SENATE
S. No. **1828**

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Introduced by Senator Miriam Defensor Santiago

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EXPLANATORY NOTE

The Constitution, Article XVI, provides:

Section 9. The State shall *protect consumers from trade malpractices* and from substandard or hazardous products. (Italics supplied)

From the vehicles we drive to the equipment we use, our society relies on gasoline to fuel our lives. The high demand for this commodity and recent fluctuations in its price warrant a closer look at the issue of predatory pricing.

This bill seeks to impose civil penalties on unreasonable price increases for crude oil, residual fuel oil, or refined petroleum products.*

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
acv

* This bill was originally filed during the Thirteenth Congress, First Regular Session.

1 (C) "Energy industry" means all energy-producing companies.

2 (D) "Crude Oil" means a naturally-occurring substance found trapped in certain rocks
3 below the earth's crust. It is a dark, sticky liquid which, scientifically speaking, is classed as a
4 hydrocarbon. It is highly flammable that can be burned to create energy.

5 (E) "Residual Fuel Oil" means a liquid or semi-liquid, high-boiling fraction of residue
6 from the distillation of petroleum which is used as a fuel.

7 (F) "Refined Petroleum Products" means are derived from crude oils through processes
8 such as catalytic cracking and fractional distillation. These products have physical and chemical
9 characteristics that differ according to the type of crude oil and subsequent refining processes.
10 These include gasoline, kerosene, LPG, No. 2 Fuel Oil, No. 4 Fuel Oil, No. 5 Fuel Oil (Bunker
11 B), and No. 6 Fuel Oil (Bunker C).

12 (G) "LPG" - Liquefied Petroleum Gas.

13 (H) "DOE" means Department of Energy.

14 (I) "DTI" means Department of Trade and Industry.

15 SECTION 4. *Civil Penalty for Unreasonable Price Increase for Crude Oil, Residual Fuel*
16 *Oil, or Refined Petroleum Products.* —

17 (A) *In General.* — Not later than three (3) months after the date of enactment of this Act,
18 the Department of Energy Secretary, in coordination with the Department of Trade and Industry
19 Secretary, shall issue regulations that —

20 (1) Apply to all crude oil, residual fuel oil, and refined petroleum products that are
21 sold and used as energy fuel in the Philippines;

22 (2) Prohibit any unreasonable price increase for such products by an energy-
23 producing company; and

24 (3) impose a civil penalty of not less than One Million Pesos (P1,000,000.00) but
25 not more than Ten Million Pesos (P10,000,000.00) for each unreasonable price
26 increase.

27 (B) *Determination of Unreasonable Price Increase.* — The DOE, in coordination with the
28 DTI, shall determine at least annually whether any energy-producing company has implemented

1 an unreasonable price increase in violation of regulations issued under paragraph (1) of this
2 Section.

3 SECTION 5. *Separability Clause.* – If any provision or part hereof, is held invalid or
4 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
5 valid and subsisting.

6 SECTION 6. *Repealing Clause.* – Any law, presidential decree or issuance, executive
7 order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent
8 with, the provision of this Act is hereby repealed, modified, or amended accordingly.

9 SECTION 7. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
10 publication in at least two (2) newspapers of general circulation.

Approved.