Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1831

Introduced by **Rep. Rodolfo "Ompong" G. Plaza**

Explanatory Note

This bill seeks to establish stricter guidelines in the sale, requalification, distribution, and repair of Liquefied Petroleum Gas (LPG) cylinders, and criminalize acts violative of the same. If passed into law, this bill will totally ban the importation of used or second-hand LPG cylinders and the alteration of the same that may result in substandard, leaking marketed LPG units that cause fire incidents.

For the years 1995 to 2000, the Bureau of Fire Protection (BFP) of the Department of the Interior and Local Government (DILG) reports a total of **1,475 LPG-caused fire incidents throughout the country**, 451 of these taking place in the NCR, followed by 152 in Region 7, and 143 in Region 4. These incidents resulted in the loss of billions worth of property and thousands of lives, not to mention in the displacement and interruption of hundreds of lives more.

These incidents have painted an ugly picture of the government as an incompetent guardian of consumers and a poor trade policy-maker, and of the Philippines as an unsafe and unstable environment for investors and ordinary citizens alike.

There are some 8 to 10 million LPG units in circulation in the local market today. At a conservative estimate of four (4) members for each household consuming one (1) LPG unit per month, there would be **at least 32 million Filipinos every month whose lives and property are at risk.** The need to craft a law with teeth to fight this other form of economic sabotage is therefore imperative.

The Consumer Welfare Act of the Philippines (RA 7394) and the DTI's Department Circular on the Current Schedule of Penalties for violators of prescribed LPG regulations, therefore, lack teeth. The penalties, ranging from a reprimand to establishment closure and/or fines not exceeding P20,000.00 are clearly not deterrent to the commission of acts violative of the DTI-Bureau of Product Standards guidelines.

By imposing higher and more compensatory fines, and imprisonment of not more than 12 years, this future law will be a more effective deterrent against LPG crimes, while serving as the government's stamp of sincere commitment to upholding consumer welfare.

It is in view of the foregoing, that urgent passage of this bill is hereby sought.

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AN ACT
RATIONALIZING THE MANUFACTURE, REPAIR, REQUALIFICATION, SALE AND DISTRIBUTION OF LIQUEFIED PETROLEUM GAS (LPG) CYLINDERS, PROVIDING PENALTIES FOR VIOLATION THEREOF, AND FOR OTHER PURPOSES

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 "LPG Cylinder Act of 2004"

SECTION 2. ***Policy and Objectives.*** – It is the policy of the State to protect the interests of the consumer, ensure his general welfare and to establish standards of conduct for business and industry.

Towards this end, the State shall:

a. Ensure that appropriate standards will be developed and formulated for the Liquefied Petroleum Gas (LPG) Cylinder Industry through the coordinated efforts of Department of Trade and Industry (DTI), other government agencies, and the private sector.

b. Provide for the penalties and fines for the violation of this Act.

c. Promote awareness and educate all sectors of society regarding the safety requirements for and the proper use of LPG cylinders and ancillary equipment.

d. Formulate and implement a comprehensive program that shall promote national consciousness to ensure consumer protection.

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

a. **Alteration** – refers to any act of converting, transforming, or re-sizing of local or imported LPG cylinders from its original size and replacement or removal of existing and embossed or stamped registered brand owner's markings, including, but not limited to

grinding, flattening, application of putty, replacement of collar, revalving, unauthorized repainting, replacement of footrings, re-labeling, etc., or by any other means.

b. **Ancillary Equipment** – refers to such equipment, parts and other safety devices and accessories necessary and indispensable for the proper operation of a cylinder, such as but not limited to, cylinder valves, hoses and regulators.

c. **LPG Cylinder** – refers to a container fabricated from steel plates consisting of cylindrical shell and two forged ends or pressed ends, which are welded on to the shell, or two drawn halves, circumferentially welded together to form one LPG unit or tank.

d. **Imported LPG Cylinder** – refers to any LPG cylinder of foreign make brought into the country for sale and distribution.

e. . **Registered Brand Owner** – refers to a person, natural or juridical, owning the brand, name, logo, color, mark, and or distinction as registered with the DTI or other appropriate intellectual property rights agencies.

f. **Requalification** – refers to the method or procedure by which a cylinder is inspected and retested to determine its acceptability for continuous service.

g. **Repair** – refers to the removal and replacement of parts or attachments of LPG cylinders and other corrective and restorative measures necessary.

SECTION 4. ***Lead Agency.*** - The DTI shall be the lead agency in the implementation of this Act. For this purpose, the DTI Secretary shall have the following powers:

a. Promulgate and implement policies and standards in accordance with this Act.

b. Regularly review and revise the Philippine National Standards (PNS) for LPG cylinders and ancillary equipment;

c. Prescribe other penalties and fines for violation of this Act.

d. Enter into a Memorandum of Agreement with other government agencies, including but not limited, to the Bureau of Customs (BOC) and the Department of Energy (DOE) and non-government stakeholders, including the LPG industry stakeholders, in order to define areas of cooperation and coordination.

e. Establish a scheme that will govern the certification, requalification, and repair of LPG cylinders.

f. Issue closure orders for violators of this Act.

g. Exercise visitorial powers over the premises and delivery equipment of LPG cylinder manufacturers, retailers, repairers, traders, requalifiers and dealers.

h. Inspect and Evaluate LPG cylinders, whether local or imported, prior to any sale or distribution to LPG refiners or refillers and upon repair or requalification, and certify to their conformity to PNS and their fitness for public sale and distribution;

i. Grant and/or revoke accreditation to requalifiers, repairers and other independent and competent private persons and entities that provide services to ensure compliance by industry participants with PNS for LPG cylinders;

j. Establish the guidelines for the scrapping of used LPG cylinders;

k. Require any person, firm, association, partnership, or corporation engaged in the manufacture, requalification, repair, sale, or distribution of LPG cylinders to file with the Bureau of Product Standards (BPS)-DTI reports or answer in writing to specific queries on such information as may be required from them.

l. Investigate and compile cases of violation of the PNS and its future amendments or the LPG Cylinders Standards and its implementing rules and regulations.

m. Confiscate illegally manufactured, repaired, altered, and tampered cylinders, whether local or imported.

n. Prescribe the necessary rules and regulations, consistent with law, for the effective implementation of this Act.

SECTION 5. ***Unlawful Acts.*** – The following acts shall be declared unlawful:

a. Manufacture, sale and distribution of LPG cylinders to the local market without the necessary Philippine Standard (PS) License and other markings as required by the PNS and its future amendments, or the detailed standard covering LPG cylinder manufacture, requalification and repair;

b. Importation of used or second hand LPG cylinders;

c. Re-sizing and alteration of LPG cylinders;

d. Repair and requalification of LPG cylinders by persons who are not accredited and/ or certified by the DTI in accordance with Section 4 of this Act;

e. Sale and distribution of LPG cylinders considered substandard as defined by the PNS;

f. Tampering of existing cylinder markings to convert from one brand to another;

g. Manufacture and/or sale of cylinder/s carrying a brand name, logo, mark or distinction without the express approval of the registered brand owner;

h. Manufacture of cylinder/s using substandard or non industrial quality steel plates; and

i. Wrong or misleading information stamped on the cylinder i.e. tare weight, etc.

SECTION 6. ***Penalties.*** – A fine of at least One hundred thousand pesos (PhP 100,000.00) but not more than One million pesos (PhP 1,000,000.00) and imprisonment of at least six (6) years and one (1) day to twelve (12) years shall be imposed on any person, firm, partnership or corporation found guilty of committing any of the unlawful acts described herein. The fines imposed shall be without prejudice to damages sought by the victims. If the violation is committed by a corporation, partnership or association, the penalty shall be imposed upon the president, manager, partner and officers responsible.

SECTION 7. ***Liability Under the Revised Penal Code.*** – Prosecution under this Act shall be without prejudice to any liability for violation of any provision of the Revised Penal Code.

SECTION 8. ***LPG Cylinder Monitoring and Inspection Committee*** –The LPG Cylinder Monitoring and Inspection Committee is hereby created for the purpose of monitoring compliance with the relevant Philippine standards which shall be composed of the following:

a. One (1) representative from the DTI-Bureau of Product Standards;

b. One (1) representative each from the DTI regional or provincial offices;

c. One (1) representative from the DOE;

d. One (1) representative from the Bureau of Fire Protection (BFP); and

e. Two (2) representatives from the LPG industry nominated by the recognized LPG industry associations or organizations.

SECTION 9. ***Functions of the Monitoring and Inspection Committee.*** - The Committee shall have the following duties and functions:

a. Conduct periodic and regular LPG cylinder monitoring at all levels whether at the manufacturer's plant, repairers, requalifiers, importer's warehouse or those in circulation in local market;

b. Publish annually in at least one (1) newspaper of general circulation, the violators of this Act and related rules and regulations; and

c. Initiate the filing of cases and/ or complaint against violators.

SECTION 10. ***LPG Cylinder Development Program*** – The DTI shall undertake research, standardization, promotion, market monitoring, certification, testing, accreditation and enforcement program to ensure the protection of consumer interest and public welfare.

SECTION 11. ***Implementing Rules and Regulations.*** – The DTI, in coordination with the BOC, DOE, and other appropriate agencies, and in consultation with LPG industry

stakeholders, shall formulate and promulgate the necessary implementing rules and regulations within one hundred and twenty (120) days from the effectivity of this act.

SECTION 12. ***Repealing Clause.*** – All laws, decrees, orders, rules and regulations, or any part thereof, which are inconsistent herewith, are hereby repealed or amended accordingly.

SECTION 13. ***Separability Clause.*** – Should any provisions of this Act be subsequently declared unconstitutional, the other provisions not so declared shall remain in full force and effect.

SECTION 14. ***Effectivity***. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or at least two (2) newspapers of national circulation.

Approved,