

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**FIFTEENTH CONGRESS
First Regular Session**

House Bill No. **1229**

**Introduced by Representatives
DIOSDADO MACAPAGAL ARROYO and GLORIA MACAPAGAL ARROYO**

**AN ACT
TO PROTECT THE NATIONAL SECURITY BY PROHIBITING PROFITEERING
OF ESSENTIAL COMMODITIES DURING PERIODS OF NATIONAL
EMERGENCY**

EXPLANATORY NOTE

Present economic conditions have not spared nations in the international community much more Third World economies like the Philippines. To be able to address this pressing concern, our government should adopt a two-pronged approach by: (1) maintaining our economic viability and (2) ensuring that the effects to our citizens are kept at a minimal level.

Dependent on certain commodities, such as oil and petroleum products, which are essential to the functioning of our economy and to the public health, safety and welfare, a shortage or threatened shortage or increase in the price of such commodities can significantly injure or threaten our economy or public health, safety or welfare, thereby endangering the national security.

Suppliers of these essential commodities can use abnormal market disruptions, including unexpected changes in weather conditions, acts of nature, civil disorders, war or other military actions, catastrophic loss of an energy source or other extraordinary adverse circumstances, to profiteer in these essential products, even when these actions may undermine our economy or otherwise threaten public health, safety and welfare.

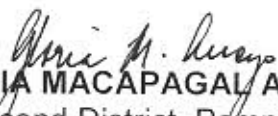
Our laws, despite being enforced to the fullest, do not sufficiently control such profiteering especially in emergency situations. This can injure our economy even if there is strong evidence of a provable violation of the antitrust or unfair trade practice laws. We need to discourage such practice and punish those who engage in economic sabotage much to the detriment of our country.

We also need to assist our citizens so that they can anticipate and address economic emergencies by keeping low and stable the prices of basic commodities thereby allowing them to maximize their limited resources.

This bill seeks to give the President limited power to declare a state of economic emergency and punish those guilty of profiteering from unjustifiably injuring our country and by taking advantage of our people in the event of abnormal market disruptions as indicated in Section 2 of this Act.

In view of the urgency of this proposed measure, its immediate passage is earnestly requested.


DIOSDADO MACAPAGAL ARROYO
Second District, Camarines Sur


GLORIA MACAPAGAL ARROYO
Second District, Pampanga

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

SECTION 1. *Short Title.* – This Act shall be known as the “National Emergency Anti-Profiteering Act of 2010.”

SECTION 2. *Definition.* – For purposes of this Act, the term -

A. National economic emergency - means, as determined by the President, an abnormal market disruption (whether actual or imminently threatened) resulting from extraordinary weather conditions, acts of nature, catastrophic failure of a source of energy, strike, civil disorder, war or other military action, or national emergency, that:

1. causes an actual or threatened shortage, or an actual or threatened increase in the price of an essential commodity, and
2. is likely to significantly injure the economy of the Philippines or the public health, safety or welfare.

When the President declares a national economic emergency, he/she shall designate the essential commodities with respect to which that national economic emergency exists. Notice of the President's determination that a national economic emergency exists and his/her designation of the essential commodities with respect to which that national economic emergency exists shall be given by immediate publication of a Presidential proclamation.

B. Essential commodity is -

1. crude oil, propane, gasoline, diesel fuel, kerosene, home heating oil, aviation fuel, or other petroleum distillate, or
2. a commodity that the President determines to be a commodity -
 - a. of significant importance to the Philippine economy, or
 - b. vital or necessary to the public health, safety or welfare, a disruption in the supply, or sudden increase in the price, of which is likely to significantly injure the economy of the Philippines or public health, safety or welfare, and thereby threaten the national security. Notice of such determination shall be given by publication of a Presidential proclamation.

C. Listed essential commodity - means any essential commodity with respect to which the President has designated that a national economic emergency exists.

D. Profiteer - means to offer for sale, sell, transport, or deliver an essential commodity at an excessive price, or to place excessive restrictions or conditions upon the sale, delivery or transportation of an essential commodity.

E. Excessive price - is one that is not justified by the seller's actual costs of acquiring, producing, selling, transporting, and delivering the actual product sold, plus a reasonable profit. In calculating the seller's actual costs, no allowance shall be made for the replacement costs of an essential commodity if the seller is reasonably assured of recouping the replacement costs as a part of the price of subsequent sales of an essential commodity. It shall be *prima facie* evidence of an excessive price that the increase in the seller's price for a listed essential commodity during a national economic emergency exceeds the increase in the seller's actual costs for actual product sold.

SECTION 3. *Prohibited Act.* – Following publication of a Presidential proclamation declaring a national economic emergency and designating the

essential commodities with respect to which that national economic emergency exists, for the duration of that national economic emergency, no person shall profiteer with respect to any listed essential commodity.

SECTION 4. *Penalty.* – Any person who profiteers in a listed essential commodity in violation of Section 3, shall suffer a penalty of to up to 5 years imprisonment and a fine of up to five hundred thousand pesos (Php 500,000.00) or both, and shall be required to disgorge all profits earned on essential commodities with respect to which profiteering occurred.

SECTION 5. *Limitation on Length of Emergency; Extension.* – A national economic emergency, as declared by the President pursuant to Section 3 of this Act, shall be in effect for not more than 180 days from the date such emergency is declared, unless extended by Presidential declaration that a national economic emergency continues to exist, notice of which shall be immediately published as a Presidential proclamation. Each extension thereof shall last for not more than 90 days, but there shall be no limit on the number of times the President may extend a national economic emergency.

A national economic emergency, or a designation of one or more essential commodities with respect to which the national economic emergency exists, may be terminated by passage of a joint resolution of Congress. Nothing in this subsection shall prohibit the President, through published Presidential proclamation, from terminating a national economic emergency or a designation of one or more essential commodities with respect to which said emergency exists.

SECTION 6. *Separability Clause.* – If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

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

SECTION 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,