

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 5295



Introduced by Rep. Winston "Winnie" Castelo

EXPLANATORY NOTE

The oil deregulation law and its vision of a competitive market instead rear its ugly head. There arose instead a scheme where only three leading oil companies appear to command the price. Thus, instead of veering away from predatory pricing that the intent of the original law actually seeks, the opposite was the result.

It can be said that a sort of oil cartel does exist. New players will find it difficult to join the game. The vicious pattern of price increases in oil cripples the purchasing power of the peso on the part of end-users or consumers of oil and high quality petroleum products.

There are quarters who vent sentiment for a revisit of the regime of regulation in the oil industry with the failure on the expectations that should have unfolded except they all did not materialize, one way or other. A whole community of stakeholders is pushed to the verge of an economic cliff, nation included unless a scheme and scene do revert back to the regulation of the oil industry.

This is the point that the humble measure seeks to address. Free competition and fair price appear to have been replaced by cartel, monopolies and restraint of trade to a marked degree. As a result, public interest is not best served thereby on account of practices that are at bottom, unfair as they are inequitable.

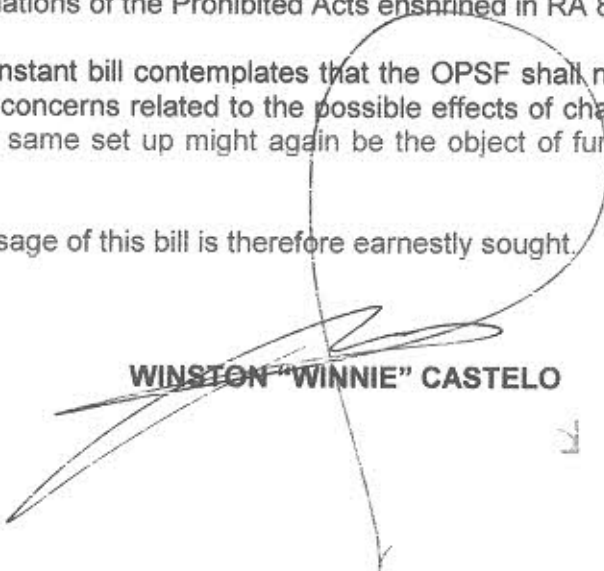
The positive results of retail trade are yet to be seen even at this point in time tantamount to having likewise been defeated.

If the Department of Energy is perceived to have failed in the monitoring aspect, the same may have been made a convenient advantage for the oil companies whose present and future stock inventory are not even glanced at by the DOE-DOJ Task Force created for the purpose.

Apparently, no cases are actually filed against any or all of the dominant oil companies for possible violations of the Prohibited Acts enshrined in RA 8479.

The author of this instant bill contemplates that the OPSF shall not be activated as a buffer fund to absorb concerns related to the possible effects of changing prices of petroleum products as the same set up might again be the object of fund misuse as a lesson of the past.

The immediate passage of this bill is therefore earnestly sought.



WINSTON "WINNIE" CASTELO

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AN ACT
REGULATING OIL INDUSTRY THEREBY REPEALING
REPUBLIC ACT NO. 8479, ALSO KNOWN AS DOWNSTREAM OIL INDUSTRY
DEREGULATION ACT OF 1998

Be it enacted in Senate and House of Representatives of the Republic of the Philippines in Congress assembled:

SECTION 1. This Act shall be known as the "Oil Regulation Act of 2011".

SEC. 2. Repeal. – Upon effectivity of this Act, Republic Act No. 8749, also known as the Downstream Oil Industry Deregulation Act of 1998 is hereby repealed and the provisions of law amended or repealed by such Act are restored or revived as if such Act had not been enacted.

SEC. 3. Budgetary Effect of this Act. – Under this scheme of regulation of the oil industry, the Oil Price Stabilization Fund may not be revived thereby and instead, the Department of Energy shall promote fair trade in the public interest.

SEC. 4. To effectively carry out the provision of this Act, the Department of Energy shall issue pertinent rules and regulations.

SEC. 5. This Act shall take effect thirty (30) days following its publication in the Official Gazette and

Approved,

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