

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

HOUSE OF REPRESENTATIVES

House Bill No. 670



Introduced by Representative Victor A. Yap

EXPLANATORY NOTE

The Bureau of Fire Protection (BFP) has identified defective Liquid Petroleum Gas (LPG) Tanks as the cause of at least 100 fire incidents annually. In 2013, the Two Serendra blast incident took the lives of four people, since then other LPG incidents have burned and maimed others. Past BFP reports have likewise shown that a large number of faulty LPG gas tanks continue to circulate, an alarming fifty percent (50%) based on 2012 reports.

This problem is exacerbated by fly-by-night LPG operations- operating under the deregulated downstream oil industry structure allows these unscrupulous LPG companies to engage in unfair and unsafe trade practices placing consumers at risk. The illegal practices of these fly-by-night operations include illegal refilling, cylinder tampering, uncertified and illegally manufactured cylinders, use of scrap and dilapidated cylinders, underfilled cylinders and pilferage.

In order to ensure the safety of the public, and to encourage growth in the LPG Industry, it is necessary to take immediate action against these illegal and unsafe practices hence, the expeditious passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read "Victor A. Yap".

VICTOR A. YAP

Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES

670

House Bill No. _____

Introduced by Representative Victor A. Yap

AN ACT

ESTABLISHING THE REGULATORY FRAMEWORK FOR THE SAFE OPERATIONS
OF THE LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY, DELINEATING THE
POWERS AND FUNCTIONS OF VARIOUS GOVERNMENT AGENCIES, DEFINING
AND PENALIZING CERTAIN ACTS, AND FOR OTHER PURPOSES

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

CHAPTER I

GENERAL PROVISIONS

- 1 **SECTION 1. *Short Title.*** – This Act shall be known as the “LPG Industry Regulation and
- 2 Safety Act.”
- 3 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the state to protect the
- 4 interest of consumers, ensure their general welfare and establish standards of conduct for business
- 5 and industry.
- 6 Towards this end, the state shall:
- 7 a) Establish a regulatory framework for the importation, refining, refilling, transportation,
- 8 distribution and marketing of liquefied petroleum gas (LPG), and the manufacture, requalification,
- 9 exchange, swapping or improvement of LPG cylinders;
- 10 b) Establish standards of conduct and codes of practice for LPG businesses; and
- 11 c) Address quality and safety concerns and uphold the right of consumers to freely choose the LPG
- 12 brand they want to purchase.
- 13 The State shall also promote national awareness and education regarding the quality and
- 14 safety requirements for the proper use of LPG cylinders and ancillary equipment to further
- 15 consumer protection.
- 16 **SEC. 3. *Scope and Application.*** – This Act shall govern the importation, refining,
- 17 refilling, transportation, distribution and marketing of LPG, the manufacture, requalification,
- 18 exchange, swapping or improvement of LPG cylinders, and safe operations of the LPG industry,
- 19 which cover all activities and businesses related to LPG products for household, commercial,
- 20 industrial or automotive use (Auto-LPG) and cylinders or containers for LPG.
- 21

1 **SEC. 4. *Definition of Terms.*** – As used in this Act:

2 (a) "Accreditation" refers to the formal recognition of competency given by the Philippine
3 Accreditation Bureau (PAB) of the Department of Trade and Industry (DTI) that a re-qualifier of
4 LPG cylinders has complied with the existing Philippine National Standards (PNS) prescribing the
5 general requirements for the competence of testing and calibration laboratories, the method of re-
6 qualification of steel cylinders for LPG and any other applicable PNS;

7 (b) "Alteration" refers to any act of converting, transforming or resizing of local or imported
8 LPG cylinder or container from its original size or design including, but not limited to, replacement
9 or removal of existing and embossed or stamped registered brand owner's markings, grinding,
10 flattening, application of putty, replacement of collar, revalving, unauthorized repainting,
11 replacement of foot rings, or re-labeling;

12 (c) "Ancillary Equipment" refers to equipment, parts and other devices and accessories
13 necessary and indispensable for the safe and proper operation of an LPG cylinder or container such
14 as, but not limited to, LPG cylinder or container valves, hoses and regulators;

15 (d) "Auto-LPG" refers to LPG intended to fuel, propel or otherwise provide power to
16 motor vehicles;

17 (e) "Auto-LPG Dispensing Station" refers to an outlet, facility or business establishment
18 which retails auto-LPG directly to individual end-users or to the motoring public; the same may
19 stand alone or be located within or operated with a liquefied petroleum product (LPP) retail outlet.
20 It shall be deemed a dealer or retail outlet for purposes of this Act;

21 (f) "Brand Owner" refers to a person owning the brand name, logo, color, mark or
22 distinction as registered with the Intellectual Property Office of the Philippines (IPOPH);

23 (g) "Bulk Consumer" refers to any person whose regular use or consumption of LPG is
24 limited to its own use, and requires bulk storage of LPG at a volume as may be determined by the
25 Department of Energy (DOE);

26 (h) "Bulk Supplier" refers to any person who engages in the sale or distribution of LPG in
27 large quantities as may be determined by the DOE;

28 (i) "Canister" or "Cartridge" refers to any portable pressure vessel or container designed or
29 intended for LPG, with water capacity of less than that of an LPG cylinder;

30 (j) "Centralized LPG Distribution System" refers to a network of pipes or similar conduit
31 used for the conveyance of LPG from the piped LPG provider to consumers confined within the
32 same compound or establishment such as, but not limited to, shopping malls and condominiums;

33 (k) "Certification" refers to the written assurance given by the DTI that the LPG cylinder
34 has complied with the existing PNS or any other standards issued by the Bureau of Philippine
35 Standards (BPS) pursuant to Republic Act No. 4109, otherwise known as the "Philippine
36 Standardization Law;"

37 (l) "Consumer" refers to any person who purchases LPG for one's own consumption;

(m) "Container" refers to any pressure vessel permanently installed in motor vehicles for the storage of LPG for automotive use;

(n) "Cross Filling" refers to the filling of LPG cylinders by a person other than the brand owner;

(o) "Cylinder or LPG Cylinder" refers to any portable pressure-vessel or container for LPG designed for the transportation and storage of LPG;

(p) "Cylinder Owner" refers to the owner of the cylinder as shown by the brand, mark, trade name or business name embossed or engraved or otherwise permanently indicated on the LPG cylinder in the manner prescribed by the DTI;

(q) "Dealer" refers to any person engaged in the sale or trading of LPG in cylinders to consumers and/or retail outlets;

(r) "Defective Cylinder" refers to a damaged, unsafe and dilapidated LPG cylinder due to corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks and other similar defects that render the LPG cylinder unsafe, injurious or dangerous for distribution in accordance with the guidelines set by the DTI, thus creating a substantial risk of injury to the public;

(s) "Hauler" refers to any person engaged in the distribution and delivery of LPG cylinders from one place to another;

(t) "Importer" refers to any person engaged in the importation of LPG whether for processing, sale or own use;

(u) "LPG" refers to liquefied petroleum gas, which consists of commercial propane gas or commercial butane gas or a mixture of the two gases, with properties conforming to the standards set forth in the existing PNS or any other standards prescribed by the BPS;

(v) "LPG Industry Participant" refers to any person engaged in activities or businesses related to:

(1) refining, manufacturing, importing, exporting, shipping, transporting, hauling, storing, refilling, distributing, marketing and selling of LPG for household, commercial or industrial, and automotive (auto-LPG) use; or

(2) manufacturing, importing, transporting, distributing and selling of LPG cylinders and ancillary equipment including, but not limited to, LPG cylinder or container and ancillary equipment manufacturers and importers, re-qualifiers, repairers, scrapping centers, LPG cylinder or container seal manufacturers and such other similar persons or entities;

(w) "Marketer" refers to any person engaged in the sale of LPG, whether in bulk or retail, under its own brand name;

(x) "Person" refers to a natural or juridical entity registered under Philippine laws;

(y) "Philippine National Standards" or "PNS" refers to the standards promulgated by the BPS of the DTI relating to product specifications, test methods, terminologies and standardization procedures, guidelines or practices;

1 (z) "Piped LPG Provider" refers to any person engaged in the business of supplying or
2 distributing LPG to consumers through a centralized LPG distribution system, including operators
3 of central storage compounds for piped LPG or reticulated system facilities;

4 (aa) "Qualified Serviceman" refers to an individual who has been trained, qualified and
5 certified by the Bureau of Fire Protection (BFP) or any deputized agency thereof, or to an individual
6 who has successfully completed an approved training course for LPG servicemen in a training
7 school duly recognized and accredited by the Philippine government;

8 (bb) "Refiller" refers to (1) a service provider authorized by an LPG cylinder owner to refill
9 LPG cylinders on the latter's behalf, or (2) any person who refills LPG into one's own LPG
10 cylinders;

11 (cc) "Refilling Plant" refers to any facility that is used for LPG bulk storage and refilling
12 LPG into cylinders;

13 (dd) "Refiner" refers to any person who refines LPG through distillation, conversion and
14 treatment of crude oil and other naturally occurring petroleum hydrocarbons;

15 (ee) "Re-qualification" refers to the method or procedure by which an LPG cylinder is
16 subjected to inspection and re-evaluation in accordance with the prescribed specifications and any
17 other standards prescribed governing the method of re-qualification of steel cylinders for LPG to
18 determine its acceptability for continuous use and distribution and subsequent repair or scrapping,
19 where appropriate;

20 (ff) "Re-qualifier" refers to any person duly accredited by the DTI to engage in the
21 business of re-qualifying LPG cylinders;

22 (gg) "Repair" refers to the removal from and replacement of parts or attachments of LPG
23 cylinders or the performance of any other necessary corrective and restorative measures pursuant to
24 the PNS, to restore the fitness of LPG cylinders for refilling, distribution and use;

25 (hh) "Repairer" refers to any person duly certified by the DTI to engage in the business of
26 repairing LPG cylinders;

27 (ii) "Retail Outlet" refers to any entity that sells LPG in cylinders directly to a consumer in
28 quantities as may be determined by the DOE;

29 (jj) "Reticulated System" refers to a means of supplying LPG through a pipeline network
30 from a centralized cylinder bank or bulk installation to multiple customers situated in a common
31 locality;

32 (kk) "Scrapping" refers to the destruction of defective LPG cylinders declared by a re-
33 qualifier of the DTI to be unfit for use;

34 (ll) "Seal" refers to the protective cover placed on the valve of an LPG cylinder; and

35 (mm) "Tare weight" refers to the net weight of the LPG cylinder, excluding its contents, as
36 engraved in the collar and painted in the body thereof and shall be expressed in kilograms in
37 accordance with the specifications as may be prescribed by the DTI.

CHAPTER II
IMPLEMENTING AGENCIES

SEC. 5. *Lead Agency.* – The DOE shall be the primary government agency responsible for the implementation and enforcement of this Act unless stated otherwise. The DOE shall regulate, supervise, and monitor the LPG industry and the LPG industry participants to ensure compliance with the national product quality and environmental, worker safety, and consumer welfare standards.

SEC. 6. *Powers and Functions of the DOE.* – In addition to its powers and functions under existing laws, the DOE shall exercise the following powers and functions:

- (a) Administer and supervise the enforcement and implementation of this Act;
- (b) Implement safety standards prescribed by the DOE or set in the PNS promulgated by the BPS for refilling plants, depots, storage areas, transportation facilities and other facilities or business premises of the owners thereof and retail outlets, and exercise reasonable visitorial powers in order to inspect and evaluate whether such refilling plants, depots, storage areas, transportation facilities and other facilities or business premises and retail outlets comply with such safety standards. During inspection, the DOE may scrutinize the records of the concerned LPG industry participant;
- (c) Inspect LPG cylinders in circulation, whether filled or unfilled, which are for distribution and sale to dealers, retail outlets and end-consumers to determine conformity with established quality and safety standards for LPG cylinders;
- (d) After the conduct of inspection or investigation, confiscate and impound immediately substandard, defective, unsafe, injurious or dangerous LPG and LPG cylinders in circulation, or those that are found in violation of the provisions of this Act, including underfilled and illegally refilled LPG cylinders as defined in this Act;
- (e) Investigate, motu proprio or upon report of any person, possible infractions of this Act, initiate the necessary criminal or administrative actions warranted under the circumstances, enforce administrative sanctions or penalties, and file the necessary complaints with the proper court or government agency;
- (f) Implement the Philippine LPG Cylinder Improvement Program;
- (g) Direct LPG brand owners to periodically submit cylinders for requalification, and to secure proper proof of compliance therewith in accordance with the requirements of the DTI;
- (h) Issue and grant licenses to operate to qualified LPG industry participants in accordance with the implementing rules and regulations to be issued by the DOE, and suspend or revoke the same, after due notice and hearing, for committing any of the prohibited acts as provided in this Act;
- (i) Issue cease-and-desist orders, as the case may be, to any concerned LPG industry participants found to have committed any of the prohibited acts as provided in this Act;
- (j) Impose and collect administrative fines against LPG industry participants found to have committed any of the prohibited acts as provided in this Act;

1 (k) Create and maintain a central database of LPG industry participants, and an inventory of
2 existing and projected LPG supply levels in the country subject to the limitations provided for in
3 this Act, which shall be updated monthly on its own initiative or through reports of LPG industry
4 participants;

5 (l) Investigate and keep a record of incidents of injury or damage to person or property
6 caused by or attributable to the improper production, refilling, storage, handling or dispensing or use
7 of LPG for purposes of prosecuting or filing the appropriate administrative or criminal complaints
8 against responsible persons;

9 (m) Investigate, prosecute, and impose penalties for dumping activities or unauthorized
10 filling of bulk tanks in refilling plants by bulk suppliers other than the owner of the tanks;

11 (n) Dispose LPG and LPG cylinders in accordance with the guidelines on disposal of LPG
12 or LPG cylinders promulgated by the DOE;

13 (o) Inspect and evaluate LPG cylinder seals and confiscate seals not complying with the
14 standards and regulations including those in illegal possession or use thereof; and

15 (p) Exercise such other powers and functions as may be necessary or incidental to attaining
16 the objectives of this Act.

17 **SEC. 7. Powers and Functions of the DTI.** – The DTI shall have the following exclusive
18 powers and functions:

19 (a) Develop, formulate, promulgate, review and revise the PNS for LPG, LPG cylinders and
20 other ancillary equipment;

21 (b) Inspect and evaluate LPG cylinders, whether manufactured locally or imported, prior to
22 any sale or distribution to LPG refiners or refillers and certify to their conformity to the PNS and
23 their fitness for public and sale distribution;

24 (c) Inspect and evaluate ancillary equipment, whether manufactured locally or imported, and
25 certify to their conformity to the PNS and their fitness for public sale and distribution;

26 (d) Grant accreditation and certification of conformity to the PNS to re-qualifiers, repairers,
27 LPG cylinder manufacturers and other independent, competent, private persons and entities that
28 provide products and services involving LPG cylinders and revoke the same, if warranted; and

29 (e) Extend all the necessary assistance to the DOE to achieve the objectives of this Act.

30 **SEC. 8. Powers and Functions of the DILG.** – To help effectively implement the
31 provisions of this Act, the Department of Interior and Local Government (DILG) shall have the
32 following powers and functions:

33 (a) Coordinate with local government units (LGUs) and the Philippine National Police
34 (PNP), in close coordination with the DOE and DTI, for the orderly and effective implementation
35 of this Act: *Provided, That* only the personnel or unit of the PNP duly deputized by the DOE, or
36 such special task force from the different enforcement agencies organized by the DOE for the
37 purpose, shall have the authority to implement or enforce this Act;

(b) Coordinate and cooperate with the DOE and the DTI in the conduct of information dissemination to the LGUs and the PNP; and

(c) Extend all the necessary assistance to the DOE with respect to the enforcement of measures to attain the objectives of this Act.

SEC. 9. Powers and Functions of LGUs. – The LGUs shall assist the DOE by providing an adequate and safe area where impounded LPG cylinders shall be kept.

The LGU shall immediately suspend or revoke the business permit or license to operate of an LPG industry participant upon the issuance by the DOE of a notice of suspension or revocation of the license to operate.

SEC. 10. Powers and Functions of the Philippine National Police (PNP). – The PNP shall, upon request of the DOE or the DTI, provide security to life and property during the conduct of operations for the implementation of this Act, such as in the confiscation of LPG cylinders found in violation of this Act, and during the transport of the confiscated LPG cylinders to the impounding area: *Provided*, That the PNP shall not, by itself, conduct LPG inspections nor confiscate LPG cylinders without a formal request from the DOE and DTI.

SEC. 11. LPG Monitoring and Enforcement Task Force. –

(a) The DOE may establish an LPG Monitoring and Enforcement Task Force with the following members:

- i. Secretary of the DOE as Chairperson;
- ii. Secretary of the DILG and Secretary of the DTI as members;
- iii. Representatives of other government agencies as may be determined by the Chairperson;
- iv. Representatives from LPG industry participants as may be determined by the Chairperson; and
- v. Representatives from the private-sector entities as may be determined by the Chairperson.

(b) The LPG Monitoring and Enforcement Task Force shall have the following powers and functions:

- i. Assist the DOE in monitoring and compliance standards inspection as provided in this Act; and
- ii. Exercise other powers and functions necessary to give force and effect to this Act.

(c) Prior to the creation of the LPG Monitoring and Enforcement Task Force or whenever deemed necessary, the DOE may depute such other government agencies to assist in the effective discharge of its functions as provided in this Act.

CHAPTER III

LICENSES, PERMITS AND OTHER BUSINESS REQUIREMENTS

1 **SEC.12. *License to Operate.* –**

2 (a) The DOE shall have the exclusive authority to issue the License to Operate. It shall be
3 site/plant/outlet-specific and valid for such period as may be determined by the DOE. For
4 purposes of this Act, the License to Operate shall certify that the applicant has complied with all the
5 documentary requirements and safety rules and regulations prescribed by the DOE and other
6 pertinent government agencies.

7 (b) Any person intending to engage in any activity or business involving LPG shall secure a
8 License to Operate prior to commencement of construction and commercial operations.

9 (c) Any person or entity that subsequently engages in an activity or business outside of the
10 scope of its License to Operate shall duly notify the DOE and secure the proper License to Operate
11 from and where deemed necessary by the DOE for such new activity or business.

12 (d) The DOE shall prescribe specific guidelines for compliance of retail outlets, dealers and
13 haulers in remote areas outside Metro Manila.

14 (e) An LPG industry participant who has a License to Operate shall transact business only
15 with an LPG industry participant who likewise has a License to Operate.

16 (f) Subject to the provisions of this Act, any person engaged in any activity or business
17 involving LPG shall obtain a License to Operate: *Provided, however,* That those legally engaged shall
18 obtain a License to Operate within six (6) months from the effectivity of this Act.

19 **SEC. 13. *Certificate of Non-Coverage (CNC).* –** Any person or entity whose principal
20 business requires consumption of LPG in bulk and which business operation does not include, in
21 any way, the distribution or retail of LPG to consumers, such as but not limited to garage-based
22 auto-LPG stations, centralized LPG distribution systems, shall secure a CNC from the DOE.

23 For purposes of this Act, a garage-based auto-LPG operation shall refer to the operation of
24 a motor vehicle fleet with a number of vehicle units as may be determined by the DOE and which
25 vehicle units are parked and serviced in a confined area or garage. The DOE shall prescribe such
26 other conditions in order that an auto-LPG dispensing activity shall be deemed as a garage-based
27 operation.

28 Bulk suppliers shall ensure that their bulk consumers have secured the necessary CNC prior
29 to entering into any supply contract or agreement with said bulk consumers.

30 A copy of such contract or a sworn certification shall be submitted to the DOE within thirty
31 (30) days from the execution thereof.

32 The CNC does not in any way preclude compliance with applicable PNS, requirements of
33 the BFP and other concerned government agencies.

34 **SEC. 14. *Suspension or Revocation of License to Operate.* –** The DOE shall have the
35 power to suspend or revoke, after due notice and hearing, the license to operate of any person
36 engaged in any activity or business involving LPG for the commission of any of the prohibited acts
37 as provided in this Act.

SEC. 15. *Mandatory Requirement Prior to LGU's Issuance or Renewal of Local Government Business License or Mayor's Permit.* – The license to operate shall be a mandatory requirement for the grant or renewal of any LGU business license or Mayor's permit to engage in business involving LPG regardless of whether the products or activities constitute the entire or a portion of the business for which a business license is sought by the applicant.

SEC. 16. *Action of LGUs on Suspended or Revoked License to Operate.* – Upon receipt of written notice by the DOE of suspension or revocation of the license to operate of a concerned LPG industry participant, the LGU shall immediately suspend or revoke the LGU business license or Mayor’s permit of said LPG industry participant.

The LGU shall formally communicate to the DOE the fact of such suspension or revocation within five (5) working days from receipt of the written notice of revocation of license to operate from the DOE.

SEC. 17. *Certificate of Accreditation for Manufacturers, Re-qualifiers, Repairers of LPG Cylinders and Cylinder Seal Manufacturers.* – Prior to the commencement of its operations and annually thereafter, any person who intends to engage in the business of manufacturing, re-qualifying, or repairing LPG cylinders shall obtain a certificate of accreditation from the DTI.

Any person already engaged in the business of re-qualification, repair, scrappage of LPG cylinder, and seal manufacturing shall upon the effectivity of this Act, apply for a certificate of accreditation from the DTI.

CHAPTER IV

AUTO-LPG

SEC. 18. *Retailing of Auto-LPG.* – Any person who is operating or intending to operate an auto-LPG dispensing station shall comply with the following requirements and such other requirements as may be provided in the implementing rules and regulations of this Act:

(a) An auto-LPG dispensing station shall conform to the existing standards for the construction and safety operation of such facility and other standards prescribed by the BPS;

(b) An auto-LPG dispensing station shall only refill LPG containers for automotive use which conform to the specifications prescribed in the existing PNS and installed in vehicles complying with the existing “Code of Practice for the Use of Liquefied Petroleum Gas (LPG) System in Internal Combustion Engines” and other standards prescribed by the BPS; and

(c) An auto-LPG dispensing station shall not refill LPG cylinders for household or commercial use.

CHAPTER V

OWNERSHIP OF LPG CYLINDERS

AND CONTAINERS FOR AUTOMOTIVE USE

SEC. 19. *Ownership of LPG Cylinders.* – The LPG brand owner whose permanent mark appears on the LPG cylinder shall be presumed the owner thereof, irrespective of the party in

1 custody or possession of the LPG cylinder. Permanent marks refer to the embossed trade or brand
2 name of the registered owner thereof as prescribed by the DTI for LPG cylinders.

3 The rights and obligations of LPG brand owners shall be provided in the implementing rules
4 and regulations of this Act.

5 The LPG brand owner shall have the obligation to ensure that its LPG cylinders comply
6 with all the required quality and safety standards and specifications before they are released for
7 distribution: *Provided*, That receipt by the DOE of a verified notice or report from the LPG brand
8 owner regarding any lost, stolen, or missing LPG cylinders shall prima facie relieve the LPG brand
9 owner of the obligation to ensure the quality and safety of such LPG cylinders. Such report may be
10 rebutted by contrary evidence.

11 **SEC. 20. *Ownership of LPG Containers for Automotive Use.*** – Containers of LPG for
12 automotive use shall be permanently installed inside the vehicles and shall be inherent and integral
13 parts of the vehicle. Ownership of such containers shall be on the vehicle owner.

14 15 CHAPTER VI

16 MONITORING AND ENFORCEMENT MECHANISMS

17 **SEC. 21. *Reports and Disclosures to the DOE.*** – Subject to the limitations under this
18 Act, the DOE shall have the power and authority to require LPG industry participants to submit
19 written, electronic or other forms of reports or disclosures. Any LPG industry participant who fails
20 to submit any such report or disclosure within the period and in the manner prescribed by the DOE
21 shall be penalized under this Act.

22 **SEC. 22. *Central Database of LPG Industry Participants.*** - The DOE shall, within one
23 (1) year from the effectivity of this Act, create a central database of LPG industry participants, which
24 shall be updated on a monthly basis. Subject to the limitations provided herein, information in the
25 central database shall be made available to the public and through the internet upon payment of
26 reasonable fees and charges and during office hours. The central database of LPG industry
27 participants shall include their corporate or business name or trade name; a list of all directors and
28 officers; principal office or business address; primary purpose or nature of business; registered brand
29 name or logo for LPG, LPG cylinder, facilities and equipment; haulers, dealers, retail outlets and
30 LPG cylinders, seal manufacturers; violations committed or incidents relating to such violations, if
31 any; agreements with other LPG industry participants, such as for cross-filling and similar
32 arrangements; list of lost, stolen or missing LPG cylinders; and such other relevant information as
33 may be determined by the DOE.

34 The foregoing provisions to the contrary notwithstanding, the right of LPG industry
35 participants against undue disclosure of information shall be recognized. Unless necessary for
36 ensuring the safe operations of the LPG industry, the DOE may not require from the LPG industry
37 participant the disclosure of intellectual property rights, trade secrets and proprietary data, or other
38 legitimate commercial information which are confidential or privileged in nature. Any information,

document, plan, and other matter disclosed necessary for ensuring the safe operations of the LPG industry which constitute intellectual property, trade secrets or proprietary data or other legitimate commercial information which are confidential or privileged in nature, shall not be disclosed by the DOE or any other person having access thereto to other LPG industry participants or to the public.

The provisions of Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines," and other laws insofar as applicable shall continue to apply to information, documents, plans and other matters disclosed pursuant to this Act.

CHAPTER VII

DECLARATION OF LPG CYLINDER AS DEFECTIVE, INJURIOUS, UNSAFE OR DANGEROUS

SEC. 23. *Declaration of LPG Cylinder as Defective, Injurious, Unsafe or Dangerous.*

– When the DOE or DTI, as the case may be, finds, motu proprio or upon petition of any person, that an LPG cylinder is defective, injurious, unsafe or dangerous, it shall, after due notice, issue the appropriate order for its immediate confiscation, recall, seizure, impoundment or prohibition from public sale or distribution, in which case the LPG cylinder owner shall be afforded a hearing within forty-eight (48) hours from issuance of such order, for the purpose of determining the propriety of the recall and seizure of the LPG cylinders: *Provided*, That such a declaration shall be limited to instances when the LPG cylinder is already filled and already sealed inside a refilling plant, dealer's showroom, retail outlets, or LPG cylinder transporter: *Provided, further*, That the DOE or the DTI shall, within thirty (30) days from termination of administrative proceedings, make a final determination as to whether or not an LPG cylinder is defective, injurious, unsafe or dangerous.

Filled LPG cylinders that are found by the DOE or the DTI to pose an imminent threat or danger of exploding shall be disposed of without the necessity of serving prior notice to the owners thereof. The DOE or the DTI shall notify the violator, owner or respondent of such fact within five (5) days after such disposition.

CHAPTER VIII

TRANSPORT OF LPG IN CYLINDERS

SEC. 24. *Transport of LPG in Cylinders.* – The DOE shall, in consultation with other concerned government agencies, issue appropriate guidelines for the transport of LPG in cylinders. The LPG industry participants shall not allow any vehicle used for the transport of LPG in cylinders to enter its premises, including refilling plants, depots or warehouses, unless such vehicle has complied with the requirements of the DOE for the transport of LPG in cylinders. For the transport of LPG in cylinders to households, the LPG industry participants shall only use vehicles that meet the requirements prescribed by the DOE, as well as those of the Department of Transportation and Communications (DOTC), the Department of Public Works and Highways (DPWH) and the concerned LGUs. As proof of compliance, the certificate of road worthiness

1 from the Land Transportation Office (LTO) or the Land Transportation Franchising and Regulatory
2 Board (LTFRB) shall be presented as additional documentary requirement for the issuance and
3 renewal of a license to operate.

4 Vehicles carrying, transporting, or delivering LPG cylinders which are not registered and
5 without the appropriate DOE signage shall be seized or impounded by the DOE. The guidelines for
6 the accreditation of drivers and attendants for LPG delivery vehicles shall be prescribed by the DOE
7 upon prior consultation with the LPG industry participants and other government agencies
8 concerned.

9 CHAPTER IX

10 PHILIPPINE LPG CYLINDER IMPROVEMENT PROGRAM

11 **SEC. 25. *Philippine LPG Cylinder Improvement.*** – A Philippine LPG Cylinder
12 Improvement Program shall be implemented with the objective of safeguarding and ensuring the
13 safety of consumers. The DOE shall, upon prior consultation with the LPG industry participants
14 and other government agencies concerned, determine the mechanics, rules, and regulations for the
15 Philippine LPG Cylinder Improvement Program.

17 CHAPTER X

18 PROHIBITED ACTS, FINES AND PENALTIES

19 **SEC. 26. *Engaging in Business without License to Operate.*** – Any LPG industry
20 participant who engages in business without securing a License to Operate from the DOE as
21 required under this Act shall be penalized with a fine of five thousand pesos (P5,000.00) for each
22 day of operation without a License to Operate: *Provided*, That the maximum fine to be imposed shall
23 be five hundred thousand pesos (P500,000.00) for an individual and one million pesos
24 (P1,000,000.00) for a corporation.

25 **SEC. 27. *Engaging in Business without Accreditation.*** – Any person who engages in the
26 business of manufacturing LPG cylinder seals or of re-qualifying, repairing or scrapping LPG
27 cylinders without first securing a certificate of accreditation from the DTI as provided under this
28 Act, shall be penalized with a fine of one million pesos (P1,000,000.00).

29 **SEC. 28. *Refusal or Obstruction of Inspection.*** – Any LPG industry participant who
30 refuses, prevents or obstructs the inspection of its premises and records as required under this Act
31 shall be penalized with a fine of three hundred thousand pesos (P300,000.00) for the first violation,
32 five hundred thousand pesos (P500,000.00) for the second violation and revocation of the License
33 to Operate for the third violation.

34 **SEC. 29. *Failure to Post License to Operate.*** – Any LPG industry participant concerned
35 who fails or refuses to post its License to Operate shall be penalized with a fine of not exceeding
36 five thousand pesos (P5,000.00) for each instance of violation.

37 **SEC. 30. *Failure to Submit Reportorial Requirements.*** – Any LPG industry participant
38 who fails to submit periodic reports as may be required under existing laws particularly Republic Act

No. 8479, otherwise known as "Downstream Oil Industry Deregulation Act of 1998," within a reasonable period and in the manner prescribed by the DOE, shall be penalized with a fine of ten thousand pesos (P10,000.00) in case of an individual and twenty thousand pesos (P20,000.00) in case of a partnership or corporation.

SEC. 31. *Illegal Storage.* – Any refiner, importer, refiller, hauler, dealer, retail outlet or bulk consumer who stores LPG in bulk without obtaining a License to Operate or Certificate of Non-Coverage as required under this Act shall be penalized with a fine of not less than twenty thousand pesos (P20,000.00) but not more than one hundred thousand pesos (P100,000.00).

SEC. 32. *Failure to Comply with Product Standards.* – Any concerned LPG industry participant who, by act or omission, fails to comply with plant or product standards set by the DOE with respect to their specific activity shall be penalized as follows:

(a) Non-compliance with DOE mandatory requirements on safety designs for refilling plants, equipment, depots, centralized LPG distribution systems and similar facilities shall be penalized with a fine of not less than fifty thousand pesos (P50,000.00) but not more than five hundred thousand pesos (P500,000.00). For this purpose, the DOE shall, after public consultation, formulate a table of penalties to determine the imposition of the minimum and the maximum penalty: *Provided*, That nothing in this paragraph shall preclude the DOE from ordering the closure of the facility until such time that the mandatory requirements have been met; and

(b) Failure to secure the required PNS Certificate for LPG cylinders shall be penalized with a fine of five thousand pesos (P5,000.00) for each non-compliant LPG cylinder used and distributed to consumers: *Provided*, That the maximum fine to be imposed shall be five hundred thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a corporation: *Provided*, *further*, That this section shall apply only after the full implementation of the Philippine LPG Cylinder Improvement Program.

SEC. 33. *Adulteration.* – LPG-filled cylinders found to be mixed with another finished or unfinished petroleum product or stock or with any non-petroleum substance or material that will result in product quality change or in the failure of the LPG to meet the required product specifications of the DOE shall render the person in possession thereof prima facie liable for violating this provision and shall be penalized with a fine of five thousand pesos (P5,000.00) for each LPG cylinder containing adulterated LPG: *Provided*, That the maximum fine to be imposed shall be five hundred thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a corporation.

SEC. 34. *Underfilling.* – When the net quantity of LPG contained in LPG cylinders intentionally sold, transferred, delivered or filled by refillers is less than the LPG cylinder content required by the DOE at the filling plant, the refiller shall be penalized with a fine of five thousand pesos (P5,000.00) for each underfilled LPG cylinder: *Provided*, That the maximum fine to be imposed shall be five hundred thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a corporation.

1 When the net quantity of LPG in cylinders intentionally sold, transferred, or delivered by
2 dealers or retail outlets is at least three tenths of one kilogram (0.30 kg) less than the DOE-required
3 LPG cylinder content quantity, the dealers or retail outlets shall be penalized with the same fines
4 mentioned earlier in this paragraph: *Provided, further*, That when the net quantity of LPG cylinders
5 sold, transferred or delivered by dealers or retail outlets is at least five hundred (500) grams less than
6 the DOE-required LPG cylinder content quantity, the said cylinders shall be confiscated outright
7 and the refillers, dealers or retail outlets thereof shall be penalized with the aforementioned penalties.

8 The following shall be considered as prima facie evidence of underfilling:

9 (a) A broken, tampered, absent or removed seal; or

10 (b) An LPG cylinder containing less than the required LPG quantity which is not so
11 identified and set apart or taken out from the sales area by dealers or retail outlets shall be presumed
12 to be for sale.

13 **SEC. 35. *Illegal Refilling*:** – The following shall constitute illegal refilling of LPG cylinders
14 under this Act:

15 (a) Refilling of LPG cylinder by a person or entity other than the brand owner thereof,
16 unless an express permission is granted by the brand owner for such refilling as evidenced by a
17 written contract or similar instrument;

18 (b) Refilling of LPG cylinder with a brand, trademark, trade name or registered business
19 name other than that of the brand owner indicated on the LPG cylinder tank, otherwise called
20 "pirate filling" or "cross-filling";

21 (c) Refilling of LPG cylinder with defaced, tampered or illegible markings contrary to the
22 mandatory labelling and stamping requirements under this Act;

23 (d) Refilling of LPG cylinder which is due for repair, re-qualification or scrappage as
24 provided in this Act or is subject to the recall or prohibition order of the DOE;

25 (e) Filling of LPG cylinder directly from LPG tank trucks without the use of approved filling
26 machines;

27 (f) Refilling LPG from one LPG cylinder to another without using the prescribed
28 equipment;

29 (g) Backyard refilling of LPG cylinder other than in properly designed LPG refilling plants;

30 (h) Filling LPG cylinder with products or substances other than LPG in an effort to achieve
31 the correct net weight;

32 (i) Refilling of LPG cylinders for household or commercial use by Auto-LPG Dispensing
33 Stations;

34 (j) Refilling of LPG into single-trip or tin canister or cartridge not designed or intended for
35 LPG or not in compliance with existing PNS or, in the absence of a PNS, without the express
36 consent, approval or conformity of the DTI;

37 (k) Any other refilling of LPG cylinders in violation of the mandatory requirements or
38 prescribed standards under this Act; and

1 (l) Unauthorized loading of bulk LPG tanks in industrial accounts.

2 An LPG industry participant found guilty of illegal refilling under this section shall be
3 penalized with a fine of five thousand pesos (Php5,000.00) for each illegally-filled or refilled LPG
4 cylinder, or imprisonment of at least six (6) months but not more than two (2) years, or both, at the
5 discretion of the court: *Provided*, That subsequent violations shall be penalized with both fine and
6 imprisonment: *Provided, further*, That the maximum fine to be imposed shall be five hundred
7 thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a
8 corporation: *Provided, finally*, That illegally refilled LPG cylinders described in sub-paragraphs (c), (d),
9 (e), (f), (g), (h) and (i) above shall be confiscated outright and the refillers, dealers or retail outlets
10 thereof shall be penalized with the aforementioned penalties.

11 **SEC. 36. Hoarding.** – Any LPG industry participant who, before a price increase or in
12 times of tight supply, unduly accumulates LPG products beyond his normal inventory levels and
13 unreasonably limits or refuses to dispose of, sell, or distribute LPG products to the general public,
14 even if the buyer or consumer has the ability to pay in cash for the LPG products, shall be penalized
15 with a fine of at least one hundred thousand pesos (P100,000.00) but not more than one million
16 pesos (P1,000,000.00) and imprisonment of at least six (6) months but not more than two (2) years.

17 The determination of said participant's usual inventory shall be reckoned from the third
18 (3rd) month immediately preceding the discovery of the stocks in case said participant has been
19 engaged in the business for at least three (3) months. Otherwise, it shall be reckoned from the time
20 the participant started the business.

21 For purposes of this Act, it shall be considered as prima facie evidence of hoarding when the
22 following conditions concur:

23 (a) said LPG industry participant has stocks of LPG products fifty percent (50%) higher than
24 his inventory capacity; and

25 (b) said LPG industry participant unreasonably limits, refuses or fails to sell the same to the
26 general public at the time of discovery of the stocks.

27 **SEC. 37. Unauthorized Trading of LPG Cylinders.** – Any LPG industry participant who,
28 without the consent of the LPG brand owner, stores or sells empty LPG cylinders in excess of those
29 allowed by the DOE, through LPG cylinder swapping and other similar industry practices and
30 exchanges, barter, sells, distributes or otherwise transfers ownership or possession thereof to a
31 person or entity other than the LPG brand owner and without the authority of the LPG brand
32 owner, shall be penalized with a fine of five thousand pesos (P5,000.00) for each illegally-stored or
33 sold empty LPG cylinder: *Provided*, That the maximum fine to be imposed shall be five hundred
34 thousand pesos (P500,000.00) in case of an individual and one million pesos (P1,000,000.00) in case
35 of a corporation.

36 **SEC. 38. Tampering of LPG Cylinders and Similar Acts.** – Any person who destroys,
37 tampers, alters or modifies LPG cylinders through any means such as, but not limited to, changing
38 the LPG cylinder valve, repainting and re-labelling, by any person other than the LPG cylinder

owner shall be penalized with a fine of five thousand pesos (P5,000.00) for each tampered or altered LPG cylinder: *Provided*, That the maximum fine to be imposed shall be five hundred thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a corporation.

SEC. 39. *Illegal Possession of LPG Cylinder Seal*. – Any person found in possession of LPG cylinder seals, including the seals already used in the LPG cylinders without authority from the LPG cylinder owner or its authorized refiller shall be penalized with a fine of five thousand pesos (P5,000.00) for each LPG seal found in its or his possession: *Provided*, That the maximum fine to be imposed shall be five hundred thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a corporation.

SEC. 40. *Failure to Comply with Weighing Device Requirements*. – Any refiner, importer, refiller, dealer or retail outlet who fails to comply with the requirements pertaining to weighing devices as required by the DOE and DTI, shall be penalized with a fine of ten thousand pesos (P10,000.00) in case of an individual or twenty thousand pesos (P20,000.00) in case of a corporation.

SEC. 41. *Overloading*. – Any hauler who loads and transports or permits the loading and transportation of LPG cylinders in quantities greater than the rated capacity of the vehicle or in such a manner that endangers the life and safety of its passengers or the public, shall be penalized with a fine of twenty thousand pesos (P20,000.00) in case of an individual and fifty thousand pesos (P50,000.00) in case of a corporation: *Provided*, That the penalties provided herein shall be without prejudice to its liability under other laws for any damage or injury to person or property.

SEC. 42. *Importation of Used or Second-Hand LPG Cylinders*. – Any person who imports used or second-hand LPG cylinders or containers, without securing authority to import from the DTI, shall be penalized with a fine of one hundred thousand pesos (P100,000.00) or five thousand pesos (P5,000.00) per LPG cylinder or container whichever is higher and imprisonment of at least six (6) months and one (1) day to two (2) years.

SEC. 43. *Sale or Distribution to Non-complying Persons or Entities*. – Any LPG industry participant who knowingly sells or distributes LPG products, LPG cylinders or LPG seals to persons or entities committing any of the prohibited acts provided in this Act and in such other issuances or orders to be issued by the DOE or the DTI as the case may be, shall be penalized for each sale or distribution with a fine of not less than one hundred thousand pesos (P100,000.00) but not more than five hundred thousand pesos (P500,000.00).

SEC. 44. *Pilferage of LPG*. – Any person who pilfers LPG shall be penalized with a fine of five hundred thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a corporation: *Provided*, That subsequent violations shall be penalized with both fine and imprisonment: *Provided, further*, That the maximum fine to be imposed shall be five hundred thousand pesos (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a corporation.

1 **SEC. 45. *Sale or Distribution of LPG-filled Cylinders Without Seals.*** – Any person,
2 brand owner, its authorized refiller, dealer or retail outlet who sells or distributes LPG-filled
3 cylinders without seal, with tampered, fake or broken seals, or with seal not belonging to the brand
4 owner shall be penalized with a fine of not less than five thousand pesos (P5,000.00) for each LPG
5 cylinder: *Provided*, That the maximum fine to be imposed shall be five hundred thousand pesos
6 (P500,000.00) for an individual and one million pesos (P1,000,000.00) for a partnership or
7 corporation.

8 **SEC. 46. *Refusal to Refund the Deposit.*** – Any LPG brand owner, its authorized dealer
9 or retail outlet that refuses to refund the deposit on the LPG cylinder to any consumer shall be
10 administratively charged and upon proper proof, shall be imposed a fine of one thousand five
11 hundred pesos (P1,500.00) for each LPG cylinder and a warning that its License to Operate shall be
12 suspended or revoked: *Provided*, That subsequent violations thereof shall be imposed a fine of five
13 thousand pesos (P5,000.00) per LPG cylinder and the suspension and revocation of its License to
14 Operate.

15 **SEC. 47. *Sale of LPG in Canisters or Cartridges.*** – It shall be unlawful for any person to
16 refill, sell, trade, or distribute LPG in single-trip tin canister or cartridge that is intended or labeled as
17 for one time use only, not designed or intended for LPG, not in compliance with existing PNS or in
18 the absence of PNS, without the express consent, approval or conformity of the DTI.

19 Any person who sells or distributes LPG in single-trip (non-refillable) canisters or cartridges
20 which has been previously filled with butane and not designed or intended for refilling of LPG due
21 to non-compliance with the PNS or not certified or allowed by the DTI shall be penalized with a
22 fine of not less than five thousand pesos (Php5,000.00) for each LPG canister or cartridge: *Provided*,
23 That the maximum fine to be imposed shall be five hundred thousand pesos (Php500,000.00) for an
24 individual and one million pesos (Php1,000,000.00) for a partnership or corporation.

25 **SEC. 48. *Other Prohibited Acts.*** – The following acts shall likewise be prohibited:

26 (a) Sale, refill and distribution to or transactions with an LPG industry participant who has
27 no license to operate;

28 (b) Manufacture, sale, or distribution of LPG cylinders to the local market without the
29 necessary Philippine Standard (PS) marks and other markings as required by the PNS and its future
30 amendments, or the detailed standard governing LPG cylinder manufacture, requalification, and
31 repair;

32 (c) Sale and distribution of LPG cylinders considered substandard as defined by the PNS;

33 (d) Manufacture or sale of LPG cylinders carrying a brand name, logo, mark, or distinction
34 without the express approval of the registered brand owner;

35 (e) Manufacture of LPG cylinders using substandard or non-industrial steel plates;

36 (f) Wrong or misleading information stamped on the LPG cylinder such as the tare weight;

37 and

(g) Knowingly selling illegally-filled or refilled LPG cylinders by marketers, dealers or retail outlets.

A fine of at least five hundred thousand pesos (Php500,000.00) but not more than one million pesos (Php1,000,000.00) shall be imposed on any person, firm, partnership or corporation found guilty of committing any of the foregoing prohibited acts.

SEC. 49. *Share of LGUs on Fines and Penalties.* – The LGU concerned shall be allotted a forty percent (40%) share of the proceeds from fines and penalties collected by the DOE: *Provided*, That the remaining sixty percent (60%) shall be remitted by the DOE to the National Treasury.

SEC. 50. *"Strike Three" Penalty.* – Any person convicted or found administratively liable with finality of violating the provisions of this Act for three (3) instances shall be perpetually disqualified from engaging in any activity in the LPG industry.

SEC. 51. *Publication of Persons Convicted of Violations of this Act.* – The DOE shall, on a quarterly basis, publish in a newspaper of general circulation, the names of LPG industry participants found liable for prohibited acts under this Act.

SEC. 52. *Violations by Juridical Entities.* – If the violation is committed by a corporation, partnership, association, or other juridical entity, the penalty of imprisonment shall be imposed on the responsible directors or officers thereof. Any new juridical entity formed by persons previously found in violation of the prohibited acts under this Act shall not be eligible for any license to operate by the DOE. If the offender is an alien, he shall be deported immediately, without further proceedings, after service of sentence.

SEC. 53. *Imposition of Minimum and Maximum Penalty for Administrative Actions.* – The DOE shall, after public consultation, formulate a table of penalties to determine the minimum and maximum penalty which shall be imposed for each prohibited act provided in this Act: *Provided*: That the penalty shall be within the minimum and maximum range provided for each prohibited act stated in this Act, and taking into consideration the classification of the offender either as a retail outlet, dealer, marketer, refiner, refiller, hauler, importer or hoarder, and the number of times or instances such prohibited act is committed by the offender: *Provided, further*, That nothing herein shall preclude the DOE from ordering the suspension or cessation of the operation of the facility, or the closure thereof until such time that the mandatory requirements or corrective measures as directed by the DOE have been met.

SEC. 54. *Initiation of Administrative Action by the DOE.* – In compliance with due process requirements, an administrative action shall be initiated by the DOE through the issuance of a show cause notice to the offender giving the latter the opportunity to submit within a period to be prescribed by the DOE his written explanation on the circumstances or reasons behind the violation. The DOE shall have the discretion to conduct a hearing pertaining to the violation, or impose outright the appropriate penalty based on the merits of the written explanation.

1 **SEC. 55. *Initiation of Criminal Action.*** – A criminal action may be initiated against any
2 person who commits any of the prohibited acts described herein and who shall be imposed, upon
3 conviction, with a fine within the minimum and maximum range prescribed for the prohibited act
4 provided in this Act, or with imprisonment of at least six (6) months but not more than two (2)
5 years, or both, at the discretion of the court.

6

7 **CHAPTER XI** 8 **EDUCATION AND RESEARCH**

9 **SEC. 56. *Usage Requirements for Customers and End-Users.*** – The DOE and the DTI
10 shall jointly undertake educational and information dissemination activities to enhance customer
11 awareness among LPG consumers and end-users. The DOE and the DTI, after consultation with
12 the LPG industry participants, may prescribe rules and regulations in relation to the following:

- 13 (a) For industrial or large end-users, installation of sign at storage facilities;
14 (b) Use of only branded, legally-filled and certified LPG cylinders; and
15 (c) Installation of LPG appliances and devices approved by the DTI: *Provided*, That such
16 appliances and devices shall be installed only by qualified servicemen as provided in this Act.

17 **SEC. 57. *Development Research.*** – The DOE shall, in coordination with the Department
18 of Science and Technology (DOST) and the DTI, conduct study and research for the purpose of
19 developing more efficient methods of providing safe, clean and hazard-free LPG to consumers.

20

21 **CHAPTER XII** 22 **FINAL PROVISIONS**

23 **SEC. 58. *Implementing Rules and Regulations.*** – Unless otherwise expressly provided in
24 this Act, the DOE shall, in consultation with the DTI, other appropriate agencies, and the LPG
25 industry participants, be the lead agency to formulate, issue and promulgate the necessary
26 implementing rules and regulations within sixty (60) days from the effectivity of this Act. The
27 implementing rules and regulations shall cover, among others, guidelines and standards for LPG
28 weighing devices, cylinder sealing, labeling requirements, quality standards, delivery vehicles, drivers,
29 and attendants, and the Philippine LPG Cylinder Improvement Program.

30 **SEC. 59. *Transition Phase.*** – The DOE shall, upon prior consultation with the LPG
31 industry participants and other government agencies, and taking into account data obtained from
32 LPG industry participants and other sources, determine the appropriate period for the transition
33 phase to allow for compliance by all LPG industry participants with the objectives of this Act.

34 **SEC. 60. *Appropriations.*** – The amount of two billion pesos (P2,000,000,000.00) annually
35 for the first five (5) years of the implementation of this Act is hereby appropriated out of the
36 Malampaya Fund being administered by the DOE. Thereafter, the same shall be included in the
37 regular budget of the DOE in such amounts as may be necessary to fully implement the Philippine
38 LPG Cylinder Improvement Program. Appropriations herein shall be utilized by the DOE only for

1 the purpose of providing financial support and assistance to fund the implementation of the
2 Philippine LPG Cylinder Improvement Program and shall in no way unduly burden, financially or
3 otherwise, any LPG industry participant and/or consumer. Not more than ten percent (10%) of the
4 amount herein appropriated shall be used for administrative costs in implementing the Philippine
5 LPG Cylinder Improvement Program.

6 **SEC. 61. *Joint Congressional Oversight Committee.*** – There is hereby created a Joint
7 Congressional Oversight Committee to monitor the implementation of this Act. The committee
8 shall be composed of three (3) senators and three (3) representatives to be appointed by the Senate
9 President and the Speaker of the House of Representatives, respectively. The oversight committee
10 shall be jointly chaired by the Chairpersons of the Senate Committees on Energy and Trade and
11 Commerce and the House Committees on Energy and Trade and Industry: *Provided*, That the
12 Minority in both the Senate and the House of Representatives shall be equitably represented therein:
13 *Provided, further*, That the Oversight Committee shall exist for a period of ten (10) years from the
14 effectivity of this Act.

15 The mandate given to the Joint Congressional Oversight Committee under this Act shall be
16 without prejudice to the performance of the duties and functions by the respective existing oversight
17 committees of the Senate and the House of Representatives.

18 **SEC. 62. *Construction and Interpretation.*** – Any doubt in the interpretation of any
19 provision in this Act shall be interpreted in favor of the interest of the consumers particularly to
20 ensure access to reasonably-priced LPG and the safety of the consumers and the general public.

21 **SEC. 63. *Separability Clause.*** – If for any reason, any chapter, section or provision of this
22 Act shall be declared unconstitutional, illegal, or invalid, such parts not affected thereby shall remain
23 in full force and effect.

24 **SEC. 64. *Repealing Clause.*** – All laws, decrees, executive orders, proclamations and
25 administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified
26 accordingly.

27 **SEC. 62. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
28 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

29 Approved,