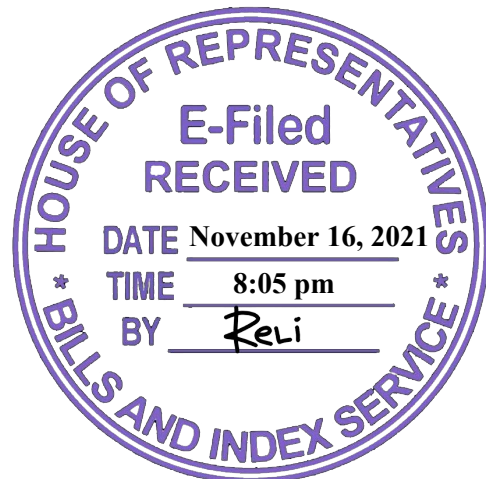




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10505



Introduced by Representative Juan Miguel Macapagal Arroyo

EXPLANATORY NOTE

This measure seeks to amend certain provisions of Republic Act No. 8479 otherwise known as *the "Downstream Oil Industry Deregulation Act of 1998"*.

RA No. 8479 was legislated in 1998 pursuant to Section 19, Article XII of the Constitution which provides for "*the regulation or prohibition of monopolies when public interest so requires and that no combinations in restraint of trade or unfair competition shall be allowed*". Thus, RA No. 8479 was enacted to liberalize and deregulate the downstream oil industry in order to ensure a truly competitive market under a regime of fair prices, adequate and continuous supply of environmentally-clean and high-quality petroleum products. To this end, the State shall promote and encourage the entry of new participants in the downstream oil industry and introduce adequate measures to ensure the attainment of these goals.

It is very clear that, among others, the objective of the law is for the petroleum industry to observe and operate on the ground compliant with the twin requirement of competition and fair prices.

In the area of pricing, the concept of Automatic Pricing Mechanism (APM) was introduced as a benchmark of pricing to cover changes or fluctuations in the world market price and foreign exchange rate remains as the basis of the unregulated cost of oil product.

The law also mandated entry of new players. It has been noticeable, however, that the prices of fuel products are usually similar in clusters.

The Philippine Institute of Developmental Studies aptly described the Oil Deregulation Law, as follows:

Before

Prior to RA No. 8479, the Energy Regulatory Board took into account the dollar cost of imported crude oil and the foreign exchange rate, and fixed prices of petroleum products. A budgetary allocation maintained by the national government called the Oil Price Stabilization Fund (OPSF) automatically absorbed any price change incurred by the oil companies in importing crude oil,

which is not reflected in the selling price. Consequently, the effects of a regulated oil industry were:

- Changes in the world prices of oil and foreign exchange rate were not immediately reflected in the domestic prices. Any large adjustment in oil prices made it difficult for businesses and consumers to adjust quickly, thereby causing disruptions;*
- Cross product subsidization created imbalances in the demand and supply of petroleum products. Diesel was priced significantly lower, encouraging higher consumption and resulting in a shift in the use from gasoline to diesel;*
- Oil companies experienced delays in margin recoveries since any price adjustments would still require public hearings; and*
- Entry of new investors was discouraged, thereby minimizing competition.*

After

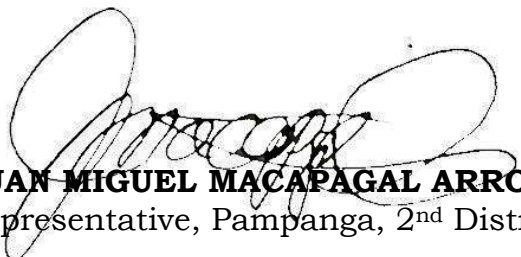
The deregulation of the local oil industry was done in two phases: partial and full deregulation. In the partial deregulation phase, oil importation was liberalized, and the automatic pricing mechanism was implemented. In the full deregulation phase, controls on oil price setting were similarly lifted, the foreign exchange cover was removed, and the OPSF was abolished. There are four major reasons why the oil industry was deregulated:

- To stabilize and provide reasonable prices;*
- To encourage competition;*
- To encourage investments; and*
- To remove cross product subsidies.*

Under current circumstances, it is now imperative that R.A. No. 8479 be revisited by Congress and be amended or revised. The proposed amendments highlight two important items:

- 1) Institutionalization of the Minimum Inventory Requirements for purposes of supply security; and
- 2) Unbundling of the petroleum cost using the APM as the unregulated price of oil and added to duties and taxes, administrative & operational costs and industry take totaled as the Indicative Retail Price.

In view of the foregoing, immediate approval of this measure is earnestly sought.


JUAN MIGUEL MACAPAGAL ARROYO
Representative, Pampanga, 2nd District



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10505

Introduced by Representative Juan Miguel Macapagal Arroyo

AN ACT
AMENDING REPUBLIC ACT NO. 8479, OTHERWISE KNOWN AS THE
“DOWNSTREAM OIL INDUSTRY DEREGULATION ACT OF 1998”

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

1 **SECTION 1.** Section 4 of R.A. No. 8479 is hereby amended to include the following
2 definition of terms:

3 “A. *AVAILABLE DAY’S SUPPLY* REFERS TO THE ACTUAL AVAILABLE
4 INVENTORY DIVIDED BY THE AVERAGE DAILY DEMAND FOR THE
5 PAST THREE MONTHS ON A PER DEPOT AND PRODUCT BASIS USED
6 AS MEASURE FOR THE MINIMUM INVENTORY REQUIREMENT
7 COMPLIANCE;

8 a) B. X X X

9 b) C. X X X

10 e) D. X X X

11 E. *BULK DISTRIBUTOR* REFERS TO ANY PERSON, NATURAL OR JURIDICAL,
12 WHO IS A NON-IMPORTER AND NON-REFINER BUT IS ENGAGED IN
13 BULK DISTRIBUTION AND/OR RETAIL OF LOCALLY PURCHASED
14 FINISHED PETROLEUM PRODUCTS SOURCED FROM IMPORTER OR
15 REFINER;

16 F. *BULK SUPPLIER’S SELLING PRICE* REFERS TO THE INDICATIVE RETAIL
17 PRICE IMPLEMENTED BY ALL REFINERS, IMPORTERS AND BULK
18 DISTRIBUTOR FOR FINISHED PETROLEUM PRODUCTS SOLD TO

1 LIQUID PETROLEUM PRODUCT RETAILERS AND LPG DEALERS OR
2 RETAILERS;

3 d) G. X X X

4 e) H. X X X

5 f) I. X X X

6 J. *DOI PARTICIPANT* REFERS TO ANY PERSON, NATURAL OR JURIDICAL,
7 ENGAGED IN ANY BUSINESS ACTIVITY OF THE DOWNSTREAM OIL
8 INDUSTRY (DOI). SPECIFICALLY, IT REFERS TO ANY OF THE
9 FOLLOWING: REFINER, IMPORTER, BULK DISTRIBUTOR, TERMINAL
10 OPERATOR/LESSOR, LPG REFILLER, LPG DEALER, LPG RETAILER,
11 HAULER AND OWN USER OF CRUDE OIL AND FINISHED PETROLEUM
12 PRODUCTS AS WELL AS BLENDER, MARKETER AND OWN USER OF
13 BASE OILS AND LUBRICATING PRODUCTS WHICH SHALL EACH
14 NOTIFY TO OIMB ITS INTENDED ACTIVITY FOR THE ISSUANCE OF
15 ACKNOWLEDGEMENT AS A PARTICIPANT OF THE PHILIPPINE DOI;

16 g) X X X

17 h) X X X

18 K. *FINISHED PETROLEUM PRODUCT* REFERS TO A PRODUCT FORMED IN
19 THE COURSE OF REFINING CRUDE PETROLEUM THROUGH
20 DISTILLATION, CRACKING, SOLVENT REFINING AND CHEMICAL
21 TREATMENT COMING OUT AS PRIMARY STOCKS FROM THE REFINERY
22 SUCH AS, BUT NOT LIMITED TO, DIESEL; GASOLINE; KEROSENE;
23 FUEL OIL; AVIATION FUEL; LIQUEFIED PETROLEUM GAS (LPG);
24 NAPHTHA; LUBRICANTS; SOLVENT; WAXES; AND PETROLATUMS;
25 ASPHALTS; BITUMENS; COKE; AND REFINERY SLUDGES; OR SUCH
26 REFINERY PETROLEUM FRACTIONS WHICH HAVE NOT UNDERGONE
27 ANY PROCESS OR TREATMENT AS TO PRODUCE SEPARATE
28 CHEMICALLY-DEFINED COMPOUNDS IN A PURE OR COMMERCIALY
29 PURE STATE AND TO WHICH VARIOUS SUBSTANCES MAY HAVE BEEN
30 ADDED TO RENDER THEM SUITABLE FOR PARTICULAR USES:
31 *PROVIDED*, THAT THE RESULTANT PRODUCT CONTAINS NOT LESS
32 THAN FIFTY PERCENT (50%) BY WEIGHT OF SUCH PETROLEUM
33 PRODUCTS;

34 i) X X X

35 L. *INDICATIVE RETAIL PRICE* REFERS TO THE BENCHMARK RETAIL PRICE

1 OF PETROLEUM PRODUCTS TO INCLUDE PETROLEUM COST USING
2 THE AUTOMATIC PRICING MECHANISM (APM) AS THE UNREGULATED
3 PRICE OF OIL AND ADDED COSTS TO INCLUDE DUTIES AND TAXES,
4 ADMINISTRATIVE, OPERATIONAL, TRANSPORTATION & OTHER COSTS
5 AND INDUSTRY TAKE TOTALED AS THE INDICATIVE RETAIL PRICE
6 IMPLEMENTED AT A PARTICULAR CITY OR MUNICIPALITY DURING A
7 SPECIFIC PERIOD;

8 M. *IMPORTER* REFERS TO ANY PERSON, NATURAL OR JURIDICAL,
9 ENGAGED IN IMPORTING FINISHED PETROLEUM PRODUCTS FOR THE
10 PURPOSE OF BULK DISTRIBUTION. AN IMPORTER MAY LIKEWISE
11 ENGAGE IN OTHER BUSINESS ACTIVITIES OF THE DOI;

12 j) X X X

13 N. *LIQUEFIED PETROLEUM GAS OR LPG DEALER* REFERS TO ANY PERSON,
14 NATURAL OR JURIDICAL, ENGAGED IN THE SALE OF LPG IN
15 CYLINDERS TO END-USERS OR TO LPG RETAILERS;

16 O. *LIQUEFIED PETROLEUM GAS OR LPG RETAILER* REFERS TO ANY
17 PERSON, NATURAL OR JURIDICAL, ENGAGED IN THE SALE OF LPG IN
18 CYLINDERS TO END-USERS;

19 P. *LPG DEALER'S OR RETAILER'S PRICE* REFERS TO THE INDICATIVE
20 RETAIL PRICE IMPLEMENTED FOR LPG IN CYLINDERS SOLD TO THE
21 END-USERS AT THE LPG DEALER OR RETAILER LEVEL;

22 Q. *LIQUID PETROLEUM PRODUCTS RETAILER* REFERS TO ANY PERSON,
23 NATURAL OR JURIDICAL, ENGAGED IN THE SALE OF FINISHED
24 PETROLEUM PRODUCTS EXCEPT LPG DIRECTLY TO END-USERS AT
25 THE LIQUID PETROLEUM PRODUCTS RETAILER LEVEL;

26 R. *LIQUID PETROLEUM PRODUCT RETAIL PUMP PRICE* REFERS TO THE
27 SELLING PRICE IMPLEMENTED FOR FINISHED PETROLEUM
28 PRODUCTS SOLD TO THE END-USERS AT THE LIQUID PETROLEUM
29 PRODUCT RETAIL LEVEL;

30 S. *MINIMUM INVENTORY REQUIREMENT OR MIR* REFERS TO THE
31 AVAILABLE DAYS' SUPPLY THAT ALL REFINERS, IMPORTERS AND BULK
32 DISTRIBUTORS MAINTAIN ON A PER DEPOT AND PRODUCT BASIS AT
33 ANY POINT IN TIME IN PREPARATION FOR ANY DOMESTIC OR
34 INTERNATIONAL CALAMITY, EMERGENCY OR EVENT THAT COULD
35 POTENTIALLY OR CAUSE AN ACTUAL SUPPLY DISRUPTION;

1 k) X X X

2 T. *OIMB* REFERS TO THE OIL INDUSTRY MANAGEMENT BUREAU OF THE
3 DEPARTMENT OF ENERGY;

4 l) X X X

5 m) X X X

6 n) X X X

7 U. *PRICE ADJUSTMENT* REFERS TO THE PRICE INCREASE OR DECREASE
8 IMPLEMENTED BY THE DOI PARTICIPANTS ON REGULAR BASIS TO
9 REFLECT THE ADJUSTMENT TO THE EXISTING SET OF FINISHED
10 PETROLEUM PRODUCT RETAIL PUMP PRICE OR LPG DEALER'S OR
11 RETAILER'S PRICE;

12 V. *OVERPRICING* REFERS TO THE IMPOSITION BY THE DOI PARTICIPANT
13 OF LIQUID PETROLEUM PRODUCT RETAIL PUMP PRICE OR LPG
14 DEALER'S OR RETAILER'S PRICE IN EXCESS OF THE INDICATIVE
15 RETAIL PRICE ALREADY IMPOSED BY THE OIMB;

16 W. *REFINER* REFERS TO ANY PERSON, NATURAL OR JURIDICAL,
17 ENGAGED IN IMPORTING CRUDE OIL FOR REFINING AND/OR FINISHED
18 PETROLEUM PRODUCTS FOR THE PURPOSE OF BULK DISTRIBUTION.
19 A REFINER MAY LIKEWISE ENGAGE IN OTHER BUSINESS ACTIVITIES OF
20 THE DOI; ~~and~~

21 o) X X X

22 p) X X X

23 X. *UNREASONABLE PRICE* REFERS TO THE LIQUID PETROLEUM PRODUCT
24 RETAIL PUMP PRICE OR LPG DEALER'S OR RETAILER'S PRICE WHICH
25 IS UNJUSTIFIED, UNSUPPORTED BY EVIDENCE AND/OR
26 UNEXPLAINED BY THE IMPLEMENTING DOI PARTICIPANT THAT
27 WARRANTS THE IMPOSITION OF THE INDICATIVE RETAIL PRICE; AND

28 q) X X X

29 **SEC. 2.** Section 5 of R.A. No. 8479 is hereby amended to read as follows:

30 "SEC. 5. ***Liberalization of the Industry.*** –

31 Any law to the contrary notwithstanding, any person or entity may import
32 or purchase any quantity of crude oil and petroleum products from a foreign
33 or domestic source, lease or own and operate refineries and other
34 downstream oil facilities and market such crude oil and petroleum products
35 either in a generic name or his or its own trade name, or use the same for

1 his or its own requirement: *Provided*, That any person or entity who shall
2 engage in any such activity shall give prior notice thereof to the DOE
3 for monitoring purposes: *Provided, further*, That such notice shall not
4 exempt such person or entity from securing certificates of quality, health
5 and safety and environmental clearance from the proper governmental
6 agencies: *Provided, furthermore*, That such person or entity shall, for
7 monitoring purposes, report to the DOE his or its every
8 importation/exportation: *Provided, finally*, That all oil importations shall be
9 in accordance with the Basel Convention.

10 FOR PURPOSES OF SECURITY OF SUPPLY, ALL REFINERS, IMPORTERS
11 AND BULK DISTRIBUTORS SHALL MAINTAIN AN MIR ON A PER COMPANY,
12 PER DEPOT AND PER PRODUCT BASIS. THE MIR SHALL INCLUDE THE
13 FOLLOWING: FINISHED PETROLEUM PRODUCTS: DIESEL, GASOLINE,
14 KEROSENE, HOUSEHOLD LPG, AUTO-LPG, FUEL OIL AND AVIATION
15 FUEL.

16 THE MIR SHALL BE MEASURED IN NUMBER OF AVAILABLE DAYS'
17 SUPPLY. ALL REFINERS, IMPORTERS AND BULK DISTRIBUTORS ARE
18 REQUIRED TO MAINTAIN THIRTY (30) AVAILABLE DAYS' SUPPLY. CRUDE
19 OIL INVENTORY OF REFINERS SHALL FORM PART OF THE MIR SUBJECT
20 TO DESIGN CONVERSION RATE TO FINISHED PETROLEUM PRODUCTS
21 OF THE REFINERY. THE MIR COMPLIANCE REPORT SHALL BE
22 SUBMITTED TO THE DOE ON A WEEKLY BASIS.

23 ALL DOI PARTICIPANTS ARE REQUIRED TO SUBMIT ANNUALLY A
24 DOWNSTREAM OIL INDUSTRY DEVELOPMENT PLAN AS COMPONENT OF
25 THE PHILIPPINE ENERGY PLAN WHICH SHALL INCLUDE BUSINESS
26 PLANS, MANAGEMENT MODEL IN THE CONDUCT OF BUSINESS, AND
27 OTHER INFORMATIONAL REQUIREMENT OF THE DOE. TO ENSURE
28 TRANSPARENCY, THE VOLUME OF SALES AND REQUIRED INVENTORY
29 REQUIREMENTS ARE DEEMED NOT COVERED BY TRADE SECRET
30 CONFIDENTIALITY AND THEREFORE, MADE PART OF ANY REPORT TO
31 DOE THAT IT MAY REQUIRE.

32 APPROPRIATE DOI PARTICIPANTS MUST COMPLY TO SUBMIT ITS
33 INDICATIVE RETAIL PRICING SHOWING THE UNBUNDLED
34 COMPONENTS THEREOF.

35 PRICE DISPLAY BOARDS, ONLINE PLATFORMS OR ANY PRESCRIBED

1 APPLICABLE MEDIA NOTIFICATION SHALL BE USED TO PROVIDE
2 INFORMATION TO THE PUBLIC.”

3 **SEC. 3.** Section 11 of R.A. No. 8479 is hereby amended to read as follows:

4 “SEC. 11. **Anti-Trust Safeguards.** – To ensure fair competition and prevent
5 cartels and monopolies in the industry, the following acts are hereby
6 prohibited:

7 X X X

8 (C) OVERPRICING OVER AND ABOVE THE INDICATIVE RETAIL PRICE.”

9 **SEC. 4.** Section 13 of R.A. No. 8479, “Remedies” is hereby repealed.

10 **SEC. 5.** Section 14 of R.A. No. 8479 is hereby amended to read as follows:

11 “SEC. 14. **Monitoring.** –

12 “(a) The DOE shall monitor and publish daily international crude oil
13 prices, as well as follow the movements of domestic oil prices. It shall
14 likewise monitor the quality of petroleum products and stop the operation
15 of businesses involved in the sale of petroleum products with the national
16 standards of quality that are aligned with the international
17 standards/protocols of quality. The Bureau of Product Standards (BPS) of
18 the DTI, together with the Department of Environment and Natural
19 Resources (DENR), the DOE, the Department of Science and Technology
20 (DOST), representatives of the fuel and automotive industries and the
21 consumers, shall set the specifications for all types of fuel and fuel-related
22 products to improve fuel composition for increased efficiency and reduced
23 emissions. The BPS shall also specify the allowable content of additives
24 in all types of fuels and fuel-related products.

25 (b) The DOE shall monitor the refining and manufacturing processes
26 of local petroleum products to ensure that clean and safe (environment
27 and worker- benign) technologies are applied. This shall also apply to the
28 process of marketing local and imported petroleum products.

29 (c) The DOE shall maintain a periodic schedule of present and future total
30 industry inventory of petroleum products for the purpose of determining
31 the level of supply. To implement this, the importers, refiners, and
32 marketers are hereby required to submit monthly to the DOE their actual
33 and projected importations, local purchases, sales and/or consumption,
34 and inventory on a per crude/product basis.

35 (d) Any report from any person of an unreasonable ~~rise in the~~ prices of

1 petroleum products shall be immediately acted upon. ~~For the Secretary~~
2 ~~under oath and within such reasonable time as the Secretary may~~
3 ~~prescribe.~~ FOR THIS PURPOSE, THE DOE TASK FORCE FROM THE
4 DOE-OIMB AND LEGAL SERVICES IS HEREBY CREATED.

5 THE DOE TASK FORCE IS HEREBY MANDATED TO DETERMINE
6 WITHIN THIRTY (30) DAYS THE MERITS OF THE REPORT AND INITIATE
7 THE NECESSARY ACTIONS WARRANTED UNDER THE
8 CIRCUMSTANCE: *PROVIDED*, THAT NOTHING HEREIN SHALL PREVENT
9 THE SAID TASK FORCE FROM INVESTIGATING AND/OR FILING THE
10 NECESSARY COMPLAINT WITH THE DEPARTMENT OF JUSTICE OR
11 ANY PROPER COURT OR AGENCY *MOTU PROPIO*.

12 ANTI-COMPETITIVE ACTS MAY BE REPORTED TO THE PHILIPPINE
13 COMPETITION COMMISSION FOR APPROPRIATE ACTION.

14 THE TASK FORCE SHALL APPLY APPLICABLE RULES OF PROCEDURE
15 OR DRAFT ITS OWN RULES AND GUIDELINES PERTINENT TO THE
16 MATTER.

17 X X X”

18 **SEC 6.** Section 19 of R.A No. 8479 is hereby amended to read as follows:

19 “SEC. 19. ***Start of Full Deregulation.*** – Full deregulation of the Industry
20 shall start five (5) months following the effectivity of this Act: *Provided*,
21 *however*, That when the public interest so requires, the President may
22 accelerate the start of full deregulation upon the recommendation of the
23 DOE and department of Finance (DOF) when the prices of crude oil and
24 petroleum products in the world market are declining and the value of the
25 peso in relation to the US dollar is stable, taking into account relevant
26 trends and prospects: *Provided, further*, That the foregoing provision
27 notwithstanding, the five (5)- month Transition Phase shall continue to
28 apply to LPG, regular gasoline and kerosene as socially-sensitive petroleum
29 products and said petroleum products shall be covered by the automatic
30 pricing mechanism during the said period.

31 Upon the implementation of full deregulation as provided herein, the
32 transition phase is deemed terminated and the following laws are repealed:

- 33 a) Republic Act No. 6173, as amended;
34 b) Section 5 of Executive order No. 172, as amended;
35 c) Letter of Instruction No. 1431, dated October 15, 1984

d) Letter of Instruction No. 1441, dated November 20, 1984, as amended;
e) Letter of Instruction No. 1460, dated May 9, 1985;
f) Presidential Decree No. 1889; and
g) Presidential Decree No. 1956, as amended by Executive Order No.137;
Provided, however, That in case full deregulation is started by the President in the exercise of the authority provided in this Section, the foregoing laws shall continue to be in force and effect with respect to LPG, regular gasoline and kerosene for the rest of the five (5)-month period.

ANY LAW TO THE CONTRARY NOTWITHSTANDING, AN INDICATIVE RETAIL PRICE SHALL BE ESTABLISHED, UNBUNDLED AS FOLLOWS:

(A) THE UNREGULATED PRICE OF CRUDE OIL OR PETROLEUM PRODUCTS WHICH CONSIST OF THE WORLD MARKET PRICE, FOREIGN EXCHANGE AND RATE AND THE FREIGHT OTHERWISE REFERRED TO AS THE LANDED COST;

(B) ADDITIONAL COSTS AFTER LANDED TO INCLUDE THE FOLLOWING:

- 1) PORT CHARGES;
- 2) OTHER IMPOSTS;
- 3) REFINING COST (FOR CRUDE);
- 4) STORAGE COST;
- 5) HANDLING COST;
- 6) MARKETING COST;
- 7) TRANSSHIPMENT COST;
- 8) OTHER COSTS; AND
- 9) OIL COMPANY PROFIT MARGIN

(C) REFINERY COST, FOR REFINING OF CRUDE OIL.”

SEC. 7. Section 24 of R.A. No. 8479 is hereby amended to read as follows:

“SEC. 24. ~~**Penal Sanction. CRIMINAL AND ADMINISTRATIVE FINES AND PENALTIES.**~~ - ~~Any person who violates the provision of this Act shall suffer the penalty of three (3) months to one (1) year imprisonment and a fine ranging from Fifty thousand pesos (P50,000.00) to Three hundred thousand pesos (P300,000.00).~~ NON-COMPLIANCE TO THE OBLIGATIONS OF THE DOI PARTICIPANTS UNDER SECTION 2 AND THE POWERS OF THE DOE UNDER SECTION 4 AND 6 THEREOF, SHALL BE PENALIZED BY AN ADMINISTRATIVE FINE RANGING FROM FIFTY THOUSAND PESOS (PHP 50,000.00) TO THREE HUNDRED THOUSAND PESOS (PHP 300,000.00) WITH SUSPENSION OR

1 REVOCATION OF THE DOE ACKNOWLEDGEMENT OR ITS EQUIVALENT
2 REGISTRATION.

3 THE DOI PARTICIPANT SHALL LIKEWISE SUFFER THE PENALTY OF
4 THREE (3) MONTHS TO ONE (1) YEAR IMPRISONMENT FOR VIOLATION
5 OF OVERPRICING.

6 THE DOE SHALL RECOMMEND TO OTHER GOVERNMENT AGENCY
7 THE SUSPENSION OR REVOCATION AND TERMINATION OF ITS
8 LICENSE, PERMIT OR CLEARANCES FOR VIOLATION OF THE MIR AND
9 OVERPRICING.

10 ANY PERSON WHO VIOLATES ANY OF THE PROVISIONS OF THIS ACT,
11 AS AMENDED, NOT OTHERWISE PENALIZED IN THE PRECEDING
12 SECTIONS SHALL SUFFER THE PENALTY OF THREE (3) MONTHS TO
13 ONE (1) YEAR IMPRISONMENT AND A FINE RANGING FROM FIFTY
14 THOUSAND PESOS (P50,000.00) TO THREE HUNDRED THOUSAND
15 PESOS (P300,000.00).”

16 **SEC. 8. Implementing Rules and Regulations.** The Department of Energy
17 shall formulate and issue the necessary Implementing Rules and Regulations
18 within six (6) months from the effectivity of this Amendatory Act.

19 **SEC. 9. Separability Clause.** If any portion or provision of this amendment is
20 declared unconstitutional or invalid, the remainder of this amendment or any
21 of its unaffected provision shall remain in full force and effect.

22 **SEC. 10. Repealing Clause.** All other laws, decrees, executive orders and rules
23 and regulations contrary to or inconsistent with the provisions of this Act are
24 hereby repealed or modified accordingly.

25 **SEC. 11. Effectivity.** This Act shall take effect fifteen (15) days after its
26 publication in the *Official Gazette* or in any newspaper of general circulation.