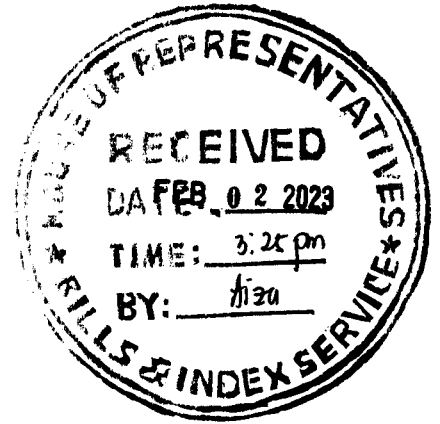




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

House Bill No. 7059



Introduced by Representatives Lord Allan Jay Q. Velasco and Kristine Singson-Meehan

EXPLANATORY NOTE

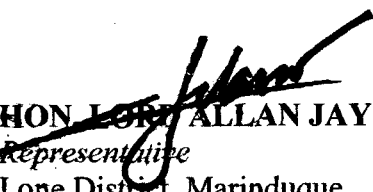
Republic Act (R.A.) No. 9367, also known as the Biofuels Act of 2006, was primarily enacted to spur agricultural development and the transition to a cleaner fuel, among others. Presently, the aforementioned objectives were not totally achieved.

R.A. No. 9367 mandated that locally-produced bioethanol be prioritized in order to provide livelihood to our farmers. Other incentives were included in the law to encourage investments in the production, distribution, and use of locally-produced bioethanol. However, due to our insufficient feedstock supply, we resort to importation. Moreover, increasing locally-produced bioethanol would entail the conversion of more agricultural lands from food production to fuel supply, thereby putting more strain on the country's food security as against its energy needs. Several studies by environmental groups have shown that biofuel production takes a heavy toll on the environment and is hurting the world's poor through higher food prices.

Increasing the biofuel blends would require more bioethanol. Given our perennial lack of raw materials or supply towards this end, this would necessitate more importation of bioethanol which would ultimately be counterproductive to the avowed goal of helping our local farmers. The increase use of land for biofuels would also result in higher prices for food staples such as sugar, exacerbating the already high inflation felt by our kababayans as a result of the double whammy from the current pandemic and the war in Ukraine.

On the other hand, the original standards for more efficient and cleaner fuel had been practically achieved even without biofuels. The advancement in technology in producing today's imported fuel have resulted in less carbon emissions and pollution. It has even met the strict emission standards from Europe and elsewhere. Newer cars and machines are now more efficient in consumption of fuel. Electric vehicles are also now starting to be available locally.

With the price of fuel drastically increasing, adding more burden to lives of ordinary Filipino families, there is an urgent need to revisit R.A. No. 9367 in order to help ease the burden of the consuming public.



HON. LONE ALLAN JAY Q. VELASCO
Representative
Lone District, Marinduque



HON. KRISTINE SINGSON-MEEHAN
Representative
2nd District – Ilocos Sur



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AN ACT
AMENDING SECTION 5 OF REPUBLIC ACT NO. 9367, OTHERWISE KNOWN AS
THE "BIOFUELS ACT OF 2006"

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

1 Section 1. *Short Title.* – This Act shall be known as the “*Murang Langis*” Act.

2 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect public
3 interest by providing reasonably-priced petroleum products to consumers. Towards, this end, the
4 State shall implement policies and programs to ensure the delivery of affordable fuel to the
5 public.

6 Sec. 3. Section 5 of Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006” is
7 hereby amended to read as follows:

8 “Sec. 5. *Mandatory Use of Biofuels.* – Pursuant to the above policy, it is hereby mandated
9 that all liquid fuels for motors and engines sold in the Philippines shall contain locally-
10 sourced biofuels components as follows:

11 “5.1 Within two years from the effectivity of this Act, at least five percent (5%)
12 bioethanol shall comprise the annual total volume of gasoline fuel actually sold and
13 distributed by each and every oil company in the country, subject to the requirement
14 that all bioethanol blended gasoline shall contain a minimum of five percent (5%)
15 bioethanol fuel by volume: Provided, That the ethanol blend conforms to PNS.

16 “5.2 Within four years from the effectivity of this Act, the NBB created under this Act
17 is empowered to determine the feasibility and thereafter recommend to DOE to mandate

1 a minimum of ten percent (10%) blend of bioethanol by volume into all gasoline fuel
2 distributed and sold by each and every oil company in the country.

3 “In the event of supply shortage of locally-produced bioethanol during the four-year
4 period, oil companies shall be allowed to import bioethanol but only to the extent of the
5 shortage as may be determined by the NBB.

6 “5.3 Within three months from the effectivity of this Act, a minimum of one percent
7 (1%) biodiesel by volume shall be blended into all diesel engine fuels sold in the
8 country: *Provided*, That the biodiesel blend conforms to PNS for biodiesel.

9 “Within two years from the effectivity of this Act, the NBB created under this Act is
10 empowered to determine the feasibility and thereafter recommend to DOE to mandate a
11 minimum of two percent (2%) blend of biodiesel by volume which may be increased
12 taking into account considerations including but not limited to domestic supply and
13 availability of locally-sourced biodiesel component.

14 **“PROVIDED, THAT THE PRESIDENT, UPON THE RECOMMENDATION OF**
15 **THE NBB AND THE DOE, MAY SUSPEND THE IMPLEMENTATION OF**
16 **THIS SECTION, OR ANY PART THEREOF, THROUGH AN EXECUTIVE**
17 **ORDER, FOR A PERIOD NOT LONGER THAN ONE (1) YEAR, IF, AS A**
18 **RESULT OF ITS IMPLEMENTATION, THE PRICE OF BLENDED**
19 **GASOLINE AND/OR DIESEL ENGINE FUELS WILL BE HIGHER BY AT**
20 **LEAST FIVE PERCENT (5%) COMPARED TO PURE GASOLINE AND/OR**
21 **DIESEL ENGINE FUELS.”**

22 Sec. 4. *Implementing Rules and Regulations.* – The Department of Energy, in consultation
23 with the National Biofuels Board, the stakeholders and other agencies concerned, shall within
24 thirty (30) days from the effectivity of this Act, promulgate the rules and regulations to
25 effectively implement the provisions of this Act.

26 Sec. 5. *Repealing Clause* – All laws, decrees, ordinances, rules, regulations, other issuances or
27 parts thereof which are inconsistent with this Act are hereby repealed, amended or modified
28 accordingly.

29 Sec. 6. *Effectivity.* – This Act shall take fifteen (15) days following its complete publication
30 in two (2) newspapers of general circulation or in the *Official Gazette*.

31 Approved,