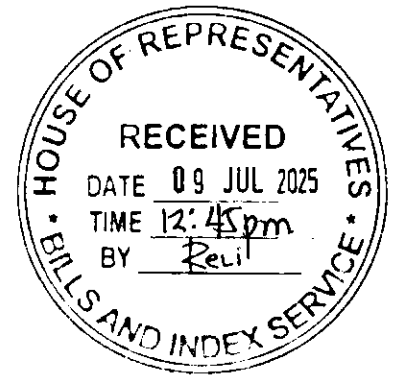


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 1634



Introduced by Representative Paolo Henry M. Marcoleta

EXPLANATORY NOTE

Republic Act No. 8479, otherwise known as the Downstream Oil Industry Deregulation Act of 1998, liberalized the petroleum industry in the Philippines by allowing market forces to determine the prices of gasoline and other oil products, including liquefied petroleum gas (LPG). While the law was intended to encourage competition and ensure a stable supply, it has also enabled industry players to freely set prices, with limited regulatory intervention.

Data from the Department of Energy (DOE) shows that there are “more than 45,000 LPG dealers across the country, representing more than 30 LPG brands”. Moreover, the latest data from their price monitoring reveals that the price of a standard 11-kg household LPG in the National Capital Region ranges from PHP 830 - PHP 1,110.¹

Although the Department of Energy (DOE) is mandated to monitor international and domestic crude oil and petroleum prices, actual price-setting is left in the hands of the LPG industry, including their dealers and retail outlets. This has led to pricing behaviors that disadvantage the consumers.

While the DOE may have been successful in persuading most companies to implement price adjustments of liquid petroleum products in small increments, the situation remains uncertain with the LPG industry. Some players have been noted to implement the full impact of increases in the benchmark monthly contract price (CP) in Saudi Arabia at the beginning of the month, while implementing only smaller increments during times of downward CP movements.

¹ Department of Energy. “Price Monitoring of 11 KG Household LPG and Auto-LPG”. Accessed from: https://legacy.doe.gov.ph/sites/default/files/pdf/price_watch/NCR%20June%202025%20LPG%20Price%20Monitoring.pdf

Although domestic prices are influenced by global market prices and the peso exchange rate, there remains an urgent need to put in place mechanisms that can protect consumers from potential abuse or price manipulation by unscrupulous local LPG industry players.

This proposed measure seeks to establish an automatic pricing mechanism to ensure reasonable, transparent and timely adjustments to LPG prices. Such proposal aims to restore public trust, foster fair competition, and promote consumer welfare without undermining the principles of market deregulation.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'P. Marcoleta', with a large, stylized initial 'P'.

PAOLO HENRY M. MARCOLETA
Representative, SAGIP Party-List

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TWENTIETH CONGRESS
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HOUSE BILL NO. 1634

Introduced by Representative Paolo Henry M. Marcoleta

AN ACT
PROTECTING FILIPINO CONSUMERS FROM ARBITRARY PRICE
INCREASES OF LIQUEFIED PETROLEUM GAS, AMENDING FOR THE
PURPOSE SECTIONS 14 AND 19 OF 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. Short Title.** - This act shall be known as “*The Fair and Transparent LPG*
2 *Prices Act.*”

3
4 **Sec. 2.** Section 14 of Republic Act No. 8479 is hereby amended to read as follows:

5 xxx

6 (d) Any report from any person of an unreasonable rise in the prices of
7 petroleum products shall be immediately acted upon. For this purpose, the
8 ~~[creation of the DOE-DOJ Task Force]~~ **ENERGY REGULATORY**
9 **COMMISSION (ERC)** is hereby mandated to determine within thirty (30)
10 days the merits of the report and initiate the necessary actions warranted under
11 the circumstance: *Provided*, That nothing herein shall prevent the said task force
12 from investigating and/or filing the necessary complaint with the proper court
13 or agency *motu proprio*.

14 xxx

15

1, **Sec 3.** Section 19 of Republic Act No. 8479 is hereby amended to read as follows:

2 “Section 19. *Start of Full Deregulation.* – xxx

3
4 **PROVIDED FURTHER, THAT EFFECTIVE IMMEDIATELY, THE**
5 **PRICE OF LPG HAS TO BE GUIDED BY AN AUTOMATIC PRICING**
6 **MECHANISM (APM) WHICH SHALL BE DETERMINED BY THE**
7 **ERC, AFTER PRIOR NOTICE AND HEARING, WITHIN SIX (6)**
8 **MONTHS FROM THE EFFECTIVITY OF THIS ACT. MOREOVER,**
9 **THE APM SHALL PROVIDE FOR CYLINDER REPAIR AND**
10 **MAINTENANCE COST IN ORDER TO ENSURE THAT ONLY SAFE**
11 **AND QUALIFIED LPG CYLINDERS ARE PUT IN CIRCULATION.”**
12

13 **Sec. 4. *Implementing Rules and Regulations*** - Within sixty (60) days after the
14 effectivity of this Act, The ERC shall, in coordination with the Department of Energy,
15 Department of Trade and Industry and other concerned government agencies,
16 promulgate the rules and regulations to effectively implement the provisions of this Act.
17

18 **Sec. 5. *Separability Clause.*** - If any provision or part of this Act is declared invalid
19 or unconstitutional, the remaining parts not affected shall remain in full force and effect.
20

21 **Sec. 6. *Repealing Clause.*** - All laws, presidential decrees, executive orders, letters
22 of instructions, administrative orders, proclamations or administrative regulations that are
23 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
24 accordingly.
25

26 **Sec. 7. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication
27 in the Official Gazette or in a newspaper of general circulation.
28

29 ***Approved,***