

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

TWENTIETH CONGRESS  
First Regular Session

HOUSE BILL NO. **5383**



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Introduced by Representative Kenneth T. Gatchalian

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### EXPLANATORY NOTE

As of 2023, the transportation sector accounts for 34.84% of the country's total final energy consumption, second only to households at 28.54%.<sup>1</sup> Within transport, diesel and gasoline dominate fuel demand, with 49.72% and 43.47% shares, respectively<sup>2</sup>. Because of this heavy dependence, any volatility in global energy supply or prices directly impacts the sector and the public it serves.

This was evident in early 2022 when the Russia-Ukraine conflict drove Brent crude above USD 100 per barrel, resulting in ten consecutive weeks of domestic oil price hikes<sup>3</sup>. The transport sector – both drivers and commuters – bore the brunt of these increases. While the government rolled out a fuel subsidy program, its impact was undermined by delays, lack of a centralized database, and other administrative constraints.

Today, rising tensions in the Middle East pose a renewed threat to energy

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<sup>1</sup> DOE 2023 Key Energy Statistics. Available at [https://legacy.doe.gov.ph/sites/default/files/pdf/energy\\_statistics/2023%20Key%20Energy%20Statistics.pdf](https://legacy.doe.gov.ph/sites/default/files/pdf/energy_statistics/2023%20Key%20Energy%20Statistics.pdf). Accessed on 8 September 2025.

<sup>2</sup> Id.

<sup>3</sup> Russia's invasion of Ukraine has sent energy prices soaring – here's how high oil could rise. Forbes. 25 February 2022. Available at: <https://www.forbes.com/sites/sergeiklebnikov/2022/02/25/russias-invasion-of-ukraine-has-sent-energy-prices-soaring-heres-how-high-oil-could-rise/?sh=54716ae73f25>. Accessed on 8 September 2025.

stability. To protect vulnerable sectors, this bill seeks to institutionalize the Fuel Subsidy Program – renamed the Energy Subsidy Program. It sets clear triggers for activation, identifies qualified beneficiaries, and provides a transparent formula for determining subsidy amounts. It also mandates regular reviews, annual public reporting, and the use of digital payment systems for efficient distribution. To ensure accountability, penalties are imposed on officials who fail to deliver timely subsidies or neglect their duties under this Act.

For these reasons, the immediate passage of this measure is sought.



KENNETH T. GATCHALIAN

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AN ACT  
PROVIDING FOR A NATIONAL ENERGY POLICY AND FRAMEWORK  
FOR THE ESTABLISHMENT OF AN ENERGY SUBSIDY PROGRAM

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

CHAPTER I  
GENERAL PROVISIONS

**SECTION 1.** *Short Title.* – This Act shall be referred to as the “*Pantawid  
Pasada Act.*”

**SEC. 2.** *Declaration of Policy.* – The State recognizes the fundamental  
importance of energy as a basic input in economic activities and its key role in  
driving the country's growth and development. Towards this end, it is hereby  
declared a policy of the State to provide an effective, targeted, and time-bound  
mechanism that will address and cushion the adverse effects of sudden and drastic  
increases in international prices of oil on the domestic public transport sector, and  
ultimately the commuting public.

**SEC. 3.** *Definition of Terms.* – For purposes of this Act, the following terms  
shall be defined as stated below:

1 (a) Energy Subsidy Program (ESP) refers to the national government  
2 program that provides subsidy to qualified beneficiaries to mitigate the  
3 adverse effects of sudden and drastic increases in international prices of  
4 oil on the domestic prices of petroleum products pursuant to the process  
5 indicated in this Act;

6 (b) Franchise operator refers to a holder or grantee of a valid and subsisting  
7 Certificate of Public Convenience issued by the Land Transportation  
8 Franchising and Regulatory Board, and the relevant local government  
9 unit, whichever is applicable;

10 (c) Subsidy refers to the cash amount provided to qualified beneficiaries  
11 under the ESP: Provided, That the method of releasing the subsidy shall  
12 be determined by the Technical Working Group pursuant to Section 5 of  
13 this Act;

14 (d) Last-mile delivery service provider refers to an entity which is engaged  
15 in the delivery of goods from a logistics hub to an end-user and is duly  
16 registered with the Department of Trade and Industry; and

17 (e) Qualified beneficiary refers to franchise operators and last-mile delivery  
18 service providers who are entitled to receive subsidy under the ESP as  
19 determined under Section 6 of this Act.

20 **SEC. 4.** *Establishment of the Energy Subsidy Program.* – There is hereby  
21 established an Energy Subsidy Program (ESP) which shall provide subsidy to  
22 identified qualified beneficiaries over a determined period.

23 The ESP shall be implemented by the Department of Energy (DOE),  
24 Department of Transportation (DOTr), Department of Finance (DOF), Department  
25 of Budget and Management (DBM), Department of Trade and Industry (DTI), Land  
26 Transportation Franchising and Regulatory Board (LTFRB), and local government  
27 units (LGUs): Provided, That subsidy from the ESP shall be granted to qualified  
28 beneficiaries when the average price of Dubai crude oil, based on the Mean of Platts

1 Singapore (MOPS), for three (3) consecutive months is equal to or greater than  
2 eighty dollars (USD 80) per barrel.

3 **SEC. 5. *ESP Technical Working Group.*** – A Technical Working Group  
4 (TWG) shall be established to coordinate the implementation of the ESP and identify  
5 as well as resolve issues relevant to its implementation. The Secretary of the DOE  
6 shall serve as the Chairperson of the TWG and the Secretary of the DOTr shall serve  
7 as the ViceChairperson of the TWG with the following as members:

- 8 (a) DOF Secretary;
- 9 (b) DBM Secretary
- 10 (c) DTI Secretary;
- 11 (d) LTFRB Chairperson.

12 The heads of agencies may nominate their permanent representatives to the TWG.

13 The TWG shall also be tasked to perform the following functions:

- 14 (a) Provide an avenue for the smooth coordination of all agencies involved  
15 in the implementation of the ESP;
- 16 (b) Determine the amount of subsidy and the length of time that the subsidy  
17 shall be provided to qualified beneficiaries;
- 18 (c) Ensure the timely release of the subsidy to all qualified beneficiaries;
- 19 (d) Review and adjust regularly the threshold provided under Section 4 of  
20 this Act; and
- 21 (e) Prepare and make available to the public an annual report on the ESP.

22 **SEC. 6. *Role of Government Agencies.*** – The DOE, together with the  
23 DOTr, shall serve as the lead agencies in the implementation of this Act. The DOE  
24 and the DOTr, along with the following government agencies, shall perform the  
25 following functions:

- 26 (a) Department of Energy:
  - 27 (1) Convene the TWG upon the effectivity of this Act,
  - 28 (2) Serve as Secretariat for the TWG,

1 (3) Certify to the TWG that the threshold under Section 4 of this Act has  
2 been met,

3 (4) Provide relevant information to the TWG on the oil industry such as  
4 oil price movements in the international and domestic markets, and  
5 domestic retail fuel outlets, and

6 (5) Coordinate with relevant stakeholders in the downstream oil industry  
7 relative to the implementation of the ESP;

8 (b) Department of Transportation:

9 (1) Determine a speedy and simplified procedure for the distribution of  
10 the subsidy, upon consultation with the LTFRB, and DTI, within thirty  
11 (30) days from the effectivity of this Act's implementing rules and  
12 regulations: Provided, That the procedure for the distribution of the  
13 subsidy shall employ digital payment systems in order to facilitate an  
14 expeditious distribution,

15 (2) Regularly review the procedure for the distribution of the subsidy, and  
16 revise the procedure, if necessary, to improve its speed and simplicity,

17 (3) Determine the amount of subsidy to be granted to each qualified  
18 beneficiary within five (5) days from the certification of the DOE that  
19 the threshold in Section 4 of this Act has been met: Provided, That in  
20 determining the amount of subsidy to be granted to each qualified  
21 beneficiary, the DOTr shall ensure that amount shall be sufficient to  
22 alleviate the effects of drastic increase in international oil prices taking  
23 into consideration the available funds for the ETP for a specific year,  
24 and

25 (4) Enter into Memoranda of Agreement and similar arrangements with  
26 various government agencies and institutions tasked with the  
27 identification of and distribution of the subsidy to qualified  
28 beneficiaries;

1 (c) Land Transportation Franchising and Regulatory Board;

2 (1) Determine annually the list of all qualified beneficiaries based on the  
3 verified lists of franchise operators registered with the LTFRB, last-  
4 mile delivery service providers registered with the DTI, and franchise  
5 operators registered with LGUs on or before the 15th of March of  
6 every year,

7 (2) Distribute to all qualified beneficiaries the subsidy following the  
8 speedy and simplified procedure determined by the DOTr within thirty  
9 (30) days from the issuance of DOE's certification under Section 4 of  
10 this Act,

11 (3) Coordinate with the DTI and the LGUs, if applicable, for any concerns  
12 and inquiries relating to the distribution of the subsidy and the list of  
13 qualified beneficiaries registered with the DTI and the LGUs, and

14 (4) Provide relevant data and information to the TWG;

15 (d) Department of Trade and Industry;

16 (1) Determine and verify annually the list of last-mile delivery service  
17 providers registered with the DTI and submit it to the LTFRB on or  
18 before the 30th of January of every year;

19 (2) Coordinate with the LTFRB and the qualified beneficiaries registered  
20 with the DTI for any concerns and inquiries relating to the distribution  
21 of the subsidy, and

22 (3) Provide relevant data and information to the TWG;

23 (e) Local Government Units:

24 (1) Determine and submit annually the verified list of franchise operators  
25 registered in their respective localities to the LTFRB on or before the  
26 30th of January of every year,

- 1 (2) Coordinate with the LTFRB and the qualified beneficiaries registered  
2 with the LGU for any concerns and inquiries relating to the  
3 distribution of the subsidy, and  
4 (3) Provide relevant data and information to the LTFRB.

5 **SEC. 7. *Non-Diminution of Benefits.*** – Nothing in this Act shall be  
6 construed to reduce existing benefits to qualified beneficiaries granted under  
7 existing laws, and rules and regulations, or any contract, or agreement.

8 **SEC. 8. *Prohibited Acts.*** – Without prejudice to civil and criminal liability,  
9 the following acts shall be prohibited:

10 (a) For the heads of agencies of the members of the TWG, or their permanent  
11 representatives:

- 12 (1) Failure to annually prepare the list of qualified beneficiaries pursuant  
13 to the time frame provided under Section 6 of this Act, if applicable,  
14 (2) Failure to ensure the timely release of the subsidy to all qualified  
15 beneficiaries pursuant to the time frame provided under Section 6 of  
16 this Act, if applicable,  
17 (3) Failure to review and adjust regularly the threshold provided under  
18 Section 4 of this Act, if applicable,  
19 (4) Failure to prepare and make available to the public an annual report  
20 on the ESP.

21 (b) For any government official: failure to perform their respective functions  
22 under Section 6 of this Act.

23 **SEC. 9. *Penalties.*** – Without prejudice to civil and criminal liability, a fine  
24 not exceeding the equivalent of six (6) months of salary or suspension not exceeding  
25 one (1) year, or removal from office, depending on the gravity of the offense, shall  
26 be imposed as an administrative penalty on the relevant government official for the  
27 commission of the prohibited acts above.

1           **SEC. 10. *Public Access to Information.*** – The TWG, and other relevant  
2 government agencies shall allow public access, through a dedicated website, to all  
3 data and information necessary in the implementation of this Act: Provided, That  
4 such access is compliant with Section 11 of this Act.

5           **SEC. 11. *Confidentiality.*** – The TWG and other relevant government  
6 agencies shall not disclose any proprietary and confidential information to the public  
7 unless prior consent of the source or owner of such information has been obtained  
8 by the requesting party.

9           **SEC. 12. *Appropriations.*** – The initial funding requirements of the ESP  
10 shall be THREE BILLION TWO HUNDRED MILLION PESOS (Php  
11 3,200,000.00) which shall be included in the Department of Transportation’s annual  
12 appropriation indicated as a separate line-item. Thereafter, the subsequent funding  
13 requirements of the ESP shall be determined by the TWG: *Provided, That the*  
14 *funding requirement for the establishment and operation of the TWG and the TWG*  
15 *Secretariat shall be included in the Department of Energy’s annual appropriation.*

16           **SEC. 13. *Congressional Oversight.*** – The Joint Congressional Energy  
17 Commission (JCEC) shall exercise oversight powers over the implementation of this  
18 Act. The DOE, in coordination with relevant government agencies, shall submit an  
19 annual report to the JCEC not later than the fifteenth day of September, which shall  
20 include the latest relevant data, implementation review and reports, and policy and  
21 regulatory issuances.

22           **SEC. 14. *Implementing Rules and Regulations.*** – The DOE and DOTr, in  
23 coordination with relevant government agencies, shall issue the implementing rules  
24 and regulations (IRR) of this Act within six (6) months from its promulgation:  
25 Provided, That, the IRR shall likewise include the internal rules of procedure of the  
26 TWG under Section 5 of this Act.

1           **SEC. 15. *Separability Clause.*** – Any provision of this Act, which may be  
2       declared unconstitutional or invalid shall not have the effect of nullifying other  
3       portions or provisions hereof.

4           **SEC. 16. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days  
5       after its publication in the Official Gazette or one (1) newspaper of general  
6       circulation.

*Approved,*