

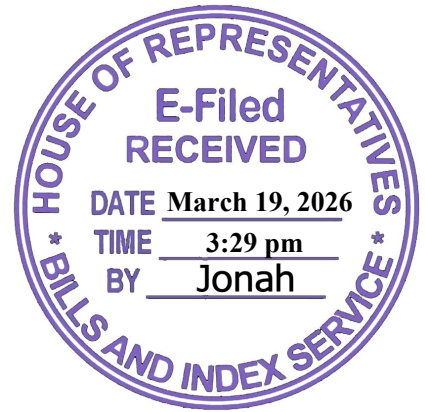
Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

TWENTIETH CONGRESS

First Regular Session

HOUSE BILL NO. 8714



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

AN ACT

INSTITUTIONALIZING A TARGETED FUEL SUBSIDY PROGRAM FOR PUBLIC TRANSPORT WORKERS, FARMERS, MUNICIPAL FISHERFOLK, AND OTHER VULNERABLE SECTORS DURING PERIODS OF ABNORMAL FUEL PRICE INCREASES, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

High and unstable fuel prices have a direct impact on everyday life. When fuel costs rise, public transport drivers, farmers and farmworkers, fisherfolk, and small producers earn less because their expenses increase. At the same time, commuters pay higher fares and the cost of transporting food goes up, which leads to more expensive goods in the market. In the end, it is ordinary Filipinos who carry the burden of these price increases.

The government has long recognized the need to help vulnerable sectors during fuel price spikes. In the past, fuel subsidies and discounts were given to public transport operators, farmers, small fisherfolk, and food haulers to reduce the impact of rising costs. More recently, assistance such as fuel vouchers and cash support was provided under the TRAIN Law to help ease the burden on affected sectors. These efforts show that targeted support works and is necessary during times of sudden fuel increases.

This bill aims to make such support a regular and ready program. It establishes a Fuel Subsidy Program that will automatically provide assistance during periods of unusually high fuel prices. It identifies priority beneficiaries such as public transport drivers and municipal fisherfolk, uses proper registries to ensure the right people receive aid, and creates a system to monitor and adjust the program based on current conditions.

By putting this program in place, the government can respond faster and more effectively to fuel price shocks. It helps protect livelihoods, keeps transport and food costs more stable, and supports the overall economy.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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

SECTION 1. Short Title. — This Act shall be known as the “*Fuel Subsidy Program Act.*”

SECTION 2. Declaration of Policy. — It is hereby declared the policy of the State to protect the welfare and livelihood of vulnerable sectors whose income and essential operations are directly and materially affected by fuel price volatility, particularly **public transport workers and operators, farmers and farmworkers, municipal fisherfolk, and other low-income groups.** Toward this end, the State shall institutionalize a **targeted, transparent, and accountable** fuel subsidy program, anchored on objective triggers and verified registries, to mitigate the adverse effects of abnormal fuel price increases.

SECTION 3. Definition of Terms. — For purposes of this Act:

- (a) “**Fuel**” refers to gasoline and automotive diesel fuel, and such other petroleum products as may identified in the implementing rules and regulations (IRR) as directly relevant to the covered sectors.

(b) ***“Abnormal Fuel Price Increase”*** refers to any of the following, as certified by the Department of Energy (DOE) based on official price monitoring data:

1. An increase in the national average retail price of gasoline or diesel by at least ten percent (5%) for three (3) consecutive weeks; or
2. An increase in the national average retail price of gasoline or diesel by at least fifteen percent (10%) within any four (4)-week period; or
3. Such other objective thresholds as may be provided in the IRR, provided that the standards are measurable and publicly verifiable.

(c) ***“Qualified Beneficiary”*** refers to a natural person who meets the eligibility requirements under Section 6 of this Act and is included in the validated list prepared under Section 7.

(d) ***“Program”*** refers to the Fuel Subsidy Program established under this Act.

SECTION 4. Establishment of Fuel Subsidy Program. — There is hereby established a Fuel Subsidy Program, which shall be a regular and continuing government program to provide targeted cash assistance to qualified beneficiaries during periods of abnormal fuel price increases.

The subsidy shall be in the form of cash transfer or digital case assistance in an amount **not less than Five Thousand Pesos (Php5,000.00) per month per qualified beneficiary** during the period of activation under Section 5.

The amount and duration of the subsidy may be adjusted in accordance with Section 9 of this Act: *Provided*, That any adjustment shall remain consistent with the standards and safeguards in this Act and the IRR.

SECTION 5. Activation and Duration of Fuel Subsidy. — The Program shall be activated upon the issuance by the DOE of a Certification of Abnormal Fuel Price Increase, in accordance with Section 3(b).

The initial subsidy period shall be one (1) month, renewable on a month-to-month basis during the continued existence of abnormal fuel price increase: *Provided*, That the DOE shall issue an updated certification at least every thirty (30) days while the Program remains activated.

SECTION 6. Coverage and Beneficiaries. — The Program shall prioritize low-income individuals whose livelihood is directly affected by fuel price volatility. Eligible beneficiaries include:

- a. **Public Transport Drivers and Operators.** Low-income drivers and operators of public utility vehicles (PUVs) including jeepneys, buses, UV express, taxis, tricycles, and transport network vehicle services (TNVS), duly registered or accredited with the Land Transportation Franchising and Regulatory Board (LTFRB) or the appropriate local government units (LGUs), as applicable, and included in official government databases.
- b. **Municipal Fisherfolk.** Municipal fisherfolk operating motorized fishing vessels within municipal waters, whether individually or through duly registered fisherfolk organizations, cooperatives, or associations: *Provided*, That they are listed in the registry system of the Department of Agriculture (DA) or the Bureau of Fisheries and Aquatic Resources (BFAR), and that the vessel is registered in the BFAR boat registry or the boat registry system of the concerned LGU, subject to validation under the IRR.
- c. **Farmers and Farmworkers.** Low-income farmers and farmworkers whose agricultural production and essential operations are fuel-dependent, including those who use fuel for farm machinery, irrigation pumps, postharvest handling, and hauling of agricultural inputs and produce: *Provided*, That they are listed in the RSBSA or other DA-validated registries to be specified in the IRR, subject to validation under Section 7.
- d. **Other Low-Income Sectors.** Other similarly situated groups demonstrably affected by fuel price increases, as may be identified by the DOE and the Department of Social Welfare and Development (DSWD), in coordination with the Department of Economy, Planning, and Development (DEPDev), based on objective criteria to be set in the IRR: *Provided*, That priority shall be given to individuals or households listed in the Community-Based Monitoring System (CBMS) or other government-verified poverty and vulnerability registries.

SECTION 7. Beneficiary Identification, Validation, and Masterlist. — The implementing agencies shall establish and maintain a Fuel Subsidy Beneficiary Masterlist, which shall be:

- a. **Registry-based**, using existing databases and registries of the LTFRB/DOTr, DA (including RSBSA and other farmer registries) and BFAR, DSWD, LGUS, and other relevant agencies;
- b. **Validated**, through deduplication and identity checks, in coordination with the Philippine Statistics Authority (PSA) and other appropriate government systems as may be authorized by law and the IRR; and
- c. **Updated** at least semi-annually, and as necessary during Program activation periods.

No person shall receive more than one (1) subsidy grant per month under this Act, subject to the IRR on household-level or individual-level rules, as applicable.

SECTION 8. Implementing Agencies; Modes of Disbursement. —

- a. **Lead Implementing Agencies.** The DOE, DOTr (through LTFRB, DA (including its relevant offices for farmer registries, and through BFAR for fisherfolk, and DSWD shall be the lead implementing agencies, within their respective mandates, for beneficiary identification, validation, and program delivery.
- b. **Disbursement.** Subsidies shall be disbursed through secure channels such as digital wallets, bank transfers, or other transparent payment systems: *Provided*, That cash payout mechanisms may be used only when digital or banking channels are not feasible, subject to strict controls in the IRR.
- c. **Transparency.** The implementing agencies shall publish periodic reports containing aggregated data on beneficiaries, amounts released, and geographic distribution, subject to data privacy and security requirements.

SECTION 9. Fuel Subsidy Advisory Council. — There is hereby created a **Fuel Subsidy Advisory Council** to recommend to the implementing agencies the appropriate subsidy amount, duration, and coverage adjustments, taking into account prevailing fuel prices, inflation, and fiscal sustainability.

The Advisory Council shall be composed of:

- a. Secretary of Transportation — Chairperson;
- b. Chairperson of the LTFRB — **Co-Chairperson**;
- c. Secretary of Energy — Member;
- d. Secretary of Agriculture — Member;
- e. Secretary of Labor and Employment — Member;
- f. Secretary of Budget and Management — Member;
- g. Secretary of Finance — Member; and
- h. Secretary of the Interior and Local Government — Member.

The LTFRB shall provide secretariat support. The Advisory Council shall meet at least **twice a year**, and may convene special meetings during extraordinary fuel price movements.

SECTION 10. Monitoring, Audit, and Penalties. —

- a. **Monitoring and Reporting.** Implementing agencies shall establish monitoring and evaluation mechanisms, including grievance redress systems, and shall submit consolidated implementation reports to Congress.
- b. **Audit.** All disbursements under this Act shall be subject to post-audit by the Commission on Audit (COA) and shall comply with applicable budgeting, accounting, and procurement rules.
- c. **Penalties.** Any person who knowingly submits falsified information, uses another person's identity, or otherwise defrauds the Program shall be subject to administrative and criminal action under applicable laws, and shall be disqualified from future benefits under this Act, without prejudice to restitution and other remedies.

SECTION 11. Non-Diminution of Existing Benefits. — Nothing in this Act shall be construed to reduce or withdraw existing benefits, assistance, or privileges granted under existing laws, ordinances, rules, regulations, or programs. Any harmonization of benefits shall be governed by the IRR to prevent duplication while protecting legitimate entitlements.

SECTION 12. Appropriations. — The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the concerned agencies. Thereafter, such sums as may be necessary for the continued

implementation of this Act shall be included in the annual General Appropriations Act (GAA).

SECTION 13. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the DOE, in coordination with the DOTr, DA, DSWD, DEPDev, and other relevant agencies, and in consultation with stakeholders, shall promulgate the IRR of this Act.

SECTION 14. Separability Clause. — If any provision of this Act is held invalid, the other provisions not affected shall remain in full force and effect.

SECTION 15. Repealing Clause. — All laws, decrees, order, rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 16. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspaper of general circulation.

Approved,