

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8865



Introduced by HON. PHILIP CONRAD "DOK BONG" M. ACOP

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

EXPLANATORY NOTE

The volatility of the global oil market presents a persistent threat to the economic stability of the Philippines. Because the country is a net importer of petroleum, sudden surges in international crude prices exert immediate upward pressure on domestic inflation, disproportionately affecting those who rely on transportation for their livelihood. The proposed "Pantawid Pasada Act" is a proactive legislative response designed to institutionalize a safety net for the transport sector, ensuring that the wheels of the economy keep turning even amidst global energy crises.

The primary importance of this Act lies in its recognition that energy is not just a commodity, but a fundamental input for all economic activities. When fuel prices become prohibitive, the cost of transporting food, goods, and people rises. By establishing a National Energy Subsidy Program (ESP), the State protects the core infrastructure of Philippine commerce—public transportation and logistics—from becoming paralyzed by external shocks.

This bill further expands the traditional definition of transport beneficiaries. While previous programs often focused solely on public utility vehicles (PUVs), this Act explicitly includes "last-mile delivery service providers" (Section 3d). In an era where e-commerce and logistics hubs are vital to the daily survival of small businesses and households, including delivery riders in this safety net ensures that the entire supply chain—not just passenger transit—is cushioned against price hikes.

Currently, fuel subsidies are often deployed as "band-aid" solutions, frequently delayed by bureaucratic hurdles or a lack of clear triggers. The Pantawid Pasada Act is necessary for the following reasons:

1. *Objective Triggers:* It removes political guesswork by establishing a clear threshold—USD 80 per barrel for three consecutive months—to activate the subsidy (Section 4).
2. *Inter-Agency Synergy:* It mandates a Technical Working Group (TWG) involving the DOE, DOTr, DOF, DBM, and DTI, ensuring that fiscal, energy, and transportation policies are aligned rather than working in silos.
3. *Accountability and Penalties:* Unlike temporary executive orders, this bill imposes administrative penalties on government officials who fail to release funds or update beneficiary lists on time (Sections 8 and 9), ensuring the government remains responsive to the people.

The passage of this Bill will yield significant socio-economic benefits, particularly for the most vulnerable sectors:

1. *Stabilization of Fares and Goods:* By subsidizing fuel for franchise operators, this bill prevents the immediate need for fare hikes, thereby protecting the “commuting public” from increased daily expenses. It also prevents the “domino effect” where high delivery costs lead to higher prices for basic commodities like rice and vegetables.
2. *Poverty Alleviation for Drivers and Riders:* For the thousands of jeepney drivers, tricycle operators, and delivery riders, fuel is their biggest daily expense. This subsidy directly protects their “take-home pay,” ensuring their families do not fall into poverty during global oil spikes.
3. *Transparency and Digital Inclusion:* The mandate to use digital payment systems (Section 6b) not only ensures the speedy delivery of funds but also pushes the transport sector toward financial digitalization, reducing “leakage” and ensuring that money goes directly into the pockets of the intended beneficiaries.
4. *Fiscal Predictability:* With a dedicated line-item appropriation of 3.2 Billion Pesos (Section 12), the government can better manage its budget, moving away from emergency fund scrambling to a planned, sustainable framework.

The *Pantawid Pasada Act* is more than just a financial aid package; it is a strategic framework for national resilience. By codifying a targeted, time-bound, and transparent energy subsidy, the Philippines can ensure that its economic development remains on track despite the unpredictable nature of the global energy market.


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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:

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

- b) *Franchise operator* refers to a holder or grantee of a valid and subsisting Certificate of Public Convenience issued by the Land Transportation Franchising and Regulatory Board, and the relevant local government unit, whichever is applicable;
- c) *Subsidy* refers to the cash amount provided to qualified beneficiaries under the ESP: Provided, That the method of releasing the subsidy shall be determined by the Technical Working Group pursuant to Section 5 of this Act;
- d) *Last-mile delivery service provider* refers to an entity which is engaged in the delivery of goods from a logistics hub to an end-user and is duly registered with the Department of Trade and Industry; and
- e) *Qualified beneficiary* refers to franchise operators and last-mile delivery service providers who are entitled to receive subsidy under the ESP as determined under Section 6 of this Act.

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

The ESP shall be implemented by the Department of Energy (DOE), Department of Transportation (DOTr), Department of Finance (DOF), Department of Budget and Management (DBM), Department of Trade and Industry (DTI), Land Transportation Franchising and Regulatory Board (LTFRB), and local government units (LGUs): Provided, That subsidy from the ESP shall be granted to qualified beneficiaries when the average price of Dubai crude oil, based on the Mean of Platts Singapore (MOPS), for three (3) consecutive months is equal to or greater than eighty dollars (USD 80) per barrel.

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

- a) DOF Secretary;
- b) DBM Secretary
- c) DTI Secretary;
- d) LTFRB Chairperson.

The heads of agencies may nominate their permanent representatives to the TWG. The TWG shall also be tasked to perform the following functions:

- a) Provide an avenue for the smooth coordination of all agencies involved in the implementation of the ESP;

- b) Determine the amount of subsidy and the length of time that the subsidy shall be provided to qualified beneficiaries;
- c) Ensure the timely release of the subsidy to all qualified beneficiaries;
- d) Review and adjust regularly the threshold provided under Section 4 of this Act; and
- e) Prepare and make available to the public an annual report on the ESP.
- f)

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

a) *Department of Energy*

- 1) Convene the TWG upon the effectivity of this Act;
- 2) Serve as Secretariat for the TWG;
- 3) Certify to the TWG that the threshold under Section 4 of this Act has been met,
- 4) Provide relevant information to the TWG on the oil industry such as oil price movements in the international and domestic markets, and domestic retail fuel outlets; and
- 5) Coordinate with relevant stakeholders in the downstream oil industry relative to the implementation of the ESP.

b) *Department of Transportation*

- 1) Determine a speedy and simplified procedure for the distribution of the subsidy, upon consultation with the LTFRB, and DTI, within thirty (30) days from the effectivity of this Act's implementing rules and regulations: Provided, That the procedure for the distribution of the subsidy shall employ digital payment systems in order to facilitate an expeditious distribution;
- 2) Regularly review the procedure for the distribution of the subsidy, and revise the procedure, if necessary, to improve its speed and simplicity;
- 3) Determine the amount of subsidy to be granted to each qualified beneficiary within five (5) days from the certification of the DOE that the threshold in Section 4 of this Act has been met: Provided, That in determining the amount of subsidy to be granted to each qualified beneficiary, the DOTr shall ensure that amount shall be sufficient to alleviate the effects of drastic increase in international oil prices taking into consideration the available funds for the ETP for a specific year, and
- 4) Enter into Memoranda of Agreement and similar arrangements with various government agencies and institutions tasked with the

identification of and distribution of the subsidy to qualified beneficiaries;

c) *Land Transportation Franchising and Regulatory Board*

- 1) Determine annually the list of all qualified beneficiaries based on the verified lists of franchise operators registered with the LTFRB, lastmile delivery service providers registered with the DTI, and franchise operators registered with LGUs on or before the 15th of March of every year;
- 2) Distribute to all qualified beneficiaries the subsidy following the speedy and simplified procedure determined by the DOTr within thirty (30) days from the issuance of DOE's certification under Section 4 of this Act;
- 3) Coordinate with the DTI and the LGUs, if applicable, for any concerns and inquiries relating to the distribution of the subsidy and the list of qualified beneficiaries registered with the DTI and the LGUs, and
- 4) Provide relevant data and information to the TWG.

d) *Department of Trade and Industry*

- 1) Determine and verify annually the list of last-mile delivery service providers registered with the DTI and submit it to the LTFRB on or before the 30th of January of every year;
- 2) Coordinate with the LTFRB and the qualified beneficiaries registered with the DTI for any concerns and inquiries relating to the distribution of the subsidy, and
- 3) Provide relevant data and information to the TWG.

e) *Local Government Units*

- 1) Determine and submit annually the verified list of franchise operators registered in their respective localities to the LTFRB on or before the 30th of January of every year;
- 2) Coordinate with the LTFRB and the qualified beneficiaries registered with the LGU for any concerns and inquiries relating to the distribution of the subsidy, and
- 3) Provide relevant data and information to the LTFRB.

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

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

- a) *For the heads of agencies of the members of the TWG, or their permanent representatives:*

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

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

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

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

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

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

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

SEC. 14. *Implementing Rules and Regulations.* – The DOE and DOTr, in coordination with relevant government agencies, shall issue the implementing

rules and regulations (IRR) of this Act within six (6) months from its promulgation: Provided, That, the IRR shall likewise include the internal rules of procedure of the TWG under Section 5 of this Act.

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

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

Approved,