

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
2nd Regular Session

House Bill No. **11427**



**Introduced by Representatives OMAR VINCENT S. DUTERTE and
PAOLO Z. DUTERTE**

EXPLANATORY NOTE

Fuel price volatility constitutes one of the most immediate and disruptive economic shocks besetting the ordinary Filipino household. Every fluctuation in global crude oil benchmarks, or every depreciation of the peso vis-à-vis the United States dollar, is almost invariably and swiftly transmitted to pump prices, thereby imposing an undue burden upon public utility vehicle (PUV) drivers, tillers of the soil, fisherfolk, and low-income families who possess no adequate buffer against abrupt increases in the cost of living.

Under the prevailing regulatory framework, the response of government to fuel price hikes remains largely reactive, ad hoc, and bereft of institutional permanence. While the Department of Energy (DOE) regularly monitors and publishes weekly pump prices, the grant of fuel subsidies — when extended at all — is customarily the product of piecemeal legislation or executive issuance, the formulation, funding, and implementation of which consume weeks, if not months. By the time relief is finally extended, the gravest impact of the price shock shall have already been absorbed by the sectors least equipped to bear it.

It is in this regard that this Act serves as remedy to this deficiency. The proposed measure establishes the National Fuel Price Vigilance and Rapid Subsidy Council, otherwise known as the *Abensya ng Gabay at Alerto sa Petrolyo*, or *AGAP*, under the Office of the President, and vests the same with the continuing mandate to monitor, in real time, domestic and international fuel price movements, and, upon the breach of a clearly defined price-hike threshold, to cause the automatic and immediate release of targeted fuel subsidies, without necessity of a new law or executive issuance for each such occurrence and in view of a prompt assistance to the country's most vulnerable sectors during such tremors, which has become frequent these days.

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


HON. OMAR VINCENT S. DUTERTE


HON. PAOLO Z. DUTERTE

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AN ACT
INSTITUTIONALIZING A REAL-TIME MECHANISM FOR THE MONITORING OF FUEL PRICE MOVEMENTS AND THE AUTOMATIC GRANT OF EMERGENCY FUEL SUBSIDIES, CREATING FOR THE PURPOSE THE NATIONAL FUEL PRICE VIGILANCE AND RAPID SUBSIDY COUNCIL, OTHERWISE KNOWN AS THE *AHENSYA NG GABAY AT ALERTO SA PETROLYO* OR *AGAP* UNDER THE OFFICE OF THE PRESIDENT, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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 "*Ahensya ng Gabay at Alertos sa Petrolyo (AGAP) Act of 2026.*"

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect consumers, promote their general welfare, and institute measures for the stabilization of prices of prime commodities, pursuant to Article XII, Section 19 of the Constitution, and to afford full protection to labor and to promote social justice in all phases of national development, pursuant to Article XIII thereof.

Towards this end, the State recognizes that sudden, unmitigated, and unregulated increases in the price of petroleum products directly imperil the welfare of transport workers, farmers, fisherfolk, and low-income households, and indirectly inflate the cost of food, transportation, and other basic goods and services: Provided, That the State shall establish a permanent and institutionalized mechanism for the continuous, real-time monitoring of domestic and international fuel prices, and for the swift and automatic extension of targeted fuel subsidies to affected and vulnerable sectors whenever a significant price hike occurs, without necessity of a new law, appropriation measure, or executive issuance for each such occurrence.

SEC. 3. *Definition of Terms.* – For purposes of this Act, and unless indicated otherwise, the following terms shall be defined as:

- a. ***Council*** is defined as the National Fuel Price Vigilance and Rapid Subsidy Council, otherwise known as the *Abensya ng Gabay at Alerto sa Petrolyo* (AGAP) created under this Act;

- b. **Fuel** is gasoline, diesel, kerosene, liquefied petroleum gas (LPG), and such other petroleum products as are regularly monitored by the DOE pursuant to Republic Act No. 8479, otherwise known as the *Downstream Oil Industry Deregulation Act of 1998*;
- c. **Landed Cost** - the cost of imported fuel computed on the basis of the Mean of Platts Singapore (MOPS), inclusive of freight, insurance, and applicable duties and taxes, as regularly determined by the Department of Energy (DOE);
- d. **Pump Price** - the prevailing retail price per liter or per kilogram, as the case may be, of fuel sold to consumers at retail outlets nationwide, as monitored and published by the DOE;
- e. **Price Hike Trigger** - the threshold defined under Section 8 hereof, the breach of which shall automatically and ipso facto activate the Immediate Fuel Subsidy Program;
- f. **Real-Time Fuel Price Monitoring System** - the monitoring platform established under Section 7 hereof;
- g. **Vulnerable Sector** - public utility vehicle and tricycle drivers and operators, farmers, fisherfolk, and other low-income households identified as qualified beneficiaries under Section 9 hereof; and
- h. **Fund** - the Fuel Subsidy and Contingency Fund created under Section 10 hereof.

SEC. 4. Creation of the National Fuel Price Vigilance and Rapid Subsidy Council. – There is hereby created, under the Office of the President, a council to be known as the National Fuel Price Vigilance and Rapid Subsidy Council, otherwise known as the *Abensya ng Gabay at Alerto sa Petrolyo* (AGAP) and hereinafter referred to as the "Council," which shall exercise general supervision over, and bear primary responsibility for, the continuous monitoring of domestic and international fuel price movements and the immediate release of fuel subsidies whenever the Price Hike Trigger under Section 8 hereof is breached.

SEC. 5. Composition of the Council — The Council shall be composed of the following:

- a. The Executive Secretary, or such Presidential adviser as may be designated by the President, who shall serve as Chairperson;
- b. The Secretary of Energy, who shall serve as Vice-Chairperson;
- c. The Secretary of Finance;
- d. The Secretary of Budget and Management;
- e. The Secretary of Trade and Industry;
- f. The Secretary of Agriculture;
- g. The Secretary of Transportation;
- h. The Secretary of Labor and Employment;
- i. The Secretary of Social Welfare and Development;
- j. The Director-General of the National Economic and Development Authority (NEDA);

- k. One (1) representative of a nationally recognized public transport organization;
- l. One (1) representative of a nationally recognized farmers' or fisherfolk's organization; and
- m. One (1) representative of a nationally recognized consumer advocacy group.

The public transport, farmers' or fisherfolk's, and consumer advocacy representatives enumerated in items (k) to (m) hereof shall be appointed by the President from a list of nominees submitted by their respective sectors, and shall hold office for a term of three (3) years without reappointment: Provided, That all heads of agencies may designate a permanent representative of Undersecretary rank or higher: Provided, further, That the Council may, in its discretion, invite representatives of the oil industry, local government units, and other stakeholders to its meetings, in a non-voting and consultative capacity.

SEC. 6. *Powers and Functions of the Council.* – The Council shall have the following powers and functions:

- a. To continuously monitor, through the Department of Energy (DOE), domestic pump prices and international crude oil and landed cost benchmarks, including the Mean of Platts Singapore (MOPS) and Dubai crude indices;
- b. To operate and maintain the Real-Time Fuel Price Monitoring System established under Section 7 hereof;
- c. To determine, on a weekly basis or with such greater frequency as circumstances may require, whether the Price Hike Trigger under Section 8 hereof has been breached;
- d. To activate the Immediate Fuel Subsidy Program under Section 9 hereof upon breach of the Price Hike Trigger, and to determine the amount, coverage, and mode of disbursement of the subsidy, subject to the parameters set forth in this Act;
- e. To direct the concerned implementing agencies to disburse fuel subsidies within the periods prescribed under this Act;
- f. To recommend to the President and to Congress such fiscal, regulatory, or administrative measures as may be necessary to cushion the impact of fuel price volatility, including but not limited to the adjustment of fuel excise taxes, the augmentation of the Fund, or the release of strategic petroleum reserves, where applicable;
- g. To coordinate with local government units, the Land Transportation Franchising and Regulatory Board, the Department of Agriculture, and other agencies in the identification and validation of qualified beneficiaries;
- h. To require any national government agency, government-owned or -controlled corporation, or local government unit to submit such data, reports, or assistance as may be necessary for the performance of its functions;
- i. To publish a public bulletin, not less than weekly, on fuel price trends, the status of the Price Hike Trigger, and subsidy disbursements; and
- j. To perform such other acts as may be necessary or incidental to carry out the purposes of this Act.

SEC. 7. *Real-Time Fuel Price Monitoring System.* – The Department of Energy (DOE), under the supervision of the Council, shall establish and maintain a web-based and mobile-accessible mechanism to be known as the Real-Time Fuel Price Monitoring System, which shall:

- a. Track, on not less than a weekly basis, the landed cost of imported fuel based on MOPS and Dubai crude benchmarks and prevailing foreign exchange rates;
- b. Track the prevailing pump prices of major and independent oil companies nationwide, in coordination with existing price-monitoring mechanisms of the DOE;
- c. Automatically compute and display the cumulative net price movement over rolling periods of seven (7), fifteen (15), and thirty (30) calendar days;
- d. Be accessible to the public free of charge, in a format that is regularly updated and readily comprehensible; and
- e. Generate automatic notifications to the Council, the DOE, and the Office of the President whenever cumulative price movements approach or breach the Price Hike Trigger under Section 8 hereof.

All oil companies operating within the Philippines shall submit price and volume data to the DOE in such form and with such frequency as the DOE shall prescribe, subject to existing confidentiality safeguards under Republic Act No. 8479.

SEC. 8. *Price Hike Trigger Mechanism.* – The Price Hike Trigger shall be deemed automatically activated, without necessity of further executive or legislative action, upon the occurrence of either of the following, as determined by the Council through the Real-Time Fuel Price Monitoring System:

- a. A cumulative net increase in pump prices of not less than Five Pesos (₱5.00) per liter for diesel or gasoline, or the equivalent thereof for LPG, within any rolling period of thirty (30) calendar days; or
- b. A cumulative net increase of not less than ten percent (10%) in the MOPS-based landed cost of fuel within any rolling period of fifteen (15) calendar days.

Upon activation of the Price Hike Trigger, the Council shall, within five (5) working days therefrom, convene to activate the Immediate Fuel Subsidy Program under Section 9 hereof.

The peso and percentage thresholds prescribed in this Section may be adjusted by the Council, through rules issued under Section 13 hereof, not more than once every two (2) years, in order to account for inflation and for changes in the structure of the domestic fuel market: Provided, That any such adjustment shall be subject to the review of the Office of the President.

SEC. 9. *Immediate Fuel Subsidy Program.* – Upon activation of the Price Hike Trigger, the Council shall cause the implementation of an Immediate Fuel Subsidy Program for Vulnerable Sectors, which shall:

- a. Give priority to public utility vehicle and tricycle drivers and operators, farmers, fisherfolk, and low-income households already identified in existing government registries, including but not limited to the list of registered PUV and tricycle operators of the Land Transportation Franchising and Regulatory Board, the Registry System for Basic Sectors in Agriculture, the National Fisherfolk Registry (FishR), and the *Listahanan* of the

Department of Social Welfare and Development (DSWD), to the end that disbursement may proceed without necessity of a new registration process;

- b. Be extended through fuel discount cards, fuel vouchers, direct cash transfers, or subsidized LPG, as the Council may determine to be most expeditious and appropriate to the sector affected; and
- c. Be disbursed by the concerned implementing agencies — the DOE, the Department of Transportation, the Department of Agriculture, and the Department of Social Welfare and Development, as the case may be, not later than fifteen (15) working days from the activation of the Price Hike Trigger.

The Council shall determine the amount of subsidy per beneficiary based on the extent of the price increase and the availability of funds under Section 10 hereof, and shall ensure that the subsidy is withdrawn or adjusted upon the stabilization or decline of cumulative fuel prices, as determined through the Real-Time Fuel Price Monitoring System.

SEC. 10. *Fuel Subsidy and Contingency Fund.* – There is hereby created a Fuel Subsidy and Contingency Fund, hereinafter referred to as the "Fund," which shall be used exclusively to finance the Immediate Fuel Subsidy Program and the operating expenses of the Council. The Fund shall be sourced from the following:

- a. An initial seed fund to be appropriated under the General Appropriations Act (GAA) immediately following the effectivity of this Act;
- b. Annual appropriations in subsequent General Appropriations Acts;
- c. Such amounts as may be released by the President from the contingent or calamity funds of the National Government, in the event that the Price Hike Trigger is activated and the balance of the Fund is found insufficient; and
- d. Donations, grants, and endowments from local and foreign sources, subject to existing law governing the acceptance of foreign assistance.

The Fund shall be treated as a continuing and revolving fund, and shall not be subject to reversion to the general fund of the National Government at the end of the fiscal year, and shall be held in trust with the National Treasury, to be administered by the DOE upon the recommendation and under the oversight of the Council.

SEC. 11. *Secretariat of the AGAP Council.* – The Department of Energy (DOE) shall act as the Secretariat of the Council and shall render such technical, administrative, and logistical support as may be necessary for the Council's operations. Existing personnel of the DOE may be detailed to the Secretariat, and no additional permanent position shall be created except upon a determination by the DOE, subject to existing civil service rules and regulations, that additional personnel are strictly necessary to carry out the purposes of this Act.

SEC. 12. *Reportorial Requirements of the AGAP Council.* – The Council shall submit a quarterly report to the President and to Congress, through the Committees on Energy and on Ways and Means of the Senate and the House of Representatives, which report shall contain:

- a. A summary of fuel price trends and Price Hike Trigger activations during the quarter in question;
- b. The number of beneficiaries served and the total amount of subsidies disbursed, itemized by sector and by mode of disbursement; and
- c. The balance and utilization of the Fund.

The report aforementioned shall likewise be published on the official websites of the Office of the President and the Department of Energy (DOE).

SEC. 13. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the Council, through the Department of Energy (DOE), in consultation with the Department of Finance (DOF), the Department of Budget and Management (DBM), and such other stakeholder groups as may be relevant, shall promulgate the implementing rules and regulations (IRR) necessary to carry out the provisions of this Act.

SEC. 14. *Appropriations.* – The amount necessary for the initial implementation of this Act, including the seed amount for the Fund and the initial operating expenses of the Council and its Secretariat, shall be charged against the current year's appropriations of the Office of the President and the Department of Energy (DOE), or against available savings, immediately upon the effectivity of this Act. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 15. *Separability Clause.* – If, for any reason, any provision of this Act, or any part thereof, is declared unconstitutional or invalid, the other provisions hereof not otherwise affected thereby shall remain in full force and effect.

SEC. 16. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.