Republic of the Philippines
**HOUSE OF REPRESENTATIVES**
Quezon City

**EIGHTEENTH CONGRESS**
Second Regular Session

**HOUSE BILL NO. 9110**

Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

**AN ACT**
**IMPOSING CIVIL PENALTIES ON UNREASONABLE PRICE INCREASES FOR CRUDE OIL, RESIDUAL FUEL OIL, OR REFINED PETROLEUM PRODUCTS**

The Constitution, Article XVI, provides:

> Section 9. The State shall protect consumers from trade malpractices and from substandard or hazardous products.

From the vehicles we drive to the equipment we use, our society relies on gasoline to fuel our lives. The high demand for this commodity and recent fluctuations in its price warrant a closer look at the issue of predatory pricing.

This bill seeks to impose civil penalties on unreasonable price increases for crude oil, residual fuel oil, or refined petroleum products.

**LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

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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 Pricing Fairness Act."

SECTION 2. Declaration of Policy. **–** It is the policy of the State to protect consumers from trade malpractices and from substandard or hazardous products.

SECTION 3. Definition of Terms. **–** For the purposes of this Act, the term:
(A) "Energy-producing company" means a person engaged in:
(1) Ownership or control of mineral fuel resources or non-mineral energy resources;
(2) Exploration for, or development of, mineral fuel resources;
(3) Extraction of mineral fuel or non-mineral energy resources;
(4) Refining, milling, or otherwise processing mineral fuel or non-mineral energy resources;
(5) Storage of mineral fuel or non-mineral energy resources by any means whatever; or
(6) Wholesale or retail distribution or mineral fuels, non-mineral energy resources or electrical energy;
(B) "Unreasonable price increase" means any price increase that exceeds any concurrent increase in the production or operation cost of the energy-producing company that are directly related to the products being sold.
(C) "Energy industry" means all energy-producing companies.
(D) "Crude Oil" means a naturally-occurring substance found trapped in certain rocks below the earth's crust. It is a dark, sticky liquid which, scientifically speaking, is classed as a hydrocarbon. It is highly flammable that can be burned to create energy.
(E) "Residual Fuel Oil" means a liquid or semi-liquid, high-boiling fraction of residue from the distillation of petroleum which is used as a fuel.
(F) "Refined Petroleum Products" means are derived from crude oils through

processes such as catalytic cracking and fractional distillation. These products have physical and chemical characteristics that differ according to the type of crude oil and subsequent refining processes. These include gasoline, kerosene, LPG, No. 2 Fuel Oil, No. 4 Fuel Oil, No. 5 Fuel Oil (Bunker B), and No. 6 Fuel Oil (Bunker C).
(G) “LPG” - Liquefied Petroleum Gas.
(H) “DOE” means Department of Energy.
(I) “DTI” means Department of Trade and Industry.

SECTION 4. Civil Penalty for Unreasonable Price Increase for Crude Oil, Residual Fuel Oil, or Refined Petroleum Products. —
(A) In General. — Not later than three (3) months after the date of enactment of this Act, the Department of Energy Secretary, in coordination with the Department of Trade and Industry Secretary, shall issue regulations that —

(1) Apply to all crude oil, residual fuel oil, and refined petroleum products that are sold and used as energy fuel in the Philippines;
(2) Prohibit any unreasonable price increase for such products by an energy-producing company; and
(3) impose a civil penalty of not less than One Million Pesos (P1,000,000.00) but not more than Ten Million Pesos (P10,000,000.00) for each unreasonable price increase.

(B) Determination of Unreasonable Price Increase. **–** The DOE, in coordination with the DTI, shall determine at least annually whether any energy-producing company has implemented an unreasonable price increase in violation of regulations issued under paragraph (1) of this Section.

SECTION 5. Separability Clause. **–** If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SECTION 6. Repealing Clause. **–** Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with, the provision of this Act is hereby repealed, modified, or amended accordingly.

SECTION 7. Effectivity Clause. **–** This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,