

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION NO. 29



Introduced by Rep. Rodante D. Marcoleta and Rep. Caroline L. Tanchay

RESOLUTION

DIRECTING THE COMMITTEE ON ENERGY OF THE HOUSE OF REPRESENTATIVES TO CONDUCT A HEARING, IN AID OF LEGISLATION, ON THE NECESSITY OF GRANTING A SUBSIDIZED PRICE OF LPG TO URBAN POOR HOUSEHOLDS AND ON THE PROPRIETY OF DIRECTING THE DEPARTMENT OF ENERGY TO ENCOURAGE THE REVIVAL OF THE LIQUEFIED PETROLEUM GAS INSTITUTE OF THE PHILIPPINES (LPGIP) TO POLICE THE RANKS OF LPG DEALERS

WHEREAS, Section 9, Article II of the 1987 Constitution provides that “(t)he State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all”;

WHEREAS, Section 1, Article XIII of the same Constitution provides that “Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequities x x x”;

WHEREAS, in 2006 and in response to the above-quoted constitutional mandate, the Department of Energy initiated the issuance of Executive Order No. 527 precisely to mitigate the inflationary impact of rising oil prices in the world market with the view of subsidizing the cost of diesel for public transport through a calibrated reduction or adjustment in tariff rates for the ultimate benefit of the ordinary and regular passengers/commuters;

WHEREAS, a study conducted on the price pattern of liquefied petroleum gas (LPG) from 1967 up to the middle part of the ‘80s showed, among others, that the historical monthly average price of this basic commodity per 11-kg cylinder steered somewhat close to the prevailing minimum daily wage, making it affordable to the common and ordinary people;

WHEREAS, as observed in December 2008 to January 2009, the urban poor households have, once more, become the unwilling victims in the interplay of forces that impact on the supply—and ultimately on the price—of cooking gas which proved to be too burdensome to, and beyond the reach of, these ordinary wage earners;

WHEREAS, one of the factors that exacerbated the plight of the ordinary consumers who were preyed upon by unscrupulous dealers is the lack of an effective self-regulating entity that should police the ranks of LPG dealers under a deregulated industry setting parallel to, or consistent with, the administrative mandate of the DOE to check the irregular activities of dealers pursuant to DOE Circular No. 2000-06-010;

WHEREAS, it may be recalled that in the wake of the oil embargo in the seventies, and considering that the industry was regulated through the institution of a Price Stabilization Council, the urban poor and ordinary households were virtually shielded from the debilitating effects of sudden price spirals;

WHEREAS, in the aftermath of tropical typhoons Ondoy and Pepeng, the government declared a national state of calamity that gave rise to Executive Order No. 839 which temporarily froze the price of oil products in Luzon with the end in view of mitigating the harsh impact of the said catastrophes;

WHEREAS, despite a regulated oil industry, the “Liquefied Petroleum Gas Institute of the Philippines, Inc.” (LPGIP) was still organized on February 5, 1973, with the noble purpose of: (1) “promoting the development of the liquefied petroleum gas industry in the Philippines in such a manner as to contribute in the economic development of the nation”; and (2) “developing professionalism in the marketing of liquefied petroleum gas”, among others; and

WHEREAS, the necessity to encourage the establishment of a body within the industry to police the LPG dealers themselves and to self-regulate their activities as well, has become even more significant in the atmosphere of deregulation, with the view of providing additional relief to the poor consumers on this basic product.

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the Committee on Energy to conduct an appropriate hearing, or a technical working group, in aid of legislation, or to prevail upon the Department of Energy to: (1) study and initiate the crafting of a workable mechanism for the immediate granting of LPG subsidized price to the urban poor households similar to the scheme adopted for the public transport on subsidized diesel price; and (2) to encourage all LPG dealers—the major players and the independents—to police their own ranks and self-regulate their activities through the reactivation of the Liquefied Petroleum Gas Institute of the Philippines, Inc. (LPGIP)

ADOPTED.


RODANTE D. MARCOLETA


CAROLINE L. TANCHAY