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COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Energy	HB 4550	Deputy Speaker Santos-Recto	Promoting fair trade in the oil industry, amending for the purpose RA 8479, otherwise known as the Downstream Oil Deregulation Act of 1998	<p>The Committee, presided by its Vice Chair Rep. Presley de Jesus (Party-List, PHILRECA), deferred further deliberation on the measures pending submission of the official position papers and reports by concerned agencies.</p> <p>Rep. De Jesus said that after due deliberations on the nine measures, the Committee will be able to determine the necessary remedial administrative or legislative actions that will address issues affecting the oil industry.</p> <p>Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA), author of House Bill 4711 and House Resolution 9, pushed for the regulation of the oil industry for the benefit the consumers especially in this time of pandemic. Rep. Zarate stressed that the promised primary benefit of deregulation – to lower the prices of oil – did not materialize even after more than two decades since the enactment of Republic Act 8479 or the Downstream Oil Deregulation Act of 1998. He also mentioned that consumers have become clueless as to the exact basis for computing the domestic prices of oil products.</p> <p>On the other hand, Reps. Mark Go (Baguio City), Stella Luz Quimbo (2nd District, Marikina City), and Sergio Dagooc (Party-List, APEC) favor the continued deregulation of the oil industry but agree that RA 8479 should be amended to ensure reasonable pricing of petroleum products.</p> <p>Rep. Go, author of HB 5172, said that his bill seeks to ensure reasonable and transparent pricing of petroleum products mainly through the following provisions:</p> <ul style="list-style-type: none"> • Requiring oil companies to submit verified monthly reports to the Department of Energy (DOE) stating the factors and variables that were considered in fixing their prices; • Authorizing the DOE to inspect the books and records of oil companies; and • Authorizing the DOE Secretary to set a price ceiling and fix the maximum rate of increase in the prices of petroleum products as a safeguard against unwarranted price disparities in areas around the country. <p>Rep. Quimbo maintained that oil deregulation can work towards the reduction of prices if two factors will be complied with. One, the market must be competitive, thus, anti-competitive structures must</p>
	HB 4711	Rep. Zarate	Regulating the downstream petroleum industry	
	HB 5172	Rep. Go (M.)	Amending RA 8479 by expanding the role of the Department of Energy (DOE) to ensure fair and reasonable pricing of petroleum products	
	HB 5186	Deputy Speaker Marcoleta	Protecting the Filipino consumer from arbitrary increases in the prices of liquefied petroleum gas (LPG) being charged by the players of the LPG industry, amending for the purpose Sections 19 and 14 of RA 8479	
	HB 7928	Rep. Dagooc	Empowering the Energy Regulatory Commission (ERC) in monitoring oil prices charged to oil-based power generation facilities, amending RA 8479	
	HB 8764	Rep. Chatto	Amending Republic Act No. 8469 (sic) or the "Downstream Oil Industry Deregulation Act"	
	HR 9	Rep. Zarate	Inquiry into the alleged predatory pricing and/or overpricing of oil products hidden by their unbundled oil prices	
	HR 390	Rep. Quimbo	Inquiry into the sudden increase in fuel prices for September 2019, with an end view of passing legislation to stabilize fuel prices or amending the appropriate laws	
	HR 1651	Rep. Macapagal Arroyo	Inquiry into the recent spate of oil price hikes exacerbating the economic hardships caused by the COVID-19 pandemic	

Continuation... Energy				<p>be removed. Two, there has to be an effective price monitoring system that is based on unbundled cost instead of the Mean of Platts Singapore (MOPS), which the local oil industry is presently using. MOPS refers to the daily average of all trading transactions between buyer and seller of petroleum products as assessed and summarized by Standard and Poor's Platts, a Singapore-based market wire service. (Source: DOE website)</p> <p>Likewise, Rep. Dagooc said that his bill, HB 7928, focuses on regulating oil prices charged to oil-based power generation facilities. He said that his bill is not tantamount to regulating the oil industry as the DOE will not dictate the prices of oil; rather the DOE will only inspect the records of oil companies to check on the cost of oil importation and other related expenses until the oil reaches the plant and converted to energy.</p> <p>Rep. Jesus "Bong" Suntay (4th District, Quezon City) expressed concern over the possible consequences of returning to oil regulation regime, where a base price or a maximum ceiling is set. He explained that small oil importers may not be able to compete with the big players in the oil industry and will lead to business shutdown.</p> <p>Meanwhile, Rep. Abdullah Dimaporo (2nd District, Lanao del Norte) suggested the conduct of a study on the effect of granting tax privileges, in the form of lower tax rates for instance, to oil companies that charge the lowest oil retail price in order to steer competition among them.</p> <p>Department of Budget and Management (DBM) Chief Management Specialist Ma. Elisa Rivera recommended the creation of a commission instead of the proposed Petroleum Regulatory Council if the intention of HB 4711 is to establish a truly independent quasi-judicial body that will be tasked to oversee and regulate the petroleum industry. She explained that a commission, unlike a council, may perform functions involving policy formulation, regulation, administration, and delivery of public goods that are of national significance.</p> <p>National Electrification Administration (NEA) Deputy Administrator for Legal Services Rossan Rosero Lee conveyed the suggestion of the NEA that if the violator of the proposed law is a corporation or a juridical entity, its directors, officers, and employees responsible for the commission of the offense should be charged and penalized as well. She said that with this provision, big oil companies can no longer escape liability by invoking the principle of "corporate fiction," which separates the identity of the corporation from the officers of the company.</p> <p>DOE Oil Industry Management Bureau (OIMB) Director Rino Abad stated that before the passage of RA 8479, the market was dominated by the three big oil companies – Petron, Shell, and</p>
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Continuation... Energy				<p>Chevron. After the passage of the law, based on DOE records as of 2020, these oil companies collectively control just roughly 40 percent of the market, and new oil players account for about 60 percent.</p> <p>Abad added that there are now at least 16 active players in the market. Also, there are around 10,000 retail outlets in the country, 27-30% of which are affiliated with the three big oil companies.</p> <p>Laban Konsyumer, Inc. President Victorio Mario Dimagiba said that while there are many players in the retail oil industry now, the way oil prices are determined still indicates the existence of a continuing oligopoly. He suggested the abolition of the existing DOE oil pricing formula; and the transfer of the functions of the DOE-Department of Justice (DOJ) Task Force to the Philippine Competition Commission (PCC) to ensure transparency and prevent conflict of interest.</p> <p>Under RA 8479, the DOE-DOJ Task Force has jurisdiction over any complaint against cartelization, predatory pricing, and unreasonable rise in the pricing of petroleum products.</p> <p>Responding to the question of Rep. France Castro (Party-List, ACT-TEACHERS), Abad said that if the oil industry will again be regulated, an independent body should be created to regulate oil prices based on a benchmark formula. Abad added that oil companies should be required to submit vital information or data regularly.</p> <p>The DOE and National Economic and Development Authority (NEDA) were requested to submit a detailed report on the situation of the oil industry before and after the Oil Deregulation Law.</p> <p>The following government agencies and stakeholders promised to submit their respective comments and recommendations on or before July 30: NEDA, PCC, DOJ, Department of Finance, Department of Trade and Industry, Energy Regulatory Commission, Department of Environment and Natural Resources, Philippine Rural Electric Cooperatives Association, Inc., Petron Corporation, Philippine Institute of Petroleum, and Pilipinas Shell Petroleum Corporation.</p>
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TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Natural Resources (Technical Working Group)	HB 8039	Deputy Speaker Oaminal	Declaring the lands within the territorial boundaries of the Municipality of Don Victoriano, Province of Misamis Occidental as alienable and disposable lands open to disposition for agricultural, commercial,	The technical working group (TWG), chaired by Rep. Elpidio Barzaga Jr. (4 th District, Cavite), directed the Secretariat to prepare the Committee Report on House Bill 8039, to be presented to the

Continuation... Natural Resources (Technical Working Group)			residential, industrial, and other productive purposes	<p>mother Committee for its consideration and approval in its next meeting.</p> <p>At the start of the meeting, Rep. Barzaga explained that the TWG was reconvened upon the request of Deputy Speaker Henry Oaminal (2nd District, Misamis Occidental), author of HBs 8039 and 8095, for the purpose of correcting or validating the technical description of the territorial boundaries of the areas covered by the two bills.</p> <p>According to Deputy Speaker Oaminal, there were discrepancies in the initial technical description stated in both bills which needed to be ironed out by the Department of Environment and Natural Resources (DENR) and the National Mapping and Resource Information Authority (NAMRIA).</p> <p>As mentioned by Rep. Barzaga, HB 8039 was approved by the Committee on Natural Resources on February 10. The bill aims to encourage investors to establish businesses in the Municipality of Don Victoriano, which is classified as a 4th class municipality, and provide longtime residents the opportunity to obtain legal ownership of the lands they till or occupy, thus giving the latter the head start towards a better life.</p> <p>The DENR and the NAMRIA affirmed the accuracy of the technical description that was recently submitted by DENR Region X for HB 8039.</p>
HB 8095	Deputy Speaker Oaminal		Declaring the 827,754 square meters of timberlands within the territorial boundaries of Barangay Malaubang, City of Ozamiz, Province of Misamis Occidental as alienable and disposable lands open to disposition for commercial, residential, industrial, and other productive purposes	<p>The TWG directed the Secretariat to prepare the Committee Report on House Bill 8095, to be presented to the mother Committee for its consideration and approval in its next meeting.</p> <p>Rep. Barzaga said that HB 8095 was already approved by the Committee on December 10, 2020, subject to the submission by DENR Region X of the technical description of the areas covered by the bill. The bill aims to address the lack of available lands for the informal settlers' housing project in Barangay Malaubang in Ozamiz City.</p> <p>As earlier mentioned, Deputy Speaker Oaminal said that there were discrepancies in the initial technical description of the area covered by the bill which the DENR and NAMRIA should resolve.</p> <p>The DENR and NAMRIA informed the body that they have already prepared the final technical description for HB 8095 which they will be submitting to the Committee anytime soon.</p>

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