

1

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 QUEZON CITY

4

5 **SIXTEENTH CONGRESS**
6 First Regular Session

7

8 **HOUSE BILL NO. _____**

9

10

11 Introduce by Representative ARNEL U. TY

12

AN ACT

ESTABLISHING THE REGULATORY FRAMEWORK FOR THE SAFE OPERATIONS OF THE LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY, PROVIDE ADDITIONAL POWERS TO THE DEPARTMENT OF ENERGY, DEFINE AND PENALIZE CERTAIN ACTS, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

**CHAPTER I
GENERAL PROVISIONS**

13

SECTION 1. Short Title. – This Act shall be known as the
14 “LPG Industry Regulation and Safety Act of 2013.”

15

SEC. 2. Declaration of Policy. – It is hereby declared the policy
16 of the state to protect the interests of consumers, ensure their general
17 welfare and to establish standards of conduct for business and industry.

18

Towards this end, the state shall:

19

a) Establish a regulatory framework for the refining, importation,
20 refilling, transportation, distribution and marketing of liquefied
21 petroleum gas (hereinafter referred to as “LPG”), and the manufacture,
22 requalification, exchange and swapping of LPG cylinders;

23

b) Establish standards of conduct and codes of practice for LPG
24 businesses;

25

c) Address quality and safety concerns and uphold the right of
26 consumers to freely choose the LPG brand they want to purchase; and

27

d) Rationalize all applicable laws and executive issuances on the
28 LPG industry to strengthen and enhance existing mechanisms against
29 hazards to health and safety and deceptive and unconscionable trade
30 and practices within the industry.

31

SEC. 3. Scope and Application. This act shall apply to the
32 regulation, refining, importation, refilling, transportation, distribution

2

1

3

land marketing of LPG, the manufacture, requalification, exchange and
2swapping of LPG cylinders and safe operations of the LPG industry,
3which covers all activities and businesses related to LPG product for
4household, commercial, industrial or automotive use of (Auto-LPG) and
5cylinders or containers for LPG.

6 **SEC. 4. Construction and Interpretation Clause.** – Any doubts
7in the interpretation of any provision in this Act shall be interpreted in
8favor of the interests of the consumers particularly to ensure access to
9reasonably priced LPG and the safety of the consumers and the general
10public.

11 **SEC. 5. Definition of Terms.** – For the purposes of this Act, the
12following terms are defined herein below:

13 (a) “BFP” shall refer to the Bureau of Fire Protection, created
14under Republic Act No. 6975, as amended;

15 (b) “BOC” shall refer to the Bureau of Customs, created under
16Philippine Administrative Act No. 355, as amended;

17 (c) “BPS” shall refer to the Bureau of Product Standards,
18created under Republic Act No. 4109;

19 (d) “DENR” shall refer to the Department of Environment and
20Natural Resources, created under Executive Order No. 192;

21 (e) “DILG” shall refer to the Department of Interior and Local
22Government, created under Republic Act No. 6975

23 (f) “DOE” shall refer to the Department of Energy, created
24under Republic Act No. 7638;

25 (g) “DOST” shall refer to the Department of Science and
26Technology, created under Executive Order No. 192;

27 (h) “DOTC” shall refer to the Department of Transportation and
28Communications created under Executive Order No. 125-A

29 (i) “DTI” shall refer to the Department of Trade and Industry,
30reorganized under Executive Order No. 292;

31 (j) “IPO” shall refer to the Intellectual Property Office,

32 (k) “LGU” and “LGUs” shall refer to a local government unit or
33local government units, respectively;

34 (l) “OIMB” shall refer to the Oil Industry Management Bureau of
35the Department of Energy;

36 (m) “PNP” shall refer to the Philippine National Police, created
37under Republic Act No. 6975;

1 (n) "SEC" shall refer to the Securities and Exchange
2 Commission, reorganized under Presidential Decree No. 902-A;

3 (o) "Accreditation" shall refer to the formal recognition given by
4 the BPS that a re-qualifier of LPG cylinders has complied with the
5 existing PNS prescribing the General Requirements for the Competence
6 of Testing and Calibration Laboratories, ~~and~~ the Method of
7 Requalification of Steel Cylinders for LPG and any other standards
8 prescribed by the BPS;"

9 (p) "Alteration" shall refer to any act of converting, transforming
10 or resizing of local or imported LPG cylinder or container from its original
11 size or design including, but not limited to, replacement or removal of
12 existing and embossed or stamped registered brand owner's markings,
13 grinding, flattening, application of putty, replacement of collar, revalving,
14 unauthorized repainting, replacement of foot rings, re-labeling, etc., or by
15 any other means;

16 (q) "Ancillary Equipment" shall refer to such equipment, parts
17 and other devices and accessories necessary and indispensable for the
18 safe and proper operation of an LPG cylinder or container such as, but
19 not limited to, LPG cylinder or container valves, hoses and regulators;

20 (r) "Auto-LPG" shall refer to LPG intended to fuel, propel or
21 otherwise provide power to motor vehicles;

22 (s) "Auto-LPG Dispensing Station" shall refer to an outlet,
23 facility or business establishment which retails Auto-LPG directly to
24 individual end-users or to the motoring public; the same may stand
25 alone or located within or operated with a liquefied petroleum product
26 (LPP) retail outlet. It shall be deemed a dealer or retail outlet for purposes
27 of this act;

28 (t) "Brand Owner" shall refer to a person, owning the brand
29 name, logo, color, mark or distinction as registered with the IPO of the
30 DTI;

31 (u) "Bulk Consumer" shall refer to any person, whose regular
32 use or consumption of LPG is limited to its own use and requires bulk
33 storage of LPG at a volume as may be determined by DOE;

34 (v) "Bulk Loader" shall refer to any person, which engages in the
35 transportation and carriage of LPG in large quantities in barges, rail or
36 road tankers, bullet trucks and similar transportation facilities;

1 (w) "Bulk Supplier" shall refer to any person, who engages in
2the sale or distribution of LPG in large quantities as may be determined
3by the DOE;

4 (x) "Centralized LPG Distribution System" shall refer to a
5network of pipes or similar conduit use for the conveyance of LPG from
6the piped LPG provider to consumers confined within the same
7compound or establishment such as, but not limited to, shopping malls
8and condominiums;

9 (y) "Certification" shall refer to the written assurance given by
10the DTI that the LPG cylinder has complied with the existing PNS or any
11other standards issued by the BPS pursuant to Republic Act No. 4109,
12governing specifications and requirements for the repair of steel cylinders
13for LPG;

14 (z) "Consumer" shall refer to any person, who purchases LPG
15for one's own consumption;

16 (aa) "Container" shall refer to any portable pressure vessel for the
17storage of LPG for automotive use;

18 (bb) "Cross Filling" shall refer to the filling of LPG cylinders by a
19person, other than by the brand owner;

20 (cc) "Cylinder" or "LPG Cylinder" shall refer to any portable
21pressure-vessel or container for LPG, designed for the transportation and
22storage of LPG;

23 (dd) "Cylinder Owner" shall refer to the owner of the cylinder as
24shown by the brand, mark, trade name or business name embossed or
25engraved or otherwise permanently indicated on the LPG cylinder in the
26manner prescribed by the DTI;

27 (ee) "Cylinder Exchange" shall refer to the industry practice
28whereby a consumer who possesses an empty LPG cylinder may use the
29same to purchase the same or different brand of filled LPG cylinder;

30 (ff) "Cylinder Swapping" shall refer to the exchange of LPG
31cylinders among industry players;

32 (gg) "Defective Cylinder" shall refer to damaged, unsafe and
33dilapidated LPG cylinders due to corrosion or pitting, dents, cuts,
34gouges, digs, bulges, leaks and other similar defects that render the LPG
35cylinder unsafe for distribution in accordance with the guidelines set by
36the DTI, thus creating a substantial risk of injury to the public;

1 (hh) "Dealer" shall refer to any person, involved in the sale or
2 trading of LPG in cylinders to consumers and/or retail outlets;

3 (ii) "Hauler" shall refer to any person, involved in the
4 distribution and delivery of LPG cylinders from one place to another;

5 (jj) "Importer" shall refer to any person, engaged in the
6 importation of LPG whether for processing, sale or own use;

7 (kk) "LPG" shall refer to liquefied petroleum gas, which consists
8 of commercial propane gas or commercial butane gas or a mixture of the
9 two gases, with properties conforming to the standards set forth in the
10 existing PNS or any other standards prescribed by the BPS;

11 (ll) "LPG Industry Participants" shall refer to persons, engaged
12 in activities or businesses related to:

13 i. refining, manufacturing, importing, exporting,
14 shipping, transporting, hauling, storing, refilling, distributing,
15 marketing and selling of LPG for household, commercial or
16 industrial use;

17 ii. refining, manufacturing, importing, exporting,
18 shipping, transporting, hauling, storing, refilling, distributing,
19 marketing and selling of LPG for automotive use (auto-LPG);
20 and/or

21 iii. manufacturing, importing, transporting, distributing
22 and selling of LPG cylinders and ancillary equipment including,
23 but not limited to, LPG cylinder or container and ancillary
24 equipment manufacturers and importers, re-qualifiers, repairers,
25 scrapping centers, LPG cylinder or container seal manufacturers
26 and such other similar persons or entities;

27 (mm) "Marketer" shall refer to any person, engaged in the sale of
28 LPG, whether in bulk or retail under its own brand name;

29 (nn) "Person" shall refer to an entity such as an individual or
30 group of individuals incorporated under law with certain legal rights and
31 responsibilities;

32 (oo) "Petroleum products" shall refer to the products formed in
33 the course of refining crude petroleum through distillation, cracking,
34 solvent refining and chemical treatment coming out as primary stocks
35 from the refinery such as but not limited to LPG, naphtha, gasoline,
36 solvent, kerosene, aviation fuels, oils, waxes and petrolatum, asphalts,
37 bitumen, coke and refinery sludge, or such refinery petroleum fractions

1which have not undergone any process or treatment as to produce
2separate chemically-defined compounds in a pure or commercially pure
3state and to which various substances may have been added to render
4them suitable for particular uses, provided that the resultant product
5contains not less than fifty percent (50%) by weight of such petroleum
6products;

7 (pp) "Philippine National Standards" or "PNS" shall refer to the
8standards promulgated by the BPS of the DTI relating to product
9specifications, test methods, terminologies and standardization
10procedures, guidelines or practices;

11 (qq) "Piped LPG Provider" shall refer to any person, engaged in
12the business of supplying or distributing LPG to consumers through a
13Centralized LPG Distribution System, including operators of central
14storage compounds for piped LPG or reticulated system facilities;

15 (rr) "Primary Storage Facilities" shall refer to the plant, depot,
16equipment and other attendant facilities, such as underground caverns,
17refrigerated tanks and pressurized steel tanks, used for the storage of
18LPG;

19 (ss) "Qualified LPG Serviceman" shall refer to an individual who
20has been trained, qualified and certified by the DOE or any deputized
21agency thereof, or to an individual who has successfully completed an
22approved training course for LPG servicemen in a training school duly
23recognized and accredited by the Philippine government;

24 (tt) "Refiller" shall refer to (1) a service provider authorized by
25an LPG cylinder owner to refill LPG cylinders on the latter's behalf, or (2)
26any person, who refills LPG into one's own LPG cylinders;

27 (uu) "Refilling Plant" shall refer to any installation that is used for
28refilling LPG into cylinders and has LPG bulk storage and refilling
29facilities thereof;

30 (vv) "Refiner" shall refer to any person, who refines LPG through
31distillation, conversion and treatment of crude oil and other naturally
32occurring petroleum hydrocarbons;

33 (ww) "Re-qualification" shall refer to the method or procedure by
34which an LPG cylinder is subjected to inspection and re-evaluation by
35the BPS in accordance with the prescribed specifications and any other
36standards prescribed by the BPS governing the method of requalification
37of steel cylinders for LPG to determine its acceptability for continuous

1 use and distribution and subsequent repair or scrappage, where
2 appropriate;

3 (xx) "Re-qualifier" shall refer to any person, duly accredited by
4 the DTI pursuant to this Act to engage in the business of re-qualifying
5 LPG cylinders;

6 (yy) "Repair" shall refer to the removal from and replacement of
7 parts or attachments of LPG cylinders or the performance of any other
8 necessary corrective and restorative measures pursuant to the PNS, to
9 restore the fitness of LPG cylinders for refilling, distribution and use;

10 (zz) "Repairer" shall refer to any person, duly certified by the DTI
11 to engage in the business of repairing LPG cylinders;

12 (aaa) "Retail Outlet" shall refer to any entity that sells LPG in
13 cylinders directly to a consumer in quantities as may be determined by
14 the DOE;

15 (bbb) "Reticulated System" shall refer to a means of supplying LPG
16 through a pipeline network from a centralized cylinder bank or bulk
17 installation to multiple customers situated in a common locality;

18 (ccc) "Scrappage" shall refer to the destruction of defective LPG
19 cylinders declared by a re-qualifier of the DTI to be unfit for use;

20 (ddd) "Scrapping Center" shall refer to any person, engaged in the
21 business of disposing defective LPG cylinders;

22 (eee) "Seal" shall refer to the protective cover placed on the valve
23 of an LPG cylinder; and

24 (fff) "Tare weight" shall refer to the net weight of the LPG cylinder
25 excluding its contents, as engraved in the collar and painted in the body
26 thereof and shall be expressed in kilograms in accordance with the
27 specifications as may be prescribed by the DTI.

28

29

CHAPTER II

30

IMPLEMENTING AGENCIES

31

SEC. 6. Lead Agency. - The DOE shall be the primary
32 government agency responsible for the implementation and enforcement
33 of this Act unless otherwise expressly stated in this Act that a particular
34 function shall be the responsibility of another government agency. The
35 DOE shall regulate, supervise and monitor the LPG industry and persons
36 and entities engaged in any activity or business therein to ensure

1 compliance with national product quality, environmental and worker
2 safety, and consumer welfare standards.

3 **SEC. 7. Additional Powers and Functions of the DOE.** — To
4 effectively implement the provisions of this Act and in addition to its
5 powers and functions under existing laws, the DOE shall have the
6 following powers and functions:

7 a) Administer and supervise the enforcement and
8 implementation of this Act, including the promulgation of the
9 Implementing Rules and Regulations (IRR) thereof, and issuance of other
10 regulations, orders or circulars necessary to implement this Act;

11 b) Issue rules and regulations to implement safety and quality
12 standards as well as promote fair trade practices in the LPG industry;

13 c) Formulate and implement policies, programs and regulations
14 for the LPG industry, including the importation, exportation, stockpiling,
15 storage, shipping, transportation, refining, processing, marketing and
16 distribution of LPG, whether distributed in cylinders, through centralized
17 LPG distribution systems, or other means, to ensure that product
18 quality, environmental and worker safety, and consumer welfare
19 standards are met;

20 d) Implement safety standards for refilling plants, depots,
21 storage areas, transportation facilities and other facilities or business
22 premises of the owners thereof and exercise visitorial powers in order to
23 inspect and evaluate whether such refilling plants, depots, storage areas,
24 transportation facilities and other facilities or business premises comply
25 with safety standards. During such inspection, the DOE may scrutinize
26 the records of the concerned LPG industry participants and confiscate
27 filling heads and other equipment, facility and conveyance that are found
28 being used in illegal operations;

29 e) Inspect LPG cylinders in circulation, whether filled or
30 unfilled, or after any sale by refiners, importers, marketers, brand
31 owners or refillers, or such LPG cylinders that are for distribution to
32 dealers and retail outlets to determine conformity to established quality
33 and safety standards for LPG cylinders developed and established by the
34 BPS;

35 f) Confiscate substandard LPG and LPG cylinders in
36 circulation that do not conform to established quality and safety
37 standards for LPG cylinders developed and established by the BPS;

1 g) Investigate, *motu proprio* or upon report of any person,
2 possible infractions of this Act by concerned LPG industry participants,
3 initiate the necessary actions warranted under the circumstances and
4 file the necessary complaints with the proper court or government
5 agency, and enforce administrative sanctions as provided under this Act;

6 h) Implement the LPG Cylinder Exchange, Swapping and
7 Rehabilitation Program;

8 i) Direct LPG brand owners, refillers, dealers and retail outlets
9 to periodically submit cylinders for requalification, and to secure proper
10 proof of compliance therewith in accordance with the requirements of
11 the DTI;

12 j) Issue and grant License to Operate to concerned LPG
13 industry participants in accordance with Chapter III of this Act, and
14 suspend or revoke the same after due notice and hearing for violating
15 any provisions of this Act;

16 k) Issue closure or cease and desist orders, as the case may be,
17 to any person found in violation of this Act;

18 l) Impose and collect administrative fines for any violation of
19 the provisions of this Act, as well as fees or similar charges for its
20 services, including the processing of applications for Licenses to Operate;

21 m) Create and maintain a central database of concerned LPG
22 industry participants, and an inventory of existing and projected LPG
23 supply levels in the country, which shall be updated monthly on its own
24 initiative or through reports of said participants;

25 n) Investigate and keep a record of incidents of injury or
26 damage to person or property, caused by or attributable to the improper
27 production, refilling, storage, handling or dispensing or use of LPG for
28 purposes of prosecuting or filing the appropriate administrative or
29 criminal complaints against responsible persons;

30 o) Establish and develop research and training programs to
31 develop new uses for LPG, promote improved and innovative methods
32 and technologies for safe and efficient production, storage, handling or
33 use of LPG, and to foster public awareness thereof;

34 p) Consult and coordinate, on a regular basis, with LPG
35 industry participants, associations and consumers concerned in
36 furtherance of the objectives of this Act;

1 q) Coordinate with other government agencies, bodies and
2 instrumentalities and deputize other agencies to ensure the effective
3 implementation of this Act;

4 r) Investigate, prosecute, and impose penalties for dumping
5 activities or unauthorized filling of bulk tanks installed in industrial LPG
6 consumers by bulk suppliers other than the owner of the tanks; and

7 s) Exercise such other powers and functions as may be
8 necessary or incidental to attain the objectives of this Act.

9 **SEC. 8. Powers and Functions of the DTI.** - To help effectively
10 implement the provisions of this Act, the DTI shall have the following
11 exclusive powers and functions:

12 (a) Develop, formulate, promulgate, review and revise the PNS
13 for LPG, LPG cylinders and other ancillary equipment;

14 (b) Inspect and evaluate LPG cylinders, whether manufactured
15 locally or imported, prior to any sale or distribution to LPG refiners or re-
16 fillers and certify to their conformity to the PNS and their fitness for
17 public and sale distribution;

18 (c) Inspect and evaluate ancillary equipment, whether
19 manufactured locally or imported and certify to their conformity to PNS
20 and their fitness for public sale and distribution;

21 (d) Grant accreditation and certification of conformity to PNS to
22 re-qualifiers, repairers, scrapping centers, LPG cylinder and seal
23 manufacturers and other independent, competent, private persons and
24 entities that provide products and services to ensure compliance by LPG
25 industry participants with the PNS for LPG cylinders and ancillary
26 equipment, in accordance with Chapter III of this Act and to revoke the
27 same, if warranted; and

28 (e) Extend all necessary assistance to the DOE in the
29 implementation of measures in furtherance of the objectives of this Act.

30 **SEC. 9. Powers and Functions of the DILG.** - To help effectively
31 implement the provisions of this Act, the DILG shall have the following
32 powers and functions:

33 (a) Coordinate with LGUs and the PNP for the orderly and
34 effective implementation of this Act and of the orders, rules and
35 regulations and issuances pursuant thereto, including recommendations
36 for the suspension or revocation of business permits or licenses of LPG
37 industry participants found to be in violation of this Act;

1 (b) Coordinate with the DOE and the DTI in the dissemination
2of information particularly to the LGUs and the PNP relevant to the
3implementation of this Act; and

4 (c) Extend all necessary assistance to the DOE with respect to
5the enforcement of measures to attain the objectives of this Act.

6 **SEC. 10. Powers and Functions of LGUs.** – LGUs pursuant to
7their powers provided by law especially under Republic Act No. 7160,
8otherwise known as the “Local Government Code of 1991,” or, upon
9recommendation of the DOE and upon due notice and hearing, shall
10have the power to suspend or revoke the business permit or license of
11any LPG industry participants within their respective areas of
12jurisdiction for violation of the provisions of this Act: *Provided*, That upon
13the issuance by the DOE of a notice of revocation of the License to
14Operate of an LPG industry participant in accordance with Chapter III
15of this Act, the LGU shall immediately revoke the business permit or
16license of said LPG industry participant.

17 In case of conflict between the decision of the DOE and the LGU
18involving matters such as, but not limited to, violations covered by this
19act, the decision of the court shall prevail.

20 **SEC. 11. Technical Working Group.** - The DOE shall be
21authorized to convene a Technical Working Group (TWG) to assist the
22DOE in the thorough review and evaluation of the rules and regulations,
23policies, safety standards and PNS affecting the LPG industry. The TWG
24shall be composed of not less than ten (10) nor more than fifteen (15)
25representatives of the pertinent implementing government agencies and
26the private sector particularly LPG industry participants and consumer
27groups. Private sector representation in the TWG shall, upon
28consultation with the LPG industry participants, be determined and
29appointed by the Secretary of Energy: *Provided*, That said representatives
30shall be equitably distributed among LPG industry participants.

31

32

CHAPTER III

33

LICENSES, PERMITS AND OTHER BUSINESS REQUIREMENTS

34

SEC. 12. License to Operate. –

35

(a) *Requirement Prior to Engaging in Business.* - Any person or
36entity intending to engage in any activity or business involving LPG, shall
37secure its License to Operate from the DOE prior to commencement of

1 construction and commercial operations. The License to Operate shall
 2 be valid for three (3) years or any such period as may be determined by
 3 the DOE.

4 For purposes of this Act, the License to Operate shall certify that
 5 such person or entity has complied with all the documentary
 6 requirements, and safety rules and regulations prescribed by the DOE
 7 and other pertinent government agencies: *Provided*, That such other
 8 endorsements by other government agencies applicable to the particular
 9 classification of the concerned LPG industry participant as defined and
 10 stated in this Act shall have been fully complied with: *Provided further*,
 11 That a brand owner shall be responsible for the following:

12 i) Proper manufacture, maintenance, and re-
 13 qualification of all its cylinders prior to the release thereof to the
 14 public in accordance with this Act;

15 ii) Proper filling of cylinders;

16 iii) Assurance that LPG is readily available at his refilling
 17 plant/s for refilling into his own cylinders; and

18 iv) Refilling of his own cylinders, unless authorized by
 19 another brand owner.

20 No person or entity intending to engage in any activity or
 21 business involving LPG shall engage in business without first having
 22 duly secured a License to Operate from the DOE. Any such person or
 23 entity that subsequently engages in an activity or business outside of the
 24 scope of its License to Operate shall duly notify the DOE and secure the
 25 proper License to Operate from and where deemed necessary by the
 26 said agency for the said new activity or business.

27 The DOE shall prescribe specific guidelines for compliance of retail
 28 outlets, dealers and haulers in remote areas outside Metro Manila, in
 29 which case the verified undertaking required under this Chapter may be
 30 submitted through registered mail, without prejudice to the conduct of a
 31 standards compliance inspection.

32 (b) *Persons or Entities Already Engaged in LPG Business.* - Subject
 33 to the provisions of Section 42 of this Act, any person or entity already
 34 legally engaged in any activity or business involving LPG upon the
 35 effectivity of this Act shall obtain a License to Operate within six (6)
 36 months from such effectivity or prior to the renewal of its local business
 37 license/Mayor's permit, whichever comes first, but in any case, not less

1than three (3) months from said effectivity in accordance with the rules,
2regulations, and guidelines to be issued by the DOE.

3 (c) *Required Submissions for License to Operate.* - A License to
4Operate shall only be issued upon a satisfactory finding of the applicant's
5compliance with the provisions of this Act and submission of
6requirements, which may include the following, where applicable:

7 i) Certification of compliance of applicant's facilities with
8 fire safety laws and regulations from the BFP;

9 ii) Environmental Compliance Certificate (ECC) from the
10 DENR;

11 iii) Product liability insurance certificate from an insurer
12 duly registered with and licensed by the Insurance Commission;

13 iv) Permits on suitability, safety and soundness of plant
14 and facilities for the proposed or existing operation;

15 v) Compliance with the provisions of Republic Act No.
16 9514, otherwise known as the "Revised Fire Code of the Philippines
17 of 2008" , and/or Pamphlet 58 of the National Fire Protection
18 Association (NFPA 58), otherwise known as the "Liquefied
19 Petroleum Gas Code"; and

20 vi) Such other documents or requirements which the
21 DOE may prescribe as necessary for the effective implementation
22 of this Act.

23 (d) *Renewal and Posting of License to Operate.* - The License to
24Operate shall be renewed within three (3) years or any such period as the
25DOE may prescribe and shall be prominently posted or displayed in a
26public, accessible and conspicuous area within the business premises of
27the concerned LPG industry participant.

28 **SEC. 13. Certificate of Non-Coverage (CNC).** -Any person or
29entity whose principal business requires consumption of LPG in bulk
30and which business operation does not include, in any way, the
31distribution or retail of LPG to consumers, such as but not limited to
32Garage-Based Auto-LPG Stations and Centralized LPG Distribution
33Systems, shall secure a CNC from the DOE. For purposes of this Act, a
34Garage-Based Auto-LPG operation shall refer to the operation of a motor
35vehicle fleet with a number of vehicle units as may be determined by the
36DOE and which vehicle units are parked and serviced in a confined area
37or garage. The DOE shall prescribe such other conditions in order that

1an Auto-LPG dispensing activity shall be deemed as a garage-based
2operation.

3 Bulk suppliers shall ensure that their bulk consumers have
4secured the necessary CNC prior to entering into any supply contract or
5agreement with said bulk consumers. A copy of such contract shall be
6submitted to the DOE within ten (10) days from the execution thereof.

7 The CNC does not in any way preclude compliance to applicable
8PNS, requirements of the BFP and other concerned government agencies.

9 **SEC. 14. Undertaking to Comply with Requirements.** - Any
10person or entity who intends to engage in any activity or business
11involving LPG which shall render it an LPG industry participant as
12defined in this Act, shall undertake to comply with the requirements of
13this Act, its IRR, and such other issuances of the DOE, under a verified
14instrument to be executed in such form as shall be required by the DOE.
15Due filing of the verified undertaking shall be a condition precedent for
16the issuance of the License to Operate required under this Act: *Provided,*
17That submission of such undertaking does not exempt such person or
18entity from securing any other certification of quality, health, safety,
19security, or environmental clearance from the proper governmental
20agencies or instrumentalities as may be provided by other laws.

21 **SEC. 15. Suspension or Revocation of License to Operate.** -
22Pursuant to its power to issue License to Operate, the DOE shall likewise
23have the power to suspend or revoke, after due notice and hearing, the
24License to Operate of any person or entity engaged in any activity or
25business involving LPG for the commission of any of the prohibited acts
26under Chapter XIV of this Act, and for violation of any provision of this
27Act and its IRR, except those which fall under the jurisdiction of the DTI
28and other concerned government agencies.

29 **SEC. 16. Mandatory Requirement Prior to LGU's Issuance or**
30**Renewal of Local Government Business License or Mayor's Permit.** -
31The License to Operate provided under Section 12 of this Act shall be a
32mandatory requirement for the grant or renewal of any local government
33business license or Mayor's permit to engage in business involving LPG
34regardless of whether such products or activities constitute the entire or
35a portion of the business for which a business license is sought by the
36applicant.

1 Non-compliance herewith shall be ground for the cancellation of
2 any license or permit issued by the LGU.

3 **SEC. 17. Action of LGUs on Suspended or Revoked License to**
4 **Operate.** - Upon written notice by the DOE of suspension or revocation
5 of the License to Operate of a concerned LPG industry participant, the
6 LGU shall immediately suspend or revoke the local government business
7 license or Mayor's permit of said LPG industry participant.

8 The LGU shall formally communicate to the DOE the fact of such
9 suspension or revocation within five (5) working days from receipt of the
10 written notice of revocation of License to Operate from the DOE.

11 **SEC. 18. Certificate of Accreditation for Manufacturers, Re-**
12 **qualifiers, Repairers of LPG Cylinders and Cylinder Seal**
13 **Manufacturers.** - Prior to the commencement of its operations and
14 annually thereafter, any person who intends to engage in the business of
15 manufacturing, re-qualifying, or repairing LPG cylinders, shall obtain a
16 Certificate of Accreditation from the DTI prior to the commencement of
17 its operations and annually thereafter.

18 Any person already engaged in the business of re-qualification,
19 repair, scrapping of LPG cylinder and seal manufacturing upon the
20 effectivity of this Act shall apply for a Certificate of Accreditation from the
21 DTI prior to the renewal of its business permit.

22 **SEC. 19. Monitoring and Standards Compliance Inspection.**

23 (a) Monitoring of Facilities and Equipment. - The DOE shall monitor
24 the refining, importation and distribution of LPG and conduct annual
25 inspections of refinery, storage, hauling, transportation, refilling, or
26 installation facilities and equipment to ensure that clean,
27 environmentally-safe and worker-benign technologies are applied and to
28 ensure conformity with quality and safety standards and other
29 mandatory requirements under this Act.

30 (b) Standards Compliance Inspection. - The DOE shall not issue a
31 License to Operate unless it is shown, upon proper conduct of standards
32 compliance inspection, that the LPG industry participant has complied
33 with this Act and such other rules and regulations as may be prescribed
34 by the DOE.

35 (c) Frequency of Standards Compliance Inspection. - The DOE may,
36 *motu proprio* or upon a verified statement or complaint by any person,
37 conduct regular or random inspections of the refinery, storage, hauling,

1 transportation or installation facilities and equipment of LPG industry
 2 participants as it may deem reasonable and necessary to implement the
 3 purposes of this Act.

4 (d) Conduct of Standards Compliance Inspection. - The DOE shall
 5 prescribe guidelines for the proper conduct of the standards compliance
 6 inspection, including but not limited to the scope of the relevant
 7 premises and records as may be subject to inspection.

8 (e) Power to Deputize. - The DOE may deputize such government
 9 agencies it deems necessary to assist its functions as provided in this
 10 section.

11

12 **SEC. 20. Issuance of Receipts.**

13 (a) Transactions in Bulk. - All transactions involving the sale or
 14 transfer of LPG in bulk must be covered by a form bearing, in addition to
 15 other requirements under applicable laws, the following information:

- 16 i) registered name of the seller;
- 17 ii) address of the seller;
- 18 iii) date of the transaction;
- 19 iv) quantity or volume of the product;
- 20 v) plate number of transporting trucks or registered name of
- 21 transporting barge;
- 22 vi) serial/tracking no. of brand owner
- 23 vii) total price of the transaction; and
- 24 viii) such other information as may be prescribed by the
- 25 DOE with the concurrence of affected industry players.

26 (b) Transactions in LPG Cylinders. - All transactions involving the
 27 sale or transfer of LPG from dealers to retail outlets and to direct
 28 consumers must be covered by an official receipt or sales invoice bearing,
 29 in addition to other requirements under applicable laws, the following
 30 information:

- 31 i) registered name of the seller;
- 32 ii) address of the seller;
- 33 iii) date of the transaction;
- 34 iv) brand of LPG;
- 35 v) serial/tracking no. of brand owner
- 36 vi) net weight or weight of the LPG contained in the cylinder;
- 37 vii) unit price per LPG cylinder;

1

1 viii) total price of the transaction; and

2 ix) such other information as may be required by the DOE.

3 All other transactions involving the sale or transfer of possession
4 or ownership of LPG from one LPG industry participant to another must
5 likewise be covered by an official receipt or other written instrument
6 bearing the above information, as applicable.

7

8

CHAPTER IV

9

AUTO-LPG

10 **SEC. 21. *Retailing of Auto-LPG.*** – Any person who is operating
11 or intending to operate an Auto-LPG Dispensing Station shall comply
12 with the following requirements and such other requirements as may be
13 provided in the IRR of this Act:

14 a) An Auto-LPG Dispensing Station shall conform to the
15 existing standards for the construction and safety operation of Auto-LPG
16 Dispensing Stations and other standards prescribed by the BPS;

17 b) An Auto-LPG Dispensing Station shall only refill LPG
18 containers for automotive use which conform to the specifications
19 prescribed in the existing PNS and installed in vehicles complying with
20 the existing Code of Practice For the Use of Liquefied Petroleum Gas
21 (LPG) System in Internal Combustion Engines” and other standards
22 prescribed by the BPS; and

23 c) An Auto-LPG Dispensing Station shall not refill LPG
24 cylinders for household or commercial use.

25 **SEC. 22. *Training and Qualification of Personnel of Auto-LPG***
26 ***Dispensing Stations.*** - Auto-LPG Dispensing Station Personnel shall
27 undergo, as a minimum requirement, training and qualification
28 conducted by any government recognized or accredited training
29 institution for the proper handling and retailing of Auto-LPG. Such proof
30 of training shall be submitted to the DOE prior to its initial operation and
31 subsequent renewal of its License to Operate.

32

33

CHAPTER V

34

OWNERSHIP OF LPG CYLINDERS AND CONTAINERS FOR

35

AUTOMOTIVE USE

36

37 **SEC. 23. *Ownership of LPG Cylinders.*** - The LPG brand owner
whose permanent mark appears on the LPG cylinder shall be presumed

2

3

1the owner thereof, irrespective of the party in custody or possession of
 2the LPG cylinder and regardless of whether or not such LPG cylinder is
 3or continues to be properly marked, stamped or identified to contain its
 4LPG brand, or whether or not such LPG cylinder is in compliance with or
 5continues to comply with any other product or quality standard
 6prescribed under law or by the BPS pursuant to this Act, unless
 7otherwise there is any unequivocal proof or indication that such LPG
 8cylinder was sold, alienated, or otherwise disposed of by the refiner or
 9importer to an unrelated third party under a written instrument.

10 The LPG brand owner shall, through its authorized dealer or
 11outlet, refund the amount indicated in the deposit slip or receipt when
 12the consumer returns the LPG cylinder with or without the deposit slip
 13or receipt. If the receipt is available, the cost shall be that appearing on
 14the receipt. If the receipt is unavailable, it shall be at such price fixed by
 15the DTI. For this purpose, the DTI is hereby mandated to issue a price
 16list of LPG cylinders within ninety (90) days from the effectivity of this Act
 17and to update the same after every three (3) years. Any authorized dealer
 18or outlet that refuses to refund the amount of deposit shall be dealt with
 19administratively.

20 The LPG brand owner shall have the obligation to ensure that its
 21LPG cylinders comply with all required quality and safety standards and
 22specifications before they are released for distribution: *Provided*, That
 23receipt by the DOE of a verified notice or report from the LPG brand
 24owner regarding any lost, stolen or missing LPG cylinders shall *prima*
 25*facie* relieve the LPG cylinder owner of the obligation to ensure the
 26quality and safety of such LPG cylinders. Such report may be rebutted
 27by contrary evidence.

28 **SEC. 24. Ownership of LPG Containers for Automotive Use.** –
 29Containers of LPG for automotive use are permanently installed inside
 30the vehicles and are therefore inherent and integral parts of the vehicle.
 31As such, ownership of these containers is that of the vehicle owner.

32

33

CHAPTER VI

34

MONITORING AND ENFORCEMENT MECHANISMS

35

SEC. 25. Undertaking to Comply with Requirements. - Any
 36person or entity who intends to engage in any business or activity which
 37shall render it an LPG industry participant as defined in this Act, shall

1undertake to comply with the requirements of this Act, its implementing
2rules and regulations and such other issuances of the DOE, under a
3verified instrument to be executed in such form as required by the DOE,
4Due filing of the verified undertaking shall be a condition precedent for
5the issuance of the License to Operate required under this Act: *Provided*,
6That submission of such undertaking does not exempt such person or
7entity from securing any other certification of quality, health, safety,
8security, or environmental clearance from the proper governmental
9agencies or instrumentalities as may be provided by other laws.

10 Any person intending to import or export LPG or LPG cylinders
11shall, in addition to the requirement for a verified undertaking, furnish a
12report to the DOE prior to every importation or exportation: *Provided*,
13That all LPG and LPG cylinder importations shall be in accordance with
14the law, including international agreements to which the Philippines is a
15signatory.

16 **SEC. 26. Reports and Disclosures to the DOE** - The DOE, as the
17case may be, shall have the power and authority to require LPG industry
18participants to submit written, electronic or other form of reports or
19disclosures, as the DOE may deem reasonable and necessary to perform
20their functions under this Act. Any LPG industry participant who fails to
21submit any such report or disclosure within the period and in the
22manner prescribed by the DOE shall be penalized under Section 37 of
23this Act.

24 **SEC. 27. Central Database of LPG Industry Participants.** - The
25central database of LPG industry participants shall include their
26corporate or business name or trade name; list of all directors and
27officers; principal office or business address; primary purpose or nature
28of business; registered brand name or logo for LPG, LPG cylinder,
29facilities and equipment; haulers, dealers, retail outlets and LPG cylinder
30seal manufacturers; violations committed or incidents relating to such
31violations, if any; agreements with other LPG industry participants, such
32as for cross-filling and similar arrangements; list of lost, stolen or
33missing LPG cylinders; and such other relevant information as may be
34determined by the DOE. The central database shall be created by the
35DOE within one (1) year from the effectivity of this Act. This central
36database shall be updated on a monthly basis and shall be made

1available to the public and through the Internet subject to reasonable
2fees and charges and during office hours.

3 **SEC. 28. Monitoring and Standards Compliance Inspection. –**

4 a) *Monitoring of Facilities and Equipment.* - The DOE shall
5monitor the facilities and equipment of concerned LPG industry
6participants to ensure that clean, environmentally-safe and worker-
7benign technologies are applied and to ensure conformity to quality,
8health, environmental and safety standards, fair trade regulations and
9other mandatory requirements under this Act;

10 b) *Monitoring of Operations and Activities.* - The DOE and the
11DTI shall require from LPG industry participants under their respective
12areas of jurisdiction such information as may be necessary such as, but
13not limited to, activities engaged in, installation, facilities and equipment
14used in the business; supply, demand and inventory of LPG, LPG
15cylinders or containers; and periodic and special reports;

16 c) *Standards Compliance Inspection.* - The DOE shall not issue
17a License to Operate unless it is shown, upon proper conduct of
18standards compliance inspection, that the LPG industry participant has
19complied with the requirements of this Act and such other rules and
20regulations as may be prescribed by the DOE;

21 d) *Frequency of Standards Compliance Inspection.* - The DOE
22may, *motu proprio* or upon a verified statement or complaint by any
23person, conduct regular or random inspections of the refinery, storage,
24hauling, transportation or installation facilities and equipment of
25concerned LPG industry participants as it may deem reasonable and
26necessary to implement the purposes of this Act;

27 e) *Conduct of Standards Compliance Inspection.* - The DOE
28shall prescribe guidelines for the proper conduct of the standards
29compliance inspection, including but not limited to the scope of the
30relevant premises and records that may be subject to inspection; and

31 f) *Power to Deputize.* - The DOE may deputize such
32government agencies it deems necessary to assist it with its functions
33provided in this section.

34

35

CHAPTER VII

36

DECLARATION OF LPG CYLINDER AS INJURIOUS, UNSAFE OR

37

DANGEROUS

1 **SEC. 29. Declaration of LPG Cylinder as Injurious, Unsafe or**
2 **Dangerous.** - When the DOE or DTI finds, *motu proprio* or upon petition
3 of any person, that an LPG cylinder is defective and hence, possibly
4 injurious, unsafe or dangerous, it shall, after due notice and hearing,
5 issue the appropriate order for its immediate confiscation, recall, seizure,
6 impoundment or prohibition from public sale or distribution: *Provided,*
7 That, in the sound discretion of the DOE or DTI it may declare an LPG
8 cylinder to be imminently injurious, unsafe or dangerous and order its
9 immediate recall, seizure and impoundment, in which case the LPG
10 cylinder owner shall be afforded a hearing, within forty-eight (48) hours
11 from issuance of such order, for the purpose of determining the propriety
12 of the recall and seizure of the LPG cylinders: *Provided, further,* That
13 such a declaration shall be limited to instances when the LPG cylinder is
14 already filled and already sealed inside a refilling plant; dealer's
15 showroom; retail outlets; or LPG cylinder transporter.

16 For cases initiated *motu proprio* by the DOE or DTI, it shall make a
17 final determination as to whether or not an LPG cylinder is injurious,
18 unsafe or dangerous within thirty (30) days from termination of
19 administrative proceedings: *Provided,* That in the absence of such
20 determination upon expiration of the prescriptive period, the DOE shall
21 thereafter release custody of the LPG cylinders to the LPG industry
22 participant in custody thereof prior to the order for recall, impoundment
23 or prohibition from public sale or distribution.

24 **SEC. 30. Procedure for Petition for Declaration of LPG**
25 **Cylinder as Injurious, Unsafe or Dangerous.** - Any interested person
26 may, upon payment of the appropriate filing fee prescribed by the DOE,
27 petition the DOE for an order declaring an LPG cylinder injurious,
28 dangerous or unsafe. In case the DOE, acting on such petition or on its
29 own initiative and upon due notice and hearing, determines an LPG
30 cylinder to be injurious, dangerous or unsafe, it shall so notify the LPG
31 cylinder owner of such finding and order the recall, prohibition or seizure
32 of the LPG cylinder.

33 **SEC. 31. Recall, Seizure, Impoundment and Prohibition of**
34 **Defective LPG Cylinders.** The order for recall, seizure, impoundment or
35 prohibition issued by the DOE shall contain a prohibition against the
36 refilling, sale or distribution of the recalled or banned LPG cylinder. The
37 LPG cylinder owner against whom the order for recall, prohibition or

1 seizure is issued shall be required to subject the recalled, banned or
2 seized LPG cylinder to repair or re-qualification processes to render the
3 same compliant with appropriate PNS, or, where repair or re-qualification
4 is not possible or practicable, to present proof of scrappage thereof.

5 The LPG cylinder owner against whom the order for recall, seizure
6 or prohibition is issued may petition for the revocation of the order. The
7 DOE shall revoke the order for recall, prohibition or seizure upon a
8 finding that the subject LPG cylinder has been repaired or otherwise
9 made compliant with the required PNS, or has been replaced with a like
10 or equivalent LPG cylinder which conforms to the appropriate PNS.

11 The LPG cylinder owner shall not charge a consumer who avails of
12 the remedy as provided above of any expenses or costs that' may be
13 incurred in the course of repair and re-qualification.

14 **SEC. 32. Disposition of Recalled, Banned or Seized LPG**
15 **Cylinders.** - The DOE shall formulate rules for the disposition of
16 recalled, banned or seized LPG cylinders: *Provided*, That it shall initially
17 adopt and enforce the rules for disposition of recalled, banned or seized
18 LPG cylinders established by the DTI; *Provided further*, That it may
19 amend the same as it deems necessary.

20 **SEC. 33. Removal from Circulation of Unqualified or Violative**
21 **LPG Cylinders by the DOE.** - LPG cylinders, filled or unfilled within the
22 filling area of refilling plants and trading area of dealers and retail outlets
23 that obviously do not conform to the standards and regulations enforced
24 by the DOE and the DTI shall be removed from circulation in the market
25 for the protection and welfare of consumers: *Provided*, That the DOE and
26 the DTI may exercise administrative forfeiture and shall dispose of LPG
27 cylinders removed from circulation without the necessity of court
28 procedure: *Provided, further*, That the DOE shall, upon consultation with
29 the LPG industry participants and other government agencies concerned,
30 formulate and issue the guidelines and procedures to implement this
31 section.

32 **SEC. 34. Impounding of Confiscated LPG Cylinders.** - LPG
33 cylinders confiscated by the DOE, DTI or law enforcement agencies in
34 connection with the commission of any of the prohibited acts under
35 Chapter ~~XIII~~ XIV of this Act for the purpose of preserving evidence during
36 the pendency of the administrative and/or criminal case/s, shall be
37 impounded. Filled LPG cylinders that are found by the OIMB to pose an

imminent threat or danger of exploding shall be disposed of without the
 2necessity of serving prior notice to the owner/s thereof: *Provided*, That
 3the OIMB shall notify the violator, owner or respondent of such fact
 4within five (5) days after such disposition.

5 The DOE shall promulgate guidelines on safety procedures for and
 6disposition of impounded LPG cylinders.

7

8

CHAPTER VIII

9

WEIGHING DEVICES

10 **SEC. 35. *Weighing Devices.***

11 (a) *Calibrated and Scaled Weighing Devices Required in*
 12*Premises.* - All refiners, importers, re-fillers, hauler, dealers and retail
 13outlets shall, at all times, maintain in all their establishments or outlets
 14and within the sales areas accessible to the public, suitable weighing
 15devices duly calibrated annually and sealed by the City or Municipal
 16Treasurer, the DOST, or any other government agency authorized to
 17officially calibrate the same. The weighing devices shall accurately
 18measure LPG cylinders up to one-tenth (0.1) of one kilogram.

19 (b) *Checking of LPG Cylinder Content by Dealers, Retail Outlets*
 20*and Haulers.* - All dealers, retail outlets and haulers that sell directly to
 21consumer shall weigh the LPG cylinders before displaying the same in
 22the sales areas and also in the presence of the customers prior to sale, to
 23afford the latter an opportunity to verify the correctness of the weight of
 24the LPG cylinders and the LPG contents thereof.

25

26

CHAPTER IX

27

LPG CYLINDER SEALING

28 **SEC. 36. *LPG Cylinder Sealing.*** - All LPG cylinders shall, after
 29filling, be provided with seals which conform to the specifications of the
 30DOE: *Provided*, That the DOE shall, after consultation with the
 31concerned brand owners, establish such specifications: *Provided, further*,
 32That the LPG cylinder owner and its authorized re-filler shall be jointly
 33responsible for ensuring that LPG cylinders are properly sealed before
 34the LPG cylinders leave the filling or refilling plants: *Provided, finally*,
 35That LPG cylinders with tampered or broken seals shall not be sold or
 36distributed.

1 LPG cylinder seal manufacturers shall sell seals only to the
2 registered LPG brand owner, unless otherwise allowed by both the said
3 registered LPG brand owner and the DOE.

4 All seals shall be registered with the DOE.

5

6

CHAPTER X

7

LABELING REQUIREMENTS

8 **SEC. 37. Labelling Requirements for LPG Cylinders.** – LPG
9 cylinders shall comply with the labelling requirements as provided for
10 under the PNS, this section and as may be further prescribed by the
11 BPS.

12 a) *For LPG Cylinder Collar.* – All LPG cylinders, whether
13 imported or manufactured locally, shall have, among others, the
14 following information embossed or stamped on the LPG cylinder collar:

15 i) The manufacturer's registered trade name or brand
16 name, trademark and business name;

17 ii) For imported brand new LPG cylinders, the name and
18 address of the importer in the Philippines;

19 iii) Product Standard (PS) or Import Commodity Clearance
20 Certification (ICC) marks, as applicable;

21 iv) Specific standard used;

22 v) Date of testing or requalification;

23 vi) Thickness of plate;

24 vii) LPG cylinder water capacity;

25 viii) Tare weight;

26 ix) Design and test pressure; and

27 x) Serial number.

28 The above requirements shall form an integral part of the LPG
29 cylinder collar, without danger of being erased or detached under
30 ordinary handling of the LPG cylinder.

31 b) *For LPG Cylinder Body.* – All LPG cylinders, whether
32 manufactured locally or imported, shall bear the following information on
33 the shoulder of the LPG cylinder:

34 i) The registered brand name, trade name or trademark
35 of the LPG product;

36 ii) Tare weight; and

37 iii) Net weight.

1 The brand name, trade name or trademark of the LPG product
2 shall be embossed on the shoulder of the LPG cylinder and shall form an
3 integral part of the body of the LPG cylinder, without danger of being
4 erased or detached under ordinary handling of the LPG cylinder.

5 All LPG cylinders shall be painted with colour registered with the
6 DOE which distinguishes the brand owner of the LPG it contains.

7

8

CHAPTER XI

9

DELIVERY VEHICLES, DRIVERS AND ATTENDANTS

10 **SEC. 38. *Delivery Vehicles, Drivers and Attendants.*** - All trucks
11 and other vehicles used for transporting and delivering LPG cylinders
12 shall be open and the same shall be registered with the DOE, in
13 accordance with the guidelines to be promulgated by the DOE, in
14 consultation with the LPG industry participants and other agencies
15 concerned. All haulers shall display on their delivery trucks or vehicles a
16 prominent DOE signage. Failure to register the delivery vehicle shall give
17 rise to a presumption that the vehicle is not duly authorized to transport
18 LPG.

19 Vehicles not registered and without the appropriate DOE signage
20 shall be seized or impounded by the DOE. Guidelines for the
21 accreditation of drivers and attendants for LPG delivery vehicles shall be
22 prescribed by the DOE upon prior consultation with the LPG industry
23 participants and other government agencies concerned.

24

25

CHAPTER XII

LPG CYLINDER EXCHANGE, SWAPPING AND REHABILITATION

27 **SEC. 39. *LPG Cylinder Exchange, Swapping and***
28 ***Rehabilitation.*** - Immediately upon the effectivity of this Act, the DOE
29 shall organize all LPG refiners, importers, bulk suppliers, refillers,
30 dealers and retail outlets, hereinafter referred to as the "Program
31 Participants", to form and become part of an Alliance System for the
32 implementation of the LPG Cylinder Exchange, Swapping and
33 Rehabilitation Program, hereinafter referred to as the "Program". Under
34 the Alliance System, the Program Participants shall enter into exclusive
35 Contracts of Affiliation, provided that, at the retail level, the DOE, after
36 due consideration, may allow the affiliation to be non-exclusive.
37 Thereafter, the Program Participants shall submit to the DOE particulars

1of affiliation and/or proof of compliance in the formation of alliances. The
2Program is mandatory upon all such Program Participants. Deliberate
3refusal to participate in the Program shall be dealt with administratively.

4 The DOE shall, in consultation with the DTI, Program Participants,
5concerned government agencies and other stakeholders, formulate the
6appropriate rules necessary to govern the Program, including appropriate
7sanctions for violation thereof: *Provided*, That the Program shall be
8governed by the following principles and standards:

9 (a) The safety of the cylinder for the benefit of the consumer
10shall be the priority concern. Any procedure in the implementation of
11the Program which may significantly increase the retail costs of a LPG
12cylinder, shall be subject to consultations with consumer groups and
13Program Participants by the DOE; and

14 (b) The Program shall take into consideration the following
15factors:

16 i) The prevailing economic conditions of the LPG
17 industry, including but not limited to, the supply of LPG including
18 the levels of import and domestic production of LPG adjusted for
19 applicable foreign exchange rates, the demand for LPG including
20 the levels of household and bulk use, as well as the prevailing
21 prices of LPG, among others;

22 ii) The number of LPG cylinders and ancillary equipment,
23 classified into its usability and cost effectiveness;

24 iii) The developments in LPG safety technology and the
25 energy sector in general;

26 iv) The statistics and other information on the level of
27 injuries from LPG related incidents as well as safety compliance
28 by each and all industry participants; and

29 v) Such other factors that may affect the viability of the
30 LPG industry particularly on its safety and affordability.

31 The OIMB of the DOE shall be in-charge of the implementation of
32the Program.

33

34

CHAPTER XIII

35

QUALITY STANDARDS

36

SEC. 40. *Promulgation of Quality Standards.* - In order to
37promote the use of environmentally safe and worker-benign technologies

land processes and reduce safety risks and operational hazards, LPG industry participants are hereby required to comply with the quality standards established by the DOE for the LPG industry consistent with the PNS formulated by the BPS. The quality standards shall provide for, but not be limited to, the following:

- 6 a) Primary Storage Facilities;
- 7 b) LPG Cylinder-Filling Plants and Facilities;
- 8 c) Bulk-Loading, Unloading and Transportation of LPG;
- 9 d) Dealers and Retail Outlets; and
- 10 e) Auto-LPG Stations.

11 The DOE shall, in consultation with the LPG industry participants, formulate the specific guidelines for mandatory compliance with the established quality standards and enforce the appropriate sanctions for violations thereof: *Provided*, That nothing in this Act shall allow licensees for refilling plants, dealers and retailers to sell ancillary equipment not authorized by the LPG brand owner: *Provided, further*, That the DOE shall, in formulating the quality standards in this Act, when applicable, adopt the Philippine LPG Association Safety Code and the applicable international safety standards for the LPG industry including, but not limited to, Pamphlet 58 of the National Fire Protection Association (NFPA 2158), otherwise known as the “Liquefied Petroleum Gas Code.”

22

23 CHAPTER XIV

23

24 PROHIBITED ACTS, FINES AND PENALTIES

24

25 **SEC. 41. *Engaging in Business Without License to Operate.*** –

26 Any LPG industry participant who engages in business without securing
27 a License to Operate from the DOE as required under Chapter III of this
28 Act shall be penalized with a fine of Five thousand pesos (P5,000.00) for
29 an individual and Ten thousand pesos (Php10,000.00) for a corporation,
30 for each day of operation without a License to Operate: *Provided*, That
31 the maximum fine to be imposed shall be Five million pesos
32 (P5,000,000.00) for an individual and Ten million pesos (P10,000,000.00)
33 for a corporation.

34 **SEC. 42. *Engaging in Business Without Accreditation.*** - Any
35 person who engages in the business of manufacturing LPG cylinder seals
36 or of re-qualifying, repairing or scrapping LPG cylinders without first
37 securing a certificate of accreditation from the DTI as provided under this

1Act, shall be penalized with a fine of Three thousand pesos (P3,000.00)
2for an individual and Five thousand pesos (P5,000.00) for a corporation,
3for each day of operation without a certificate of accreditation: *Provided*,
4That the maximum fine to be imposed shall be Five million pesos
5(P5,000,000.00) for an individual and Ten million pesos (P10,000,000.00)
6for a corporation.

7 **SEC. 43. Obstruction of Inspection.** - Any LPG industry
8participant who refuses, prevents or obstructs the inspection of its
9premises and records as provided under Chapter III of this Act shall be
10penalized with a fine of Three Hundred thousand pesos (Php300,000.00)
11for an individual and Five hundred thousand pesos (Php500,000.00) for
12a corporation, for each instance of violation, or imprisonment of at least
13six (6) months but not more than two (2) years, or both at the discretion
14of the court.

15 **SEC. 44. Failure to Post License to Operate.** - Any LPG
16industry participant concerned who fails or refuses to post its License to
17Operate as required under Chapter III of this Act and as required by the
18DOE, shall be penalized with a fine not exceeding Five thousand pesos
19(Php5,000.00) for each instance of violation.

20 **SEC. 45. Failure to Submit Reportorial Requirements.** - Any
21LPG industry participant concerned who fails to submit periodic reports
22as may be required by the DOE, within a reasonable period and in the
23manner prescribed by the DOE, shall be penalized with a fine of Ten
24thousand pesos (Php10,000.00)for an individual and Twenty thousand
25pesos (Php20,000.00) for a partnership or corporation for each instance
26plus a surcharge not exceeding One thousand (Php1,000.00) for an
27individual and Five thousand pesos (Php5,000.00) for a partnership or
28corporation for each day of delay of submission.

29 **SEC. 46. Illegal Storage.** - Any refiner, importer, refiller, hauler,
30dealer, retail outlet or bulk consumer who stores LPG in bulk without
31obtaining a License to Operate or Certificate of Non-Coverage as
32applicable which is required under Chapter III of this Act shall, upon
33conviction, be penalized with a fine of not less than Twenty thousand
34pesos (Php20,000.00) but not more than One hundred thousand pesos
35(Php100,000.00), or imprisonment of at least six (6) months but not more
36than two (2) years, or both, at the discretion of the court: *Provided*, That

1the second and subsequent violations shall be penalized with both fine
2and imprisonment as provided herein.

3 **SEC. 47. Failure to Comply with Product Standards.** - Any
4concerned LPG industry participant who, by act or omission, fails to
5comply with plant or product standards set by the DOE with respect to
6their specific activity shall, upon conviction, be penalized as follows:

7 a) Non-compliance with DOE mandatory
8requirements on safety designs for refilling plants, equipment, depots,
9centralized LPG distribution systems and similar facilities shall be
10penalized with a fine of not less than Fifty thousand pesos
11(Php50,000.00) but not more than One million pesos (Phpl,000,000.00)
12or imprisonment of at least six (6) months but not more than two (2)
13years, or both at the discretion of the court: *Provided*, That nothing in
14this paragraph shall preclude the court from ordering the closure of the
15facility until such time that the mandatory requirements have been met;
16and

17 b) Failure to secure the required PNS Certificate
18for LPG cylinders shall be penalized with a fine of Five thousand pesos
19(Php5,000.00) for an individual or Ten thousand pesos (Phpl0,000.00) for
20a corporation, for each non-compliant LPG cylinder used and distributed
21to consumers, or imprisonment of at least six (6) months but not more
22than two (2) years, or both at the discretion of the court: *Provided*, That
23the maximum fine to be imposed shall be Five hundred thousand pesos
24(Php500,000.00) for an individual and One million pesos
25(Phpl,000,000.00) for a corporation: *Provided, further*, That the second
26and subsequent violations shall be penalized with both fine and
27imprisonment as provided herein: *Provided, finally*, That this section
28shall not apply unless the LPG cylinder is in the possession of an illegal
29refiller or trader.

30 **SEC. 48. Adulteration.** - A refiner, importer, refiller, piped gas
31provider, dealer or retail outlet who mixes LPG with another finished or
32unfinished petroleum product or stock or with any non-petroleum
33substance or material that will result in product quality change or in the
34failure of the LPG to meet the required product specifications of the DOE,
35shall, upon conviction, be penalized with a fine of Ten thousand pesos
36(P10,000.00) for an individual and Twenty thousand pesos
37(Php20,000.00) for a corporation, for each LPG cylinder containing

1 adulterated LPG, or imprisonment of at least six (6) months but not more
2 than two (2) years, or both, at the discretion of the court: *Provided*, That
3 the second and subsequent violations shall be penalized with both fine
4 and imprisonment: *Provided further*, That the maximum fine to be
5 imposed shall be Five hundred thousand pesos (Php500,000.00) for an
6 individual and One million pesos (Php1,000,000.00) for a corporation.

7 **SEC. 49. Underfilling.** - When the net quantity of LPG contained
8 in LPG cylinders sold, transferred, delivered or filled by refillers is less
9 than the LPG cylinder content required by the DOE at the filling plant,
10 the refiller shall, upon conviction, be penalized with a fine of Five
11 thousand pesos (Php5,000.00) for an individual and Ten thousand pesos
12 (Php10,000.00) for a corporation for each underfilled LPG cylinder or with
13 imprisonment of at least six (6) months but not more than two (2) years,
14 or both, at the discretion of the court: *Provided*, That second and
15 subsequent violations shall be penalized with both fine and
16 imprisonment: *Provided, further*, That the maximum fine to be imposed
17 shall be Five hundred thousand pesos (Php500,000.00) for an individual
18 and One million pesos (Php1,000,000.00) for a corporation. When the net
19 quantity of LPG in cylinders sold, transferred, or delivered by dealers or
20 retail outlets is less than three tenths of one kilogram (0.30 Kg) or the
21 DOE-required LPG cylinder content quantity, the dealers or retail outlets
22 shall be penalized with the same fines mentioned earlier in this
23 paragraph.

24 A broken, tampered, absent or removed seal shall give rise to the
25 presumption that the LPG cylinder is underfilled. An LPG cylinder
26 containing less than the required LPG quantity which is not so identified
27 and set apart or taken out from the sales area by dealers or retail outlets
28 is presumed to be for sale.

29 **SEC. 50. Illegal Refilling.** - The following shall constitute illegal
30 refilling of LPG cylinders under this Act:

31 a) Refilling of LPG cylinder by a person or entity other than the
32 rightful owner thereof, unless an expressed permission is granted by the
33 owner for such refilling as evidenced by a written contract or similar
34 instrument;

35 b) Refilling of LPG cylinder with a brand, trademark, trade
36 name, or registered business name other than that of the brand owner

indicated on the LPG cylinder tank, otherwise called "pirate filling" or "cross-filling";

3 c) Refilling of LPG cylinder without the embossed markings or
4 other indication of the brand or trade name thereof, or bearing defaced,
5 stamped or illegible markings contrary to the mandatory labelling and
6 stamping requirements under this Act;

7 d) Refilling of LPG cylinder which is due for repair, re-
8 qualification or scrapping as provided in this Act, or is subject to the
9 recall or prohibition order of the DOE;

10 e) Filling of LPG cylinder directly from LPG tank trucks without
11 the use of approved filling machines;

12 f) Refilling LPG from one LPG cylinder to another without using
13 the prescribed equipment;

14 g) Backyard refilling of LPG cylinder other than in properly
15 designed LPG refilling plants;

16 h) Filling LPG cylinder with products or substances other than
17 LPG in an effort to achieve the correct net weight;

18 i) Refilling of LPG cylinders for household or commercial use
19 by Auto-LPG Dispensing Stations;

20 j) Any other refilling of LPG cylinders in violation of the
21 mandatory requirements or prescribed standards under this act; and

22 k) Unauthorized loading of bulk LPG tanks in industrial
23 accounts.

24 An LPG industry participant found guilty of illegal refilling under
25 this section shall, upon conviction, be penalized with a fine of Ten
26 thousand pesos (Php10,000.00) for an individual and Twenty thousand
27 pesos (Php20,000.00) for a corporation, for each illegally-filled or refilled
28 LPG cylinder, or imprisonment of at least six (6) months but not more
29 than two (2) years, or both, at the discretion of the court: *Provided*, That
30 second and subsequent violations shall be penalized with both fine and
31 imprisonment: *Provided, further*, That the maximum fine to be imposed
32 shall be Five million pesos. (Php5,000,000.00) for an individual and Ten
33 million pesos (Php10,000,000.00) for a corporation.

34 **SEC. 51. Hoarding.** - Any concerned LPG industry participant
35 who, before a price increase or in times of tight supply, unduly
36 accumulates LPG products beyond his normal inventory levels and
37 unreasonably limits or refuses to dispose of, sell, or distribute LPG

1 products to the general public, even if the buyer or consumer has the
2 ability to pay in cash for the LPG products, shall, upon conviction, be
3 penalized with a fine of at least One hundred thousand pesos
4 (Php100,00.00) but not more than One million pesos (Php1,000,000.00)
5 and imprisonment of at least six (6) months but not more than two (2)
6 years.

7 For purposes of this Act, it shall be considered as *prima facie*
8 evidence of hoarding when the following conditions concur:

9 a) said participant has stocks of LPG products fifty percent
10 (50%) higher than his usual inventory; and

11 b) unreasonably limits, refuses, or fails to sell the same to the
12 general public at the time of discovery of the stocks. The determination of
13 said participant's usual inventory shall be reckoned from the third (3rd)
14 month immediately preceding the discovery of the stocks in case said
15 participant has been engaged in the business for at least three (3)
16 months; otherwise, it shall be reckoned from the time he started his
17 business.

18 **SEC. 52. Unauthorized Trading of LPG Cylinders.** - Any
19 concerned LPG industry participant who, without the consent of the LPG
20 cylinder owner, stores empty LPG cylinders in quantities in excess of
21 those allowed by the DOE, through LPG cylinder swapping and other
22 similar industry practices and exchanges, barter, sells, distributes or
23 otherwise transfers ownership and/or possession thereof to a person or
24 entity other than the LPG cylinder owner and without the authority of
25 the LPG cylinder owner shall, upon conviction, be penalized with a fine of
26 Three thousand pesos (Php3,000.00) for an individual and Six thousand
27 pesos (Php6,000.00) for each illegally-stored or sold empty LPG cylinder,
28 or imprisonment of at least six (6) months but not more than two (2)
29 years, or both, at the discretion of the court: *Provided*, That second and
30 subsequent violations shall be penalized with both fine and
31 imprisonment. *Provided, further*, That the maximum fine to be imposed
32 shall be Three hundred thousand pesos (Php300,000.00) for an
33 individual and Six hundred thousand pesos (Php600,000.00) for a
34 corporation.

35 **SEC. 53. Tampering of LPG Cylinders and Similar Acts.** - Any
36 person who destroys, tampers, alters, or modifies LPG cylinders through
37 any means such as, but not limited to, changing the LPG cylinder valve,

1 repainting and re-labelling, by any person other than the LPG cylinder
 2 owner shall, upon conviction, be penalized with a fine of Five thousand
 3 pesos (Php5,000.00) for an individual and Ten thousand pesos
 4 (Php10,000.00) for a corporation, for each tampered or altered LPG
 5 cylinder, or imprisonment of at least six (6) months but not more than
 6 two (2) years, or both, at the discretion of the court: *Provided*, That
 7 second and subsequent violations shall be penalized with both fine and
 8 imprisonment: *Provided, further*, That the maximum fine to be imposed
 9 shall be Five million pesos (Php5,000,000.00) for an individual and Ten
 10 million pesos (Php10,000,000.00) for a corporation.

11 **SEC. 54. *Illegal Possession of LPG Cylinder Seal.*** - Any person
 12 found in possession of LPG cylinder seals, including the seals already
 13 used in the LPG cylinders without authority from the LPG cylinder owner
 14 or its authorized refiller shall, upon conviction, be penalized with a fine
 15 of Five thousand pesos (Php5,000.00) for an individual and Ten
 16 thousand pesos (Php10,000.00) for a corporation, for each LPG seal found
 17 in its or his possession, or imprisonment of at least six (6) months but
 18 not more than two (2) years, or both, at the discretion of the court:
 19 *Provided*, That second and subsequent violations shall be penalized with
 20 both fine and imprisonment: *Provided, further*, That the maximum fine to
 21 be imposed shall be Five million pesos (Php5,000,000.00) for an
 22 individual and Ten million pesos (Php10,000,000.00) for a corporation.

23 **SEC. 55. *Failure to Comply with Weighing Device***
 24 ***Requirements.*** - Any refiner, importer, refiller, dealer or retail outlet who
 25 fails to comply with the requirements pertaining to weighing devices
 26 under Chapter VIII of this Act, shall be penalized with a fine of Ten
 27 thousand pesos (Php10,000.00) for an individual or Twenty thousand
 28 pesos (Php20,000.00) for a corporation.

29 **SEC. 56. *Overloading.*** - Any hauler who loads and transports, or
 30 permits the loading and transportation of LPG cylinders quantities
 31 greater than the rated capacity of the vehicle or in such a manner that
 32 endangers the life and safety of its passengers or the public, shall be
 33 penalized with a fine of Twenty thousand pesos (Php20,000.00) for an
 34 individual and Fifty thousand pesos (Php50,000.00) for a corporation:
 35 *Provided*, That the penalties provided herein shall be without prejudice to
 36 its liability under other laws for any damage or injury to person or
 37 property.

1 **SEC. 57. Importation of Used or Second-Hand LPG Cylinders.**

2- Any person who imports used or second-hand LPG cylinders or
3containers, without securing authority to import from the DTI, shall,
4upon conviction, be penalized with a fine of One hundred thousand
5pesos (Php100,000.00) or Three thousand pesos (Php3,000.00) per LPG
6cylinder or container whichever is higher and imprisonment of at least
7six (6) months and one (1) day to two (2) years.

8 **SEC. 58. Sale or Distribution to Non-complying Persons or**

9**Entities.** – Any LPG cylinder manufacturer, refiner, importer, refiller,
10dealer or retail outlet who knowingly sells or distributes LPG products,
11LPG cylinders or LPG seals to persons or entities committing any of the
12prohibited acts provided in this Act and in such other issuances or
13orders to be issued by the DOE or the DTI as the case may be, shall
14upon conviction, be penalized for each sale or distribution with a fine of
15not less than One hundred thousand pesos (Php100,000.00) but not
16more than Five hundred thousand pesos (Php500,000.00) or
17imprisonment of at least six (6) months but not more than two (2) years,
18or both at the discretion of the court.

19 **SEC. 59. Pilferage of LPG.** - Any person who pilfers LPG shall,

20upon conviction, be penalized with a fine of One million pesos
21(Php1,000,000.00) for an individual and Two million pesos
22(Php2,000,000.00) for a corporation or imprisonment of at least six (6)
23months but not more than two (2) years, or both, at the discretion of the
24court: *Provided*, That second and subsequent violations shall be
25penalized with both fine and imprisonment: *Provided, further*, That the
26maximum fine to be imposed shall be Five million pesos
27(Php5,000,000.00) for an individual and Ten million pesos
28(Php10,000,000.00) for a corporation.

29 **SEC. 60. Sale or Distribution of LPG-filled Cylinders Without**

30**Seals.** – Any person, brand owner, its authorized refiller, dealer or retail
31outlet who sells or distributes LPG-filled cylinders without seal, with
32tampered or broken seals, or with seal not belonging to the brand owner
33shall, be penalized with a fine of not less than One thousand pesos
34(Php1,000.00) for an individual and Two thousand pesos (Php2,000.00)
35for a corporation or partnership for each LPG cylinder or imprisonment
36of at least six (6) months but not more than two (2) years, or both, at the
37discretion of the court: *Provided*, That the maximum fine to be imposed

1 shall be Three hundred thousand pesos (Php300,000.00) for an
2 individual and Six hundred thousand pesos (Php600,000.00) for a
3 partnership or corporation.

4 **SEC. 61. Refusal to Refund the Deposit.** – Any authorized dealer
5 or retail outlet that refuses to refund the deposit on the LPG cylinder to
6 any consumer shall be administratively charged and upon proper proof,
7 shall be imposed a fine of One thousand five hundred pesos
8 (Php1,500.00) for each LPG cylinder and a warning that its License to
9 Operate shall be suspended or revoked: *Provided*, That second and
10 subsequent violations thereof shall be imposed a fine of Three thousand
11 pesos (Php3,000.00) per LPG cylinder and the suspension and revocation
12 of its License to Operate.

13 **SEC. 62. Non-participation in the LPG Cylinder Exchange,**
14 **Swapping and Rehabilitation Program.** – Any LPG refiner, importer,
15 bulk supplier, refiller, dealer or retail outlet that deliberately refuses to
16 participate in the LPG Cylinder Exchange, Swapping and Rehabilitation
17 Program under Chapter XII of this Act shall be charged administratively
18 and the suspension or revocation, after due notice and hearing, of its
19 License to Operate.

20 **SEC. 63. Other Prohibited Acts.** – The following acts shall
21 likewise be declared unlawful:

22 a) Manufacture, sale or distribution of LPG cylinders to the
23 local market without the necessary PS marks and other markings as
24 required by the PNS and its future amendments, or the detailed standard
25 governing LPG cylinder manufacture, requalification and repair;

26 b) Sale and distribution of LPG cylinders considered
27 substandard as defined by the PNS;

28 c) Manufacture or sale of LPG cylinders carrying a brand name,
29 logo, mark or distinction without the express approval of the registered
30 brand owner;

31 d) Manufacture of LPG cylinders using substandard or non-
32 industrial steel plates;

33 e) Wrong or misleading information stamped on the LPG
34 cylinder such as the tare weight; and

35 f) Knowingly selling illegally-filled or refilled LPG cylinders by
36 marketers, dealers or retail outlets;

1 A fine of at least One hundred thousand pesos (Php100,000.00)
2but not more than One million pesos (Php1,000,000.00) and
3imprisonment of at least six (6) years and one (1) day to twelve (12) years
4shall be imposed on any person, firm, partnership or corporation found
5guilty of committing any of the other prohibited acts enumerated above.

6 **SEC. 64. *Suspension or Revocation of Local Business License***
7***or Mayor's Permit.*** - The penalties provided herein shall be without
8prejudice to the suspension or revocation of the local business license or
9Mayor's permit issued by the appropriate LGU to the LPG industry
10participant concerned as provided in Chapter III of this Act.

11 **SEC. 65. *Imposition of Administrative Penalty.*** - The DOE may,
12in addition to or in lieu of the institution of a criminal action in the
13proper court, impose an administrative penalty ranging from Twenty
14thousand pesos (P20,000.00) to Five hundred thousand pesos
15(P500,000.00) for each offense in this Chapter and such other violations
16of this Act.

17 **SEC. 66. *"Strike Three" Penalty.*** - Any person convicted with
18finality of violating the provisions of this Act for three (3) instances shall
19be perpetually disqualified from engaging in any activity in the LPG
20industry.

21 **SEC. 67. *Publication of Persons Convicted of Violations of this***
22***Act.*** - The DOE shall, on a quarterly basis, publish in a newspaper of
23general circulation, the names of LPG industry participants convicted
24with finality of violations of this Act.

25 **SEC. 68. *Violations by Juridical Entities.*** - If the violation is
26committed by a corporation, partnership, association or other juridical
27entity, the penalty of imprisonment shall be imposed on the responsible
28directors or officers thereof. If the offender is an alien, he shall be
29deported immediately, without further proceedings, after service of
30sentence.

31 **CHAPTER XV**

32 **EDUCATION AND RESEARCH**

33 **SEC. 69. *Usage Requirements for Customers and End-Users.*** -
34The DOE and the DTI shall jointly undertake educational and
35information dissemination activities to enhance customer awareness
36among LPG consumers and end-users. In addition to such educational
37program, the DOE and the DTI, after consultation with the LPG industry

1participants, may prescribe rules and regulations in relation to the
2following:

3 (a) For industrial or large end-users, installation of sign at
4storage facilities;

5 (b) Use of only branded, legally-filled and certified LPG
6cylinders; and

7 (c) Installation of LPG appliances and devices approved by the
8DTI: *Provided*, That such appliances and devices shall be installed only
9by qualified servicemen as provided in this Act.

10 **SEC. 70. Public Information Campaign.** - The DOE shall, in
11coordination with the Philippine Information Agency, the DILG and such
12other appropriate government agencies, develop and implement an
13effective strategy for the dissemination of information to the public about
14LPG cylinder quality and safety.

15 **SEC. 71. Development Research.** - The DOE shall, in
16coordination with the DOST and the DTI, conduct study and research for
17the purpose of developing more efficient methods of providing safe, clean
18and hazard-free LPG consumers.

19

20 CHAPTER XVI

21 FINAL PROVISIONS

22 **SEC. 72. Implementing Rules and Regulations.** - Unless
23otherwise expressly provided in this Act, the DOE shall, in consultation
24with the DTI, other appropriate agencies, the LPG industry participants
25and consumer groups, be the lead agency with the responsibility to
26formulate, issue and promulgate the necessary implementing rules and
27regulations within one hundred eighty (180) days from the effectivity of
28this Act.

29 **SEC. 73. Transition Phase.** - In order to provide a smooth
30implementation of the monitoring and supervisory mechanisms provided
31herein, the LPG industry participants shall be given a grace period of one
32hundred eighty (180) days from the effectivity of this Act, within which to
33comply with the provision hereof: *Provided*, That during the transition
34period, the LPG industry participants shall continue to be bound and
35made liable under the provisions of existing laws, rules and regulations
36not otherwise repealed by this Act. LPG industry participants already
37legally engaged in business upon the effectivity of this Act and who are

1required to secure a License to operate prior to the renewal of their
2business licenses as provided in Chapter III of this Act shall not be
3required to obtain a License to Operate for the duration of the grace
4period.

5 **SEC. 74. Joint Congressional Oversight Committee.** – There is
6hereby created a Joint Congressional Oversight Committee to monitor
7the implementation of this Act. The committee shall be composed of five
8(5) senators and five (5) representatives to be appointed by the Senate
9President and the Speaker of the House of Representatives, respectively.
10The oversight committee shall be jointly chaired by the Chairmen of the
11Senate Committees on Energy and Trade and Commerce and the House
12Committees on Energy and Trade and Industry: *Provided*, That the
13Minority in both the Senate and the House of Representatives shall be
14equitably represented therein.

15 The mandate given to the Joint Congressional Oversight
16Committee under this Act shall be without prejudice to the performance
17of the duties and functions by the respective existing oversight
18committees of the Senate and the House of Representatives.

19 **SEC. 75. Legal Assistance to Public Officials.** - Public officials
20or other authorized persons acting under the direction of the Secretaries
21of the DOE, the DTI, the DILG and other concerned government agencies
22shall be provided with free legal assistance, liability insurance and other
23forms of protection and indemnification for all costs and expenses
24reasonably incurred by such persons, in connection with any civil
25and/or criminal action, suit or proceeding to which they may be or have
26been made a party by reason of the performance of their functions or
27duties, unless they are finally adjudged in such action or proceeding to
28be liable for gross negligence or misconduct or grave abuse of discretion.

29 **SEC. 76. Separability Clause.** – If for any reason, any chapter,
30section or provision of this Act shall be declared unconstitutional, illegal,
31or invalid, such parts not affected thereby shall remain in full force and
32effect.

33 **SEC. 77. Repealing Clause.** - All laws, decrees, executive orders,
34proclamations and administrative regulations, or parts thereof
35inconsistent herewith are hereby repealed or modified accordingly.

1

1 **SEC. 78. *Effectivity Clause.*** - This Act shall take effect after
2fifteen (15) days after its publication in the Official Gazette or in at least
3two (2) newspapers of general circulation.

Approved,

4