

FURTHER AMENDING REPUBLIC ACT NUMBERED SIXTY-ONE HUNDRED AND SEVENTY THREE AS AMENDED, OTHERWISE KNOWN AS THE OIL INDUSTRY COMMISSION ACT BY AMPLIFYING THE PURPOSES OF THE SPECI...

PRESIDENTIAL DECREE NO. 456, May 15, 1974

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WHEREAS, under Section 7(j) of Republic Act No. 617H, as amended, a Special Fund was created to be utilized directly or in the form of loans through financial institutions of the government, for projects relating to the consumption or use of crude oil, gas and other petroleum products; the development of other sources of energy; for exploration and researches on conservation, anti-pollution and other similar studies; and to subsidize importation of crude oil and refined petroleum products by the government agencies and government owned or controlled corporations to assure adequate and continuous supply of petroleum products at reasonable prices;

WHEREAS, there is a need to redefine and amplify the purposes of the Special Fund;

WHEREAS, in order to generate funds with which to conduct and thereby carry out successfully those economic and social projects to be financed by the Special Fund, it is necessary to adopt adequate measures for its financing;

WHEREAS, the foregoing objective can be achieved by authorizing the Oil Industry Commission to require payment within certain prescribed limits by those engaged in the petroleum industry to said Special Fund;

WHEREAS, the Commission may avail itself of said authority in order to regulate and rationalize prices of petroleum products in line with announced policy of the government to encourage conservation and disciplined use of petroleum products;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the following as part of the law of the land:

SECTION 1. Section 7(j) of Republic Act No. 6173, as amended, is hereby amended to read as follows:

"SEC. 7(j). Whenever an authorized increase in the prices of petroleum products would result in an extraordinary gain from existing inventories, the Commission is hereby empowered to take measures, including the payment by the persons or companies benefited, to a Special Fund which is hereby created, of such amounts as the Commission may determine in an appropriate order, as would assure that said extraordinary gain shall redound to the public interest.

Until otherwise provided, the Special Fund herein created shall be utilized for projects relating to the consumption or use of crude oil, gas, and other petroleum products; for the development of other sources of energy; for exploration and researches on conservation, anti-pollution and other similar studies; to subsidize importation of crude oil and refined petroleum products by government agencies, or government owned or controlled corporations, to assure adequate and continuous supply of petroleum products at reasonable prices; and such other special economic and social projects as may be determined by the President of the Philippines. The Special Fund

shall be administered as the President may direct."

SEC. 2. A new section shall be inserted between Sections 15 and 16 of Republic Act No. 6173, as amended, to be known and cited as Section 15-A to read as follows:

"SEC. 15-A. Payment to Special Fund.—The Commission is hereby empowered to require through an appropriate order, payment by persons or companies engaged in the business of importing, manufacturing and/or marketing petroleum products, to the Special Fund created under Section 7(j) of this Act, of amounts not exceeding fifteen centavos (P0.15) per liter of refined petroleum products. In the exercise of this power, the Commission shall take into account the requirements of the Special Fund in relation to the purposes for which it was created, the effect of the payment on prices of petroleum products and corollarily, its cost impact on the economy and/or the consuming public and the cost and profit levels of the industry."

SEC. 3. All acts, executive orders, administrative orders, rules and regulations or parts thereof which are inconsistent herewith are hereby revoked or modified accordingly.

SEC. 4. This Decree shall take effect upon its approval.

Done in the City of Manila this 15th day of May, in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.)

FERDINAND E. MARCOS

President of the Philippines

By the President:

(Sgd.)

ALEJANDRO MELCHOR

Executive Secretary

Attachment I

BREAKDOWN OF APRIL 16 PRICE INCREASE

(Centavos Per Liter)

Products

Subsidy to
Special Fuld

Special Tax

Total
Increase

1.

LPG

7.5

—

7.5

2.

Premium

10.0

4.0

14.0

3.

Regular

10.0

4.0

14.0

4.

Avturbo

7.0

—

7.0

5.

Kerosene

11.0

—

11.0

6.

Solvents

9.0

—

9.0

7.

Diesel

8.0

.5

8.5

8.

Fuel Oil

7.6

.5

8.1

9.

Asphalt

9.0

—

9.0

10.

Lubes

—

20.0

20.0

AVERAGE

8.5

1.5

10.0

Attachment II

SUGGESTED PRICE INCREASE FOR OIL COMPANIES

Products

To the Oil
Companies

To the
Special Fund

Total
Increase

LPG

5.5

2.0

7.5

Premium

6.5

3.5

10.0

Regular

6.5

3.5

10.0

Avturbo

4.5

2.5

7.0

Kerosene

8.5

2.5

11.0

Solvents

6.5

2.5

9.0

Diesel

5.5

2.5

8.0

Fuel Oil

5.6

2.0

7.6

Asphalt

6.5

2.5

9.0

AVERAGE

6.0

2.5

8.5

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