

[EXECUTIVE ORDER NO. 134, October 14, 2002]

**REQUIRING OIL COMPANIES AND BULK SUPPLIERS TO
MAINTAIN A SUFFICIENT MINIMUM INVENTORY OF
PETROLEUM, FOR PURPOSES OF ENSURING CONTINUITY,
ADEQUACY AND STABILITY OF CRUDE AND FUEL SUPPLY**

WHEREAS, the Philippines has, pursuant to a program of diversifying fuel sources for power generation, reduced its dependence on fossil fuels for power requirements;

WHEREAS, the above development notwithstanding, the country is still largely dependent on imported oil for the transportation sector;

WHEREAS, recent and prevailing domestic and international events, such as the escalating tensions and conflicts obtaining in Middle Eastern countries, have highlighted the need for the country to adopt and implement prudent initiatives to ensure continuous, adequate and stable supply of petroleum products in response to imminent and actual threats to our petroleum supply;

WHEREAS, under the Downstream Oil Industry Deregulation Act of 1998 (RA 8479), in relation to the Department of Energy Act of 1992 (RA 7638), the Secretary of Energy is authorized to exercise such powers concomitant with the policy of ensuring continuous, adequate and stable supply of energy, in respect of the conservation, stockpiling and storage of energy resources.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. All oil companies and bulk suppliers operating in the country shall maintain a minimum inventory of petroleum stock in an amount sufficient to ensure a continuous, adequate and stable supply of petroleum products should domestic and international events, such as, but not limited to terrorist attacks, armed conflicts in the Middle East and in other regions whence the Philippines draws or secures its petroleum supply, threaten or restrict the supply of petroleum to the Philippines.

SECTION 2. To comply with the requirements under Section 1 of this Order, the Secretary of Energy is hereby directed to:

- (i) determine the existence of the circumstances envisaged in Section 1 that would trigger the application of the minimum inventory requirements; the types and mix of petroleum products to be stocked by the oil companies and bulk suppliers; the appropriate levels of minimum petroleum inventory of oil companies and bulk suppliers; and the commencement and duration of compliance by the oil companies and bulk suppliers therewith;