

**[ DOE Department Circular No. DC2015-06-0006,  
June 10, 2015 ]**

**PROVIDING FOR THE GUIDELINES IN THE CONDUCT OF  
INSPECTION USING MOBILE MONITORING AND TESTING  
LABORATORY**

*Adopted: 10 June 2015*

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**WHEREAS,** Republic Act No. 8479 otherwise known as the "Downstream Oil Industry Deregulation Act of 1998", applies to all persons or entities engaged in any and all activities of the domestic downstream oil industry and mandates the Department of Energy to ensure a truly competitive market under a regime of fair prices, adequate and continuous supply of environmentally-clean and high quality petroleum products;

**WHEREAS,** Section 14 of RA 8479 empowers the DOE and DOE Secretary to monitor the quality of petroleum products and stop the operation of businesses involved in the sale of petroleum products which do not comply with the national standards of quality that are aligned with the national standards/protocols of quality;

**WHEREAS,** RA 9367, otherwise known as the "Biofuels Act of 2006" mandates that all liquid fuels for motors and engines sold in the Philippines shall contain locally-sourced biofuels components and empowers the DOE to stop the sale of biofuels and biofuel-blended gasoline and diesel that are not in conformity with the specifications provided for under the Act, Philippine National Standards (PNS) and corresponding issuances of the DOE;

**WHEREAS,** Department Circular No. 2007-05-0006 (Rules and Regulations Implementing RA No. 9367) and the Joint Administrative Order No. 2008-1, Series of 2008 define the sale and possession of biofuel and biofuel blends which do not conform to the PNS as a prohibited act;

**WHEREAS,** DOE Department Circular Nos. 2003-11-010, 2007-05-06, 2011-02-0001 and 2013-09-0021, prescribe the rules and regulations governing the quality of liquid fuels and the minimum standards per type of liquid fuels;

**WHEREAS,** based on the regular monitoring of the DOE, there is a continuous proliferation of liquid fuels in the market which are non-compliant with the PNS;

**WHEREAS,** the DOE's programs to protect the public against off-specs, non-compliant and adulterated liquid fuels can be fully complemented through the use of a mobile monitoring and testing laboratory (MMTL); and

**WHEREAS,** the DOE through the OIMB, in its effort to have an accurate outputs for the MMTL has correlated its results to a laboratory-based results of the oil companies.

**NOW, THEREFORE,** for and in consideration of the foregoing premises, the DOE shall use its mobile monitoring and testing laboratory and shall implement the following guidelines:

## **RULE I**

### **Product Sampling, Retention, Testing and Results Generation**

**Section 1. Product Sampling and, Retention.** The OIMB and its Field Offices' counterparts, known here as Inspectors, shall be allowed to gather samples of liquid fuels being offered for sale by the gasoline station in such volume prescribed under DOE issuances or as indicated in the Special Assignment covering the said inspection. A certain volume shall be taken from the gathered samples and placed in a separate container which shall be turned over to and retained by the dealer/owner or responsible person.

**Section 2. Product Testing and Result Generation.** The Inspectors shall test, process and analyze the gathered sample/s in the MMTL for purposes of determining compliance with the PNS on the minimum biofuel-blend by volume, more specifically on FAME and Ethanol contents. These shall be witnessed by the dealer/owner or responsible person.

In the event that the dealer/owner or responsible person opts not to be present or witness the testing and analysis, the testing shall proceed and the Inspectors shall note such refusal in the Inspection and Testing Report (ITR). Results of the test shall be recorded in the ITR. A copy of the ITR, complete with the results of the inspection, both quantity and quality, signed by Inspectors shall be provided to the dealer/owner or responsible person.

If the results of the test show that the gathered samples of liquid fuels comply with the PNS on the minimum biofuel-blend by volume, more specifically on FAME and Ethanol contents, no further action shall be made.

If the results of the test show that the gathered samples of the liquid fuels do not comply with the PNS on the minimum biofuel-blend by volume, more specifically on FAME and Ethanol contents, the gasoline station shall be guilty of Adulteration and the following sections shall be applied.

The results of the test and analysis in the MMTL, for purposes of determining compliance with the PNS on the minimum biofuel-blend by volume, shall be deemed to be conclusive.

## **RULE II**

### **Actions Against Off-Specs/Non-Compliant/Adulterated Liquid Fuels**

**Section 3. "Padlocking" of Dispensing Pump/s.** The Inspectors, upon serving the Show Cause Order (SCO) reflected at the back of the ITR, shall immediately

stop the sale of off-spec/non-compliant/adulterated liquid fuels to the public by posting/pasting/placing a sticker with the word "PADLOCKED" on all dispensing pump/s connected to the source underground tank (UGT).

The sticker shall not be removed unless with the express authorization from the DOE Legal Services through Inspectors.

The DOE shall have the right to confiscate off-spec/non-compliant/adulterated liquid fuels. In the absence of DOE's logistics and disposal procedures for confiscated off-spec/non-compliant/adulterated liquid fuels, the same shall be impounded on-site for corrective measures.

#### **Section 4. Recording of Dispensing Pump Totalizer and Dipstick Reading.**

The Inspectors shall record in a separate sheet the current/last reading in the dispensing pump/s' totalizer/s with "PADLOCKED" sticker and dipstick reading on the source UGTs for the determination of the remaining volume of off- spec/non-compliant/adulterated liquid fuels, as witnessed by the dealer/owner or responsible person.

The Inspectors shall likewise require the dealer/owner or responsible person to provide the following documents/information:

- a. Name/address of the supplier/s
- b. Invoice of the last two deliveries
- c. Copy of the Certificate of Quality of the last two deliveries, if any.
- d. Record of last inventory prior to OIMB inspection

These information shall also be written and attached on the said sheet and shall be attested to and countersigned again by the dealer and/or his/her authorized representative.

**Section 5. Off-Spec/Non-Compliant/Adulterated Liquid Fuels' Removal and Replacement or Conduct of Corrective Measures.** In the event that the liquid fuel is determined to be off-spec/non-compliant/adulterated as provided in Section 2 hereof either one of the following shall be made:

- a. dealer and/or his/her authorized representative shall ensure immediately to have the remaining off-spec/non-compliant/adulterated liquid fuels in the source UGT removed and replaced with a compliant liquid fuels. A certified true copy of the Certificate of Quality for the replacement liquid fuels shall be provided to the Inspectors and the latter shall have the right to verify it from the supplier.
- b. dealer and/or his/her authorized representative shall ensure immediately to conduct corrective measures on the remaining off-spec/non-compliant/adulterated liquid fuels in the source UGT.

The Inspectors shall conduct re-testing of the replaced or corrected liquid fuels.