

[DOE ADMINISTRATIVE ORDER NO. 95-001, April 10, 1995]

RELAXING CERTAIN NON-PRICING REGULATIONS GOVERNING THE DOWNSTREAM PETROLEUM INDUSTRY

WHEREAS, pursuant to Section 5 (e) of Republic Act No. 7638, otherwise known as the Department of Energy (DOE) Act of 1992, the DOE was mandated to "regulate private sector activities relative to energy projects as provided for under existing laws. Provided, that the Department shall endeavor to provide for an environment conducive to free and active private sector participation and involvement in all energy activities";

WHEREAS, the same section provides further that "At the end of four (4) years from the effectivity of this Act, the Department shall, upon the approval of the President, Institute the programs and timetable of deregulation of appropriate energy projects and activities of the energy industry;

WHEREAS, preparatory to the full deregulation of the petroleum industry and in order to provide for an environment conducive to free and active private sector participation and investment in all energy activities, there is a need to relax some of the rules governing the downstream sector of the petroleum business;

WHEREAS, the relaxation of rules governing the petroleum downstream sector prior to the actual deregulation may attract the entry of new players and this bring about competition in a perceived oligopolistic industry;

WHEREFORE, premises considered, the DOE as a matter of policy, hereby orders the relaxation of the non-pricing rules and regulations governing the following downstream petroleum activities subject to such conditions that the Energy Industry Administration (EIAB) may impose:

1. Allow the importation and/or exportation of petroleum products by duly authorized entities; Provided that import/export prices are competitive and comparable with domestic and/or international market place; Provided further that importers have the necessary storage, handling and distribution facilities.
2. Allow the construction, establishment, and operation of processing/blending plants, depots, storage, docking, gasoline stations and other marketing facilities without prior public hearing.
3. Allow the construction and operation, without prior public hearing, of LPG refilling plants outside Metro Manila and adjacent provinces of Rizal, Bulacan, Pampanga, Laguna and Cavite.

Within one-hundred twenty (120) days from the date hereof, the EIAB shall formulate the pertinent rules and regulations to implement this Order after public consultation thereon, for the Secretary's approval, after which this Order together