

DEPARTMENT CIRCULAR NO. DC2007-05-0005 65

IMPLEMENTING THE PHILIPPINE NATIONAL STANDARD SPECIFICATION FOR BUNKER FUEL OILS (PNS/DOE QS 006:2005)

WHEREAS, Republic Act (R. A.) No. 7638 "An Act Creating the Department of Energy (DOE)", tasks the DOE to formulate rules and regulations as may be necessary to guide the operations of both government and private entities involved in energy resource supply and distribution;

WHEREAS, R. A. No. 8479 otherwise known as the "Downstream Oil Industry Deregulation Act of 1998", provides for the deregulation of the downstream oil industry to foster a truly competitive market which can better achieve the social policy objectives of fair prices, adequate and continuous supply of environmentally-clean and high quality petroleum products;

WHEREAS, Rule V, Section 18, b and b (2) of the Implementing Rules and Regulations (IRR) of R.A. 8479, provides that the Oil Industry Management Bureau (OIMB) shall monitor thru spot and periodic sampling and testing of petroleum products including adulteration and other forms of product misrepresentation or mislabelling to ensure conformance to the Philippine National Standards of quality;

WHEREAS, Section 26 of R. A. No. 8749 otherwise known as the "Philippine Clean Air Act of 1999", provides that the DOE together with the Department of Environment and Natural Resources (DENR), Bureau of Product Standards (BPS) and Department of Science and Technology (DOST) and other stakeholders shall set specifications for all types of fuel and fuel-related products and improve fuel composition;

WHEREAS, it is the intent of R. A. 8749 that the specifications of fuels shall be reviewed and revised for further improvement in harmony with the continuing development of fuel quality standards worldwide;

WHEREAS, PNS/DOE QS 006:2005 was promulgated on April 18, 2006 to supersede PNS 21:1997 as the latest revision/update of quality standard specification for Bunker Fuel Oils (BFO);

NOW, THEREFORE, the following guidelines are hereby adopted to effectively implement the Philippine National Standard specification for BFO:

 Starting June 1, 2007, only BFO conforming to PNS/DOE QS 006:2005 shall be manufactured, imported, sold, offered for sale, dispensed, or introduced into commerce in the Philippines;

- 2. All oil company manufacturers/importers of BFO shall submit to the OIMB within ten (10) days after the end of each quarter a report of the production/importation and sales of each type of BFO with the corresponding quality specification. Companies importing BFO for their own use shall submit a similar report covering their importations and consumption;
- The oil company/ies, shall conduct quality control tests and undertake regular
 monitoring of all activities being undertaken at their refineries, bulk plants,
 terminals, depots, tank trucks, power plants, barges, commercial and noncommercial ships nationwide to ensure that the quality of all BFO sold meets
 the latest BFO specifications provided in PNS/DOE QS 006:2005;
- Effectively, PNS/DOE QS 006:2005 provides the minimum standard requirements for BFO and shall be the reference standard for all BFO commercially available in the country;
- Failure to comply with the provisions of this Department Circular shall subject the violator to the corresponding sanctions imposed by the appropriate laws, DOE rules and regulations and the Philippine Clean Air Act.

This Department Circular shall take effect upon publication in any newspaper of general circulation.

Fort Bonifacio, Taguig City, Metro Manila, 11 MAY 2007.

RAPHAEL P. M. LOTILLA

Secretary