

INVITATION TO COMMENT ON THE DRAFT DEPARTMENT CIRCULAR TO IMPLEMENT THE STANDARD FOR CONVENTIONAL UNLEADED MOTOR GASOLINE (PNS/DOE QS 001:2009)

Notice is hereby given to all parties to comment on the draft Department Circular to Implement the Standard for Conventional Unleaded Motor Gasoline (PNS/DOE QS 001:2009).

All comments and suggestion must be received on or before October 15, 2009. Any proposed change to the draft must be supported with technical explanation/justification and e-mailed to products@doe.gov.ph.

DEPARTMENT CIRCULAR NO. _____

**IMPLEMENTING THE PHILIPPINE NATIONAL STANDARD SPECIFICATIONS
FOR UNLEADED MOTOR GASOLINE (PNS/DOE QS 001:2009)**

WHEREAS, Republic Act (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 e.g. gasoline, diesel, LPG and bunker;

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 the 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 and also the allowable content of additives in all types of fuels and fuel-related products. For this purpose, the Technical Committee on Petroleum Products and Additives (TCPA) was established to develop the standards, which will be submitted to the BPS for promulgation into a Philippine National Standard (PNS);

WHEREAS, pursuant to the mandated removal of lead in gasoline under the Clean Air Act, PNS/DOE QS 001:2005 was promulgated for Unleaded Motor Gasoline, providing for various octane boosters as lead substitute such as ethanol, among other oxygenates, at 10% maximum to promote the DOE’s ethanol program. PNS/DOE QS 008:2006 specifically for E-gasoline was subsequently issued to pave the way for the commercial introduction of gasoline with 10% ethanol blend (E-10), initially for the 93 octane gasoline;

WHEREAS, R.A. No. 9367, or the “The Biofuels Law of 2006”, mandated the use of biofuel-blended gasoline and diesel and to implement the initial mandate for E-gasoline, DOE Circular No. 2009-02-0002 was issued requiring, among others, a minimum of 5% bioethanol in the annual total volume of gasoline fuel actually sold and distributed by an oil company pursuant to, specifications prescribed in the PNS for conventional gasoline and E-10. Subsequently, to guide both the oil companies and the motorists, PNS/DOE QS 008:2009 was issued, allowing 10% ethanol blends for higher gasoline grades;

WHEREAS, to address the concern on the compatibility of E-10 gasolines on in-use vehicles, particularly on the engine and fuel system, and to primarily establish a distinction between conventional gasoline (without ethanol) and Ethanol-blended gasoline or E-Gasoline, PNS/DOE QS 001:2009 was promulgated by the BPS;

WHEREAS, Department Circulars were issued to implement each and every PNS, along with other applicable rules and guidelines for its effective implementation.

NOW, THEREFORE, the following guidelines are hereby adopted to effectively implement PNS/DOE QS 001:2009:

1. Starting November 3, 2009, only conventional gasoline complying with PNS/DOE QS 001:2009 shall be sold, offered for sale, dispensed, or introduced into commerce in the Philippines;

2. Any person engaged in the importation of unleaded motor gasoline and/or gasoline blending components shall submit to the DOE not later than twenty (20) days after the unloading of the import shipment, and as part of the reportorial requirements under Section 7 (b) of DOE Memorandum Circular No. 98-03-004 implementing R. A. No. 8479, a Certificate of Quality (COQ) showing all the properties listed in PNS/DOE QS 001:2009 with the corresponding values resulting from the prescribed test methods,;
3. All oil company dealers/operators of gasoline stations shall comply with the following labeling requirements:
 - a. All pumps dispensing regular gasoline shall indicate with the advisory "NOT RECOMMENDED FOR VEHICLES WITH FOUR (4) OR MORE WHEELS";
 - b. All gasoline dispensing pumps with the prescribed octane sticker as provided under Department Circular No. 2001-09-003 shall indicate in the sticker the word "MINIMUM" below the octane number;
4. Oil companies or any entity shall register with the DOE any new fuel additive introduced in their fuel products, as well as any organo-metallic compound used or added in their gasoline;
5. Oil companies shall conduct regular monitoring of all activities being undertaken at their refineries, bulk plants, terminals, depots, tanks trucks and gasoline stations/retail outlets to ensure that the quality of all gasoline being sold meets the requisite gasoline specifications. The DOE shall, among others, conduct random quality and quantity sampling and testing of gasoline obtained from these oil facilities; and
6. Any person who fail to comply with the provisions of this Department Circular shall be subject to appropriate sanctions imposed under applicable laws, rules and regulations
7. Department Circular No. 2006-04-0005 is hereby repealed.

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

Fort Bonifacio, Taguig City, Metro Manila, _____ 2009.

ANGELO T. REYES
Secretary