

MALACAÑANG  
RESIDENT OF THE PRESIDENT OF THE PHILIPPINES  
MANILA

**PRESIDENTIAL DECREE NO. 1128**

**FURTHER AMENDING REPUBLIC ACT NUMBERED SIX THOUSAND ONE HUNDRED SEVENTY-THREE, AS AMENDED OTHERWISE KNOWN AS THE OIL INDUSTRY COMMISSION ACT.**

WHEREAS, in order to ensure prompt and effective execution and enforcement by the Oil Industry Commission of its decisions, orders, rules, regulations, its power to punish summarily for contempt must be enlarged to include instances of willful failure or refusal, without just cause, to comply with its decisions, orders, rules and regulations;

WHEREAS, for the above-mentioned purpose, it is likewise necessary that the Commission be empowered to impose administrative fines for violations of its decisions, orders, rules and regulations and to assess and collect surcharges on delinquent payments of fees;

WHEREAS, a procedure for appeal from decisions or orders of the Commission in cases involving matters other than the fixing of prices of petroleum products has to be provided;

WHEREAS, in view of the foregoing requisites, the charter of the Oil Industry Commission needs to be amended;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested in me by Constitution do hereby order and decree, as part of the law of the land, the following amendments to Republic Act Numbered Six Thousand One Hundred seventy-three, as amended:

SEC. 1. Section two of the Act is hereby amended to read as follows:

“Sec. 2 Definition of Terms

“(a) ‘Commission shall mean the Oil Industry Commission

“(b) ‘Petroleum shall be construed to mean a complex mixture of 81 to 87 percent carbon, 13 to 11 percent hydrogen and 1 to 4 percent impurities such as nitrogen, sulfur, and helium. It shall include products commercially known as natural gas, gasoline and kerosene in liquid form and a wide range of lubricating oils, asphalt and pitch in solid state.

“(c) ‘Petroleum products’ shall mean products formed in the course of refining crude petroleum through distillation, cracking, solvent refining and chemical treatment, coming out as primary stocks from the refinery like: LPG, naphtha gasolines, solvents, kerosenes, aviation turbine fuels, automatic/industrial diesel oils, industrial/residual fuel oils, waxes and petrolatums, asphalts, bitumins, coke and refinery sludges, or such refinery petroleum fractions which have not undergone any process or treatment as to produce separate chemically defined compounds in a pure or commercially pure state; and render them suitable for particular uses, provided that the resultant product contains not less than 50% by weight of such petroleum products.”

Sec. 2 Section 2 of the Act is hereby renumbered as Section 3 and paragraph (d) thereof is amended to read as follows:

“Sec. 3.—(d) To protect PETROLEUM dealers and distributors from unfair and onerous trade conditions.

Sec. 3. Section 3 of the same Act is hereby renumbered as Section 4 thereof.

Sec. 4. Section 4 of the same Act is hereby renumbered as Section 5 thereof.

Sec. 5. Section 5 of the same Act is hereby renumbered as Section 6 thereof and amended to read as follows:

“Sec. 6. *Staff*.— The Commission shall appoint and maintain an adequate staff, which shall include a Secretary-EXECUTIVE DIRECTOR who shall be a member of the Philippine Bar with at least five years experience in the active practice of law in the Philippines or in the discharge of an office requiring as an indispensable requisite admission to the practice of law in the Philippines. HE SHALL BE THE RECORDER AND OFFICIAL REPORTER OF THE COMMISSION AND SHALL HAVE AUTHORITY TO ADMINISTER OATH IN ALL MATTERS COMING UNDER THE JURISDICTION OF THE COMMISSION. HE SHALL BE THE CUSTODIAN OF MINUTES OF THE COMMISSION AND OF REPORTS, DOCUMENTS AND PAPERS FILED IN CONNECTION WITH ANYCASE OR PROCEEDINGS BEFORE THE COMMISSION. HE SHALL LIKEWISE BE RESPONSIBLE FOR THE EFFECTIVE IMPLEMENTATION OF THE POLICIES, RULES AND DIRECTIVES PROMULGATED BY THE COMMISSION, SHALL COORDINATE AND SUPERVISE THE ACTIVITIES OF THE DIFFERENT OPERATING UNITS AND SHALL PERFORM SUCH FUNCTIONS AS MAY BE ASSIGNED TO HIM BY THE CHAIRMAN AND/OR BY THE COMMISSION.

“The members of the technical staff, except for those performing purely clerical functions, shall possess at least a bachelor’s degree in the line of specialization required by their respective positions: Provided, That except as to positions which are policy-determining highly technical or primarily confidential, all positions in the Commission are subject to the provisions of the Civil Service Law and Rules, but are exempt from the regulations of the Wage and Position Classification Office”.

Sec. 6. Section 6 of the same Act as is hereby renumbered as Section 7 and paragraph (d) thereof is amended to read as follows:

Sec. 7—(d) To encourage and assist in the organization of associations of Filipino OIL AND PETROLEUM dealers, and distributors throughout the Philippines, public utility operators, oil AND PETROLEUM consumers, and other similar groups through the formation of cooperatives or through other group action;”

Sec. 7. Section 7 of the Act is hereby renumbered as Section 8 thereof.

Sec. 8 Section 8 of the Act is hereby renumbered as Section 9 and paragraph (b) thereof is amended to read as follows:

“Sec 9—(b) Require all persons, corporations, another entities engaged in the petroleum industry and their associations or institutes, to furnish it with such relevant information as it may need to discharge its duties under this Act, and to exercise its functions and powers under Section SEVEN, EIGHT, AND TEN OF THIS ACT”.

Sec. 9. Section 9 of the Act is hereby renumbered as Section 10 thereof.

Sec. 10. Section 10 of the Act is hereby renumbered as Section 11 thereof and amended to read as follows:

“Sec. 11. *Commission Procedures*—All inquiries studies, hearings investigations and proceedings conducted by the Commission shall be governed by rules adopted by the Commission, and in the conduct thereof the Commission shall not be bound by the technical rules of evidence; Provided, that the Commission may summarily punish for contempt by a fine not exceeding five hundred pesos or by imprisonment not exceeding thirty days or both, any person guilty of such misconduct in the presence of the Commission or so near thereto as to seriously interrupt any hearing or session or any proceedings before it, including cases in which a person willfully fails or refuses, without just cause, to comply with a summons, subpoena, subpoena duces tecum, DECISION OR ORDER, RULES AND REGULATIONS LEGALLY ISSUED OR PROMULGATED by the Commission or being present at a hearing, session or investigation, refuses to be sworn as a witness or to answer questions when lawfully required to do so, or to furnish information required by the Commission under this Act. The sheriff and other police agencies of the place where the hearing or investigation is conducted shall, upon the request of the Commission, assist it to enforce the provision of this Section.

Sec. 11. Section 11 of the Act is hereby renumbered as Section 12 thereof and amended to read as follows:

“Sec. 12. *Review of Commission’s Order; Commission’s Authority to Grant Provincial Relief*— A party adversely affected by a decision or any order of the Commission, may, within seven (7) days from receipt of said decision or order, appeal in writing, stating clearly and distinctly the ground relied upon, to the Office of the President, which shall have exclusive authority and jurisdiction to review, reverse, modify or amend the same. The decision or order of the Commission in such cases, shall be final, unless reversed altered or modified, either on appeal or on review motu proprio within the period here in below stated.

“The Office of the President shall likewise have the power to review, motu proprio, any decision or order of the Oil Industry Commission fixing the prices of petroleum products. For this purpose, certified copies of such decisions or orders of the Commission shall be forwarded to the Office of the President immediately upon promulgation thereof.

“The decision of the Office of the President, on appeal or after review motu proprio, shall be final. Unless the Office of the President directs otherwise, appeal or motu proprio review shall not stay execution or implementation of the decisions or orders of the Oil Industry Commission, which shall be executory upon the expiration of seven (7) days after their promulgation.

“The Commission may, upon the filing of an application, petition or complaint or at any stage thereafter, and without prior hearing, on the basis of supporting papers duly verified or authenticated, grant provisional relief or motion of a party in the case or on its own initiative, without prejudice to a final decision after hearing, should the Commission find that the pleadings, together with such affidavits, documents and

other evidence which may be submitted in support of the motion, substantially support the provisional order”.

Sec. 12. Section 12 of the same Act is hereby renumbered as Section 13 thereof.

Sec. 13. Section 13 of the same Act is hereby renumbered as Section 14 thereof.

Sec. 14. Section 14 of the same Act is hereby renumbered as Section 15 thereof and amended to read as follows:

“Sec. 15. Appropriations.— For the proper implementation of this Act, the sum of one million five hundred thousand pesos is hereby appropriated out of any funds in the National Treasury not otherwise appropriated for the operating expenses of the Commission for the fiscal years nineteen hundred and seventy-one and nineteen hundred and seventy-two. Any unobligated balance of this initial appropriation may, however, still be used by the Commission in subsequent fiscal years.

“Beginning with fiscal year nineteen hundred and seventy-three, the operational expenses of the Commission shall be drawn from fees and charges collected under the authority of Section 15, hereafter to be cited as Section 16 of this Act and from application, licensing, registration and other fees or charges AND ADMINISTRATIVE FINES AND SURCHARGES WHICH THE COMMISSION IS HEREBY AUTHORIZED TO IMPOSE OR COLLECT.

“ALL APPLICATION, LICENSING, REGISTRATION AND OTHER FEES OR CHARGES HEREBY AUTHORIZED TO BE IMPOSED OR COLLECTED SHALL BE PAYABLE ON OR BEFORE THE DATES PRESCRIBED BY THE COMMISSION. IF THE SAID FEES OR CHARGES ARE NOT PAID WITHIN THE PRESCRIBED TIME, THE AMOUNT THEREOF SHALL BE INCREASED BY TWENTY FIVE PER CENTUM, THE INCREMENT TO BECOME PART OF THE FEE OR CHARGE.

“IN THE EXERCISE OF ITS FUNCTIONS AND ENFORCEMENT AND IMPLEMENTATION OF THIS LAW, ITS DECISIONS, ORDERS AND REGULATIONS, THE COMMISSION MAY REQUIRE THAT AMOUNTS UNREFUNDED TO PURCHASERS BY DEALERS FOUND GUILTY OF OVERPRICING IN THE SALES OF PETROLEUM PRODUCTS, BE DEPOSITED WITH ITS CASHIER AS A TRUST FUND OF THE COMMISSION, SAID AMOUNTS TO BE DISPOSED OF AS FINANCIAL ASSISTANCE TO THE BARANGAY OF THE LOCALITY WHERE THE OVERPRICING WAS COMMITTED OR TO OTHER BARANGAYS IN COORDINATION WITH THE DEPARTMENT OF LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT. THE FUNDS AND MONIES THAT MAY COME TO THE POSSESSION OF THE COMMISSION FROM ADMINISTRATIVE FINES OR VIOLATIONS OF ITS DECISIONS, ORDER, RULES AND REGULATIONS AND FROM SURCHARGES ON DELINQUENT PAYMENT OF PRESCRIBED FEES, AS WELL AS FROM PAYMENT OF APPLICATION, REGISTRATION, AND LICENSE FEES SHALL BE DISBURSED BY THE COMMISSION FOR THE HEALTH, WELFARE AND OTHER SIMILAR BENEFITS OF ITS EMPLOYEES, PROVIDED THAT THE ADDITIONAL AMOUNTS SO DISTRIBUTED DO NOT EXCEED FIFTY PER CENTUM (50%) OF THE ANNUAL BASIC SALARY OF EACH EMPLOYEE, AND PROVIDED FURTHER; THAT SUCH

DISBURSEMENTS SHALL BE SUBJECT TO EXISTING RULES AND REGULATIONS”.

Sec. 15. Section 15, 15-A, 16, 17 and 18 of the same Act are hereby renumbered as Sections 16, 17, 18, 19 and 20, respectively, thereof.

Sec. 16. Any provision of law, Presidential Decree, Executive Order, Letter of Instruction, Administrative Order, rules and regulations or parts thereof which are inconsistent herewith are hereby repealed or amended accordingly, except the provisions of Letters of Instructions Nos. 400 and 360 relative to the instructions given to the Philippine National Oil Company on the importation of petroleum products.

Sec. 17. This Decree shall take effect immediately.

Done in the City of Manila, this 25th day of April in the year of Our Lord, nineteen Hundred and seventy-seven.

(Sgd.) **FERDINAND E.**

**MARCOS** President of the Philippines

By the President :

(Sgd.) **JACOBO C. CLAVE**  
Presidential Executive Assistant