



Republic of the Philippines
DEPARTMENT OF ENERGY

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MEMORANDUM CIRCULAR NO. MC2013-12-0001

TO : ALL OIL COMPANIES

SUBJECT : IMPLEMENTING THE PHASE OUT OF FUEL MARKING

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. No. 8479, provides that the Oil Industry Management Bureau (OIMB) shall monitor through spot and periodic sampling and testing of petroleum products to ensure conformance to the national standards on quality;

WHEREAS, The Philippine National Standard (PNS) specifications formulated by the Technical Committee on Petroleum Products and Additives (TCPPA) and promulgated by the Bureau of Product Standards (BPS) will be the basis for determining fuel quality compliance;

WHEREAS, the use of chemical marker to monitor petroleum product quality as prescribed in Special Ministry Memorandum Order No. 83-08-25 entitled "Fuel Marking" and Bureau of Energy Utilization (BEU) Memorandum Circular No. 83-11-253 entitled "Petroleum Product Marking Program" is no longer necessary as the DOE has adopted a more practical product quality monitoring procedure through direct and indiscriminate product sampling and testing to check compliance with the PNS;

WHEREAS, Section 17 Rule IV (Petroleum Product Standards) of Department Circular No. 2003-11-010 states that only liquid petroleum products complying with the PNS, including the prescribed color coding scheme for the same, shall be dispensed at retail outlets. It further provides that the possession of liquid petroleum products which do not meet the prescribed PNS shall constitute prima facie evidence of adulteration and the sale, distribution, transportation, exchange or barter of adulterated products shall constitute illegal trading;

NOW, THEREFORE, the following guidelines are hereby adopted to effectively implement this Department Memorandum Circular on the phase out of fuel markers/dyes on all gasoline fuels:

1. Starting January 1, 2014, oil companies shall no longer be required to use/add chemical marker to their diesel, kerosene or to any other possible adulterants of gasoline. However, oil companies may continue to use chemical marker for their own purposes. Accordingly, the DOE shall, among others, continue to conduct random quality and quantity sampling and testing of gasoline obtained from the oil depots, terminals, refineries, and retail outlets.


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2. The oil companies shall conduct regular monitoring of all activities being undertaken at their refineries, bulk plants, terminals, depots, tank trucks and gasoline stations/retail outlets nationwide to ensure that the quality of all gasoline being sold meets the latest gasoline specifications as well as the effective implementation of this Circular.
3. Starting January 01, 2014, Special Ministry Memorandum Order No. 83-08-25 and BEU Memorandum Circular No. 83-11-253 are hereby deemed repealed by this Memorandum Circular.

Fort Bonifacio, Taguig City, Metro Manila, DEC 13 2013.


CARLOS JERICO L. PETILLA
Secretary

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