SEVENTEENTH CONGRESS)
OF THE REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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HOUSE OF REPRESENTATIVES

House Bill No. 670

Introduced by Representative Victor A. Yap

EXPLANATORY NOTE

The Bureau of Fire Protection (BFP) has identified defective Liquid Petroleum Gas (LPG) Tanks as the cause of at least 100 fire incidents annually. In 2013, the Two Serendra blast incident took the lives of four people, since then other LPG incidents have burned and maimed others. Past BFP reports have likewise shown that a large number of faulty LPG gas tanks continue to circulate, an alarming fifty percent (50%) based on 2012 reports.

This problem is exacerbated by fly-by-night LPG operations- operating under the deregulated downstream oil industry structure allows these unscrupulous LPG companies to engage in unfair and unsafe trade practices placing consumers at risk. The illegal practices of these fly-by-night operations include illegal refilling, cylinder tampering, uncertified and illegally manufactured cylinders, use of scrap and dilapidated cylinders, underfilled cylinders and pilferage.

In order to ensure the safety of the public, and to encourage growth in the LPG Industry, it is necessary to take immediate action against these illegal and unsafe practices hence, the expeditious passage of this bill is earnestly sought.

VICTOR A. YAP
Representative, 2nd District of Tarlac

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AN ACT
ESTABLISHING THE REGULATORY FRAMEWORK FOR THE SAFE OPERATIONS OF THE LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY, DELINEATING THE POWERS AND FUNCTIONS OF VARIOUS GOVERNMENT AGENCIES, DEFINING AND PENALIZING CERTAIN ACTS, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

CHAPTER I
GENERAL PROVISIONS

SECTION 1. ***Short Title.*** – This Act shall be known as the "LPG Industry Regulation and Safety Act."

SEC. 2. ***Declaration of Policy.*** – It is hereby declared the policy of the state to protect the interest of consumers, ensure their general welfare and establish standards of conduct for business and industry.

Towards this end, the state shall:

a) Establish a regulatory framework for the importation, refining, refilling, transportation, distribution and marketing of liquefied petroleum gas (LPG), and the manufacture, requalification, exchange, swapping or improvement of LPG cylinders;

b) Establish standards of conduct and codes of practice for LPG businesses; and

c) Address quality and safety concerns and uphold the right of consumers to freely choose the LPG brand they want to purchase.

The State shall also promote national awareness and education regarding the quality and safety requirements for the proper use of LPG cylinders and ancillary equipment to further consumer protection.

SEC. 3. ***Scope and Application.*** – This Act shall govern the importation, refining, refilling, transportation, distribution and marketing of LPG, the manufacture, requalification, exchange, swapping or improvement of LPG cylinders, and safe operations of the LPG industry, which cover all activities and businesses related to LPG products for household, commercial, industrial or automotive use (Auto-LPG) and cylinders or containers for LPG.

SEC. 4. ***Definition of Terms.*** – As used in this Act:

(a) "Accreditation" refers to the formal recognition of competency given by the Philippine Accreditation Bureau (PAB) of the Department of Trade and Industry (DTI) that a re-qualifier of LPG cylinders has complied with the existing Philippine National Standards (PNS) prescribing the general requirements for the competence of testing and calibration laboratories, the method of re-qualification of steel cylinders for LPG and any other applicable PNS;

(b) "Alteration" refers to any act of converting, transforming or resizing of local or imported LPG cylinder or container from its original size or design including, but not limited to, replacement or removal of existing and embossed or stamped registered brand owner's markings, grinding, flattening, application of putty, replacement of collar, revalving, unauthorized repainting, replacement of foot rings, or re-labeling;

(c) "Ancillary Equipment" refers to equipment, parts and other devices and accessories necessary and indispensable for the safe and proper operation of an LPG cylinder or container such as, but not limited to, LPG cylinder or container valves, hoses and regulators;

(d) "Auto-LPG" refers to LPG intended to fuel, propel or otherwise provide power to motor vehicles;

(e) "Auto-LPG Dispensing Station" refers to an outlet, facility or business establishment which retails auto-LPG directly to individual end-users or to the motoring public; the same may stand alone or be located within or operated with a liquefied petroleum product (LPP) retail outlet. It shall be deemed a dealer or retail outlet for purposes of this Act;

(f) "Brand Owner" refers to a person owning the brand name, logo, color, mark or distinction as registered with the Intellectual Property Office of the Philippines (IPOPH);

(g) "Bulk Consumer" refers to any person whose regular use or consumption of LPG is limited to its own use, and requires bulk storage of LPG at a volume as may be determined by the Department of Energy (DOE);

(h) "Bulk Supplier" refers to any person who engages in the sale or distribution of LPG in large quantities as may be determined by the DOE;

(i) "Canister" or "Cartridge" refers to any portable pressure vessel or container designed or intended for LPG, with water capacity of less than that of an LPG cylinder;

(j) "Centralized LPG Distribution System" refers to a network of pipes or similar conduit used for the conveyance of LPG from the piped LPG provider to consumers confined within the same compound or establishment such as, but not limited to, shopping malls and condominiums;

(k) "Certification" refers to the written assurance given by the DTI that the LPG cylinder has complied with the existing PNS or any other standards issued by the Bureau of Philippine Standards (BPS) pursuant to Republic Act No. 4109, otherwise known as the "Philippine Standardization Law;"

(l) "Consumer" refers to any person who purchases LPG for one's own consumption;

(m) "Container" refers to any pressure vessel permanently installed in motor vehicles for the storage of LPG for automotive use;

(n) "Cross Filling" refers to the filling of LPG cylinders by a person other than the brand owner;

(o) "Cylinder or LPG Cylinder" refers to any portable pressure-vessel or container for LPG designed for the transportation and storage of LPG;

(p) "Cylinder Owner" refers to the owner of the cylinder as shown by the brand, mark, trade name or business name embossed or engraved or otherwise permanently indicated on the LPG cylinder in the manner prescribed by the DTI;

(q) "Dealer" refers to any person engaged in the sale or trading of LPG in cylinders to consumers and/or retail outlets;

(r) "Defective Cylinder" refers to a damaged, unsafe and dilapidated LPG cylinder due to corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks and other similar defects that render the LPG cylinder unsafe, injurious or dangerous for distribution in accordance with the guidelines set by the DTI, thus creating a substantial risk of injury to the public;

(s) "Hauler" refers to any person engaged in the distribution and delivery of LPG cylinders from one place to another;

(t) "Importer" refers to any person engaged in the importation of LPG whether for processing, sale or own use;

(u) "LPG" refers to liquefied petroleum gas, which consists of commercial propane gas or commercial butane gas or a mixture of the two gases, with properties conforming to the standards set forth in the existing PNS or any other standards prescribed by the BPS;

(v) "LPG Industry Participant" refers to any person engaged in activities or businesses related to:

(1)refining, manufacturing, importing, exporting, shipping, transporting, hauling, storing, refilling, distributing, marketing and selling of LPG for household, commercial or industrial, and automotive (auto-LPG) use; or

(2) manufacturing, importing, transporting, distributing and selling of LPG cylinders and ancillary equipment including, but not limited to, LPG cylinder or container and ancillary equipment manufacturers and importers, re-qualifiers, repairers, scrapping centers, LPG cylinder or container seal manufacturers and such other similar persons or entities;

(w) "Marketer" refers to any person engaged in the sale of LPG, whether in bulk or retail, under its own brand name;

(x) "Person" refers to a natural or juridical entity registered under Philippine laws;

(y) "Philippine National Standards" or "PNS" refers to the standards promulgated by the BPS of the DTI relating to product specifications, test methods, terminologies and standardization procedures, guidelines or practices;