

BY THE PRESIDENT OF THE PHILIPPINES

MEMORANDUM CIRCULAR NO. 55

DIRECTING ALL DEPARTMENTS, BUREAUS, OFFICES AND INSTRUMENTALITIES OF THE GOVERNMENT, INCLUDING GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS TO INCORPORATE THE USE OF ONE PERCENT (1%) BY VOLUME COCONUT METHYL ESTER IN THEIR DIESEL REQUIREMENTS

WHEREAS, under Section 2(a) of R.A. No. 7638, known as the "Department of Energy Act of 1992", it is declared the policy of the State to ensure a continuous, adequate and economic supply of energy with the end in view of ultimately achieving self-reliance in the country's energy requirements through the integrated and intensive exploration, production, management and development of the country's indigenous energy resources, without sacrificing ecological concerns;

WHEREAS, under Sections 2 and 4(a) of R.A. No. 8749, known as "The Philippine Clean Air Act (PCAA) of 1999", it is declared the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature and recognize the citizens' right to breathe clean air;

WHEREAS, the government is a major user of motor vehicles operating on diesel fuel;

WHEREAS, the Coconut Methyl Ester (CME) blended with petroleum diesel fuel can reduce harmful emissions such as carbon particulates and greenhouse gases thereby improving air quality and at the same time improving the performance of the engines;

WHEREAS, the World-wide Fuel Charter states that based on the technical effects of fatty acid methyl esters (FAME), which include CME, "...it is strongly advised the FAME content be restricted to less than or at five percent (5%)".

WHEREAS, the use of CME in the petroleum industry will create a new and significant application for coconut oil and reinvigorate the Philippine coconut



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industry through the creation of a new domestic market and increased productivity, thereby improving the lives of coconut farmers.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. All departments, bureaus, offices and instrumentalities of the Government, including government-owned and controlled corporations, are hereby directed to use one percent (1%) CME by volume as a blend in petroleum diesel fuel.

SEC. 2. The Department of Energy (DOE) shall be the lead implementing agency for the CME-Diesel Program. The DOE shall coordinate with various government agencies and private entities involved in CME activities and shall prepare a strategic plan outlining national goals in the development and expanded utilization of CME and provide policy direction for the effective implementation and monitoring of the program.

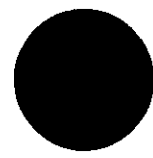
SEC. 3. The Philippine Coconut Authority (PCA) is hereby directed to include in its national program for the coconut industry the development of the supply chain for CME, and in consultation/coordination with the other government agencies and the private sector, shall formulate a program to encourage investment and technology for the production of CME to meet the needs of the domestic market.

SEC. 4. The DOE, in coordination, with the concerned government agencies shall formulate and issue the necessary implementing rules and regulations within thirty (30) days after the effectivity of this Circular.

SEC. 5. All departments, bureaus, offices and instrumentalities of the Government, including government-owned and controlled corporations, are hereby directed to provide the necessary resources which will be utilized to implement the CME program subject to existing auditing and accounting rules and regulations.

SEC. 6. All orders, issuances, rules and regulations or parts thereof, which are inconsistent with this Circular are hereby repealed or modified accordingly.

SEC. 7. If for any reason or reasons, any part of this circular is declared unconstitutional or invalid, the validity of the other provisions shall not be affected by such declaration.



SEC. 8. This Memorandum Circular shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

DONE in the City of Manila, this 9th day of February , in the year of Our Lord, Two Thousand and Four.

Glenn Arroyo

By the President:

Alberto G. Romulo

ALBERTO G. ROMULO
Executive Secretary

HPO/era



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