

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

August 24, 2005

REVENUE MEMORANDUM CIRCULAR NO. 41 - 2005

SUBJECT: Publishing the full text of ADMINISTRATIVE ORDER NO. 126 by the President of the Philippines dated August 13, 2005 entitled Strengthening Measures to Address the Extraordinary Increase in World Oil Prices, Directing the Enhanced Implementation of the Government's Energy Conservation Program, and for other Purposes.

TO : All Internal Revenue Officers, Employees and Others Concerned

For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder is the full text of Administrative Order No. 126 by the President of the Philippines dated August 13, 2005:

**“M a l a c a ñ a n g
M a n i l a**

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 126

STRENGTHENING MEASURES TO ADDRESS THE EXTRAORDINARY INCREASE IN WORLD OIL PRICES, DIRECTING THE ENHANCED IMPLEMENTATION OF THE GOVERNMENT'S ENERGY CONSERVATION PROGRAM, AND FOR OTHER PURPOSES

WHEREAS, pursuant to Republic Act No. 7638, it is declared the policy of the State to ensure a continuous, adequate, reliable and economic supply of energy through the judicious conservation, renewal and efficient utilization of energy, to keep pace with the country's growth and economic development;

WHEREAS, the continuous rise in the prices of oil in the world market has drastically affected the prices of fuel and other domestic products in the country;

WHEREAS, it is imperative that measures be immediately adopted to minimize, if not forestall, any adverse effect of the world prices of oil on the country's economy;

WHEREAS, to cushion the effects of increasing oil prices on the domestic economy, there is a need for the government to exert efforts to promote the judicious use of our energy resources through intensified conservation efforts and efficient utilization thereof;

WHEREAS, on 31 August 2004, the President issued Administrative Order No. 103 (s. 2004), which, among others, required all government agencies, including government-owned and controlled corporations, government financial institutions and other government instrumentalities to adopt austerity measures, including the reduction of at least ten percent (10%) in the cost of the consumption of fuel, electricity and other utilities;

WHEREAS, on 25 October 2004, the President also issued Administrative Order No. 110 (s. 2004) directing the institutionalization of a Government Energy Management Program (GEMP);

WHEREAS, the energy conservation program of the government should also be disseminated to the public in order to create a sustained and intensive program of information and education on energy conservation measures and the efficient utilization of energy;

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

SECTION 1. All government agencies, including government-owned and controlled corporations, government financial institutions and other government instrumentalities are hereby required to adopt additional measures to limit the use of their petroleum products supplies to essential activities properly authorized by their respective heads.

Pursuant to Administrative Order No. 103 (s. 2004) and Administrative Order No. 110 (s. 2004), all government agencies and offices are hereby mandated to adopt and implement a program that will reduce their fuel consumption for transport by ten percent (10%) of their average monthly consumption for the 1st semester of 2005.

SECTION 2. All government agencies and offices are prohibited from using government vehicles, aircraft and water craft for purposes other than official business: *Provided*, That in every case, the trip ticket authorizing the use of the vehicle shall be displayed on the windshield or in another conspicuous place on the vehicle: *Provided*, further, That vehicles used by intelligence and investigative agencies of the government shall not be covered by the foregoing proviso.

The use of government vehicles on Sundays, legal holidays, or out of the regular office hours or outside the route of the officials or employees authorized to use them, or by any person other than such officials or employees, shall unless properly authorized, be prima facie evidence of violation of this Section in the administrative proceeding against the officials or employees responsible for such violation.

All government agencies and offices shall limit the use of government vehicles to essential activities and shall review their travel program and schedules to minimize unnecessary trips.

SECTION 3. Where adequate ventilation is available, all government agencies and offices shall discontinue the use of their airconditioning facilities, especially during the cooler months from August to February.

In cases where airconditioning units are to be used, they shall be switched on not earlier than 9:00 a.m. and switched off not later than 4:00 p.m. During lunch breaks, the airconditioning units shall be switched on "FAN" mode.

SECTION 4. The Energy Conservation Officer (ECO) mandated under Administrative Order No. 110 (s. 2004) shall be responsible for his/her government entity's compliance with Administrative Order No. 103 (s. 2004), Administrative Order No. 110 (s. 2004) and this executive order, as well as the development and implementation of other energy conservation measures.

A report of compliance shall be submitted monthly, not later than the 15th day following the reporting month, to the Department of Energy which shall prepare and submit a summary report to the President within five (5) days after the last reporting day.

SECTION 5. The Department of Trade and Industry and the Department of Energy shall, in consultation with appropriate trade and industry associations, develop voluntary energy conservation programs for their respective members which shall target levels of reduction in electricity and petroleum products consumption similar to those imposed on government agencies and offices and pinpoint responsibility for monitoring and reporting of performance.

SECTION 6. The Department of Environment and Natural Resources shall, in coordination with appropriate law enforcement agencies, enforce strictly the smoke belching law for all vehicles. Smoke belching caused by improper vehicle maintenance results in very inefficient use of fuel not to mention its adverse impact on the environment.

SECTION 7. The Office of the Communications Director and the Department of Energy shall launch a nationwide information campaign on energy conservation through the media. It shall coordinate with all forms of media to ensure accurate and current dissemination of information on the oil situation, its implications and the course of actions they entail specifying the type of energy conservation measures that can be adapted at the family, community and industry levels.

SECTION 8. All government agencies and offices are directed to cooperate fully in this national energy conservation effort.

The other branches of the government, local government units, and the private sector are strongly urged to adopt similar measures as those provided in this Order.

SECTION 9. The Office of the Executive Secretary shall monitor the implementation of the foregoing measures.

SECTION 10. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 13th day of August, Two Thousand and Five.

(SGD) **GLORIA M. ARROYO**

By the President:

(SGD) **EDUARDO R. ERMITA**
Executive Secretary”

All revenue officials and employees are enjoined to give this Circular as wide a publicity as possible.

(Original Signed)
NORMA L. LIPANA
OIC – Deputy Commissioner
Resource Management Group