

DEPARTMENT ORDER NO. 2003-10-014

**CREATING A DOE GASOLINE STATION LOAN
REVIEW COMMITTEE AND DEFINING THE FUNCTIONS THEREOF
AND THOSE OF THE DOE BUREAUS/UNITS INVOLVED**

WHEREAS, Department Circular No. 2003-06-007 (Further Amending Section 14 of Department Circular No. 99-03-004 Entitled "Rules and Regulations Implementing Republic Act 8479, Downstream Oil Industry Deregulation Act of 1998," as Amended) and the Memorandum of Agreement entered into on January 23, 2003 by and among the Department of Energy (DOE), the Development Bank of the Philippines (DBP) and the Development Bank of the Philippines - Trust Services (DBP-TS), operationalized the Gasoline Station Lending and Financial Assistance Program (herein referred to as the Program);

WHEREAS, the Program, established under Section 10 of Republic Act 8479 and designed to provide credit assistance to New Industry Participants, as such term has been defined in said law, shall be implemented and administered by the DBP and the DBP-TS, respectively,

WHEREAS, the DOE, on the other hand, shall provide the necessary policy, technical and administrative support to facilitate the effective and efficient implementation of the Program;

WHEREAS, the DOE as part of its support to the Program recognizes the need to create a committee that would serve as the clearinghouse for all applications received under the Program;

NOW, THEREFORE, in view of the foregoing premises, the following is hereby issued.

Section 1. Creation of DOE Review Committee.

Pursuant to Section 23 of Republic Act (R.A.) 8479, otherwise known as the Downstream Oil Industry Deregulation Act of 1998, and Section 11 of DOE Circular 2003-06-007, a DOE Review Committee (DOE-RC) is hereby created to serve as the clearinghouse for all applications of the Program.

Section 2. Composition of the DOE Review Committee.

The DOE Review Committee shall be composed of the following:

Chairman	Undersecretary
Vice-Chairman	Director, Oil Industry Management Bureau (OIMB)
Members	Director, Administrative Services
	Director, Financial Services
	Director, Legal Services
	Chief, Retail Market Monitoring and Special Concerns Division

Section 3. Functions.

The DOE Review Committee shall have the following functions:

- a. Review the findings and recommendations submitted by the OIMB pertaining to loan applications filed with it under the Gasoline Station Training and Loan Fund (Loan Fund) provided by the Philippine Gaming and Amusement Corporation (PAGCOR) pursuant to Section 10 of Republic Act No. 8479;
- b. Endorse to the DBP such applications which merit funding assistance;
- c. Instruct DBP on relevant matters relating to the Loan Fund;
- d. Represent the DOE in the executions of loan documents with the borrower/s; and
- e. Perform such other functions as may be necessary to successfully implement the Program.

Section 4. Responsibilities of Bureaus/Units.

The following Bureaus/Units are hereby given the following responsibilities to assist the DOE Review Committee in the performance of its duties:

- a. Oil Industry Management Bureau
 - (i) Receive and check the eligibility criteria and identification of applicants and their respective loan applications;
 - (ii) Conduct initial evaluation of loan applications which includes, among others, the technical inspection of the proposed site;
 - (iii) Submit the results of the initial evaluation and its recommendation to the DOE Review Committee for review;
 - (iv) Inform the applicant of the actions taken by the DOE Review Committee on the application;
 - (v) Inform the applicant of the final action on the application;
 - (vi) For approved loan applications, send Notice of Approval to the DBP-TS to initiate fund release, copy furnished the DOE Administrative and Financial Services;
 - (vii) Coordinate the signing of the Loan Agreement with the borrower;
 - (viii) Monitor progress of approved applications; and

- (ix) Perform such other functions that may be assigned to it by the DOE Review Committee.
- b. Administrative Services
- (i) Follow up monthly releases of Ten Million Pesos (Php 10 million) by PAGCOR to the DOE;
 - (ii) Receive and collect the contribution from PAGCOR to the Loan Fund and deposit the amount available for loan (94% of the fund collected pursuant to Section 10 of R.A. 8479) to the DBP;
 - (iii) Receive the proceeds of interest income from DBP-TS and deposit the same with the Bureau of Treasury;
 - (iv) Provide updated status reports on the Loan Fund; and
 - (v) Perform such other functions that may be assigned to it by the DOE Review Committee.
- c. Financial Services
- (i) Ensure the implementation of the accounting system in full compliance with existing government accounting and auditing laws, rules and regulations;
 - (ii) Ensure the availability of Loan Funds pursuant to the terms of the February 21, 2002 Memorandum of Agreement between the DOE and PAGCOR;
 - (iii) Ensure completeness of documentation of the disbursements of the Loan Funds;
 - (iv) Conduct regular audits of the borrower's disbursements of the fund to ensure that the loan is properly utilized in accordance with Department Circular No. 2003-06-007;
 - (v) Provide updated status reports on audits conducted; and
 - (vi) Perform such other functions that may be assigned to it by the DOE Review Committee.
- d. Legal Services
- (i) Review and evaluate contracts, to be entered into between the DOE and the borrower/s;
 - (ii) Review and endorse contracts to the OIMB for finalization prior to signing by the DOE of the same;

- (iii) Issue legal opinion on matters referred to it in connection with the Loan Fund; and
- (iv) Perform such other functions that may be assigned to it by the DOE Review Committee.

Section 5. Meetings.

The DOE Review Committee shall meet once every two (2) months or as the need may arise to ensure the effective implementation of the Gasoline Station Lending and Financial Assistance Program and this Order.

Section 6. Secretariat Support.

Secretariat support for the DOE Review Committee shall be provided by the OIMB.

Section 7. Effectivity.

This Department Order shall take effect immediately.

(Sgd.)
VINCENT S. PEREZ, JR.
Secretary

Fort Bonifacio, Taguig, Metro Manila
October 14, 2003