

[**EXECUTIVE ORDER NO. 60, September 30, 2011**]

AMENDING EXECUTIVE ORDER (EO) NO. 254 (S. 1995) AND REORGANIZING THE PHILIPPINE GAS PROJECT TASK FORCE TO THE PHILIPPINE UPSTREAM PETROLEUM TASK FORCE

WHEREAS, it is the policy of the State to ensure 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;

WHEREAS, the development of indigenous petroleum resources is essential to the long-term stability of fuel and energy prices, as well as to national security and competitiveness;

WHEREAS, it is the policy of the Philippine government to promote the role of natural gas in the energy supply mix of the country by creating conditions for a Philippine gas industry that economically serves a broad variety of users, including power plants, industrial, commercial and residential users;

WHEREAS, the Philippine Gas Project Task Force (PGPTF) was established under Executive Order (EO) No. 254 (s. 1995) to pursue the development and utilization of the offshore Malampaya-Camago gas reserves by contractors under Service Contract No. 38;

WHEREAS, the development of the Malampaya Deep Water Gas-to-Power Project (the "Malampaya Project") commenced in 1999, and commercial operations commenced on 01 January 2002 for the supply of fuel to the Ilijan, Santa Rita and San Lorenzo power generation plants in Batangas with a total capacity of 2,700 MW;

WHEREAS, the Malampaya Project currently provides fuel for about 40% of the power generation capacity in Luzon and has generated more than US\$4 billion in revenues for the Government since it commenced commercial operations in 2002;

WHEREAS, the Malampaya Project requires additional investment to sustain the production levels of natural gas, including the drilling of additional wells (Malampaya Phase 2 for completion in 2013) and the installation of compression capacity (Malampaya Phase 3 for completion in 2015) with a total cost of more than US \$ 1 billion;

WHEREAS, it is in the interest of the Philippine government that projects such as Malampaya Phases 2 and 3 are executed with no harm to people and the environment, with minimum disruption to the power supply of Luzon, and completed on time and within budget;

WHEREAS, there is a need for an ad hoc, multi-agency body that will ensure a unified and coordinated effort in support of exploration, development and utilization of the country's petroleum resources; and,

WHEREAS, the Administrative Code of 1987 provides that the President has the continuing authority to reorganize the administrative structure of the Executive Branch of government.

NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order.

SECTION 1. Composition. The PGPTF is hereby renamed as the Philippine Upstream Petroleum Task Force (PUPTF) and reorganized to be composed of the Secretary of the Department of Energy (DOE) as Chairperson, and as members, the heads of the following agencies or their duly designated alternates with the rank of Undersecretary or its equivalent rank:

- a. Office of the Executive Secretary (OES)
- b. Department of Transportation and Communications (DOTC)
- c. Department of Environment and Natural Resources (DENR)
- d. Department of Finance (DOF)
- e. Department of Justice (DOJ)
- f. Department of the Interior and Local Government (DILG)
- g. Department of Foreign Affairs (DFA)
- h. Department of National Defense (DND)
- i. National Economic and Development Authority (NEDA)
- j. Housing and Urban Development Coordinating Council (HUDCC)
- k. Palawan Council for Sustainable Development (PCSD)
- l. Bureau of Customs (BOC)
- m. Bureau of Immigration (BI)
- n. National Quarantine Office (NQO)
- o. Maritime Industry Authority (MARINA)
- p. Philippine Coast Guard (PCG)
- q. Civil Aviation Authority of the Philippines (CAAP).

The PUPTF may create such inter-agency subcommittees as may be necessary to fulfill its mandate. Other relevant government agencies may be invited to join the PUPTF as the circumstances and exigencies may require. The PUPTF may also call upon any department, agency or instrumentality of the government for assistance.

The DOE shall provide the technical, administrative and secretariat support to the PUPTF.

SECTION 2. Powers and Functions. The PUPTF shall:

- a) Support the execution of petroleum operations such as the Malampaya Phases 2 and 3, by reviewing, simplifying, and streamlining the applicable rules, regulations and procedures including those affecting the efficient deployment of personnel, vessels, machinery, equipment, spare parts and materials to be used in petroleum operations;
- b) Resolve inter-agency issues or issues raised by the petroleum service contractors, in relation to the monitoring and review of issues and concerns affecting or which may affect the timely and efficient