

[EXECUTIVE ORDER NO. 827, September 01, 1982]

WHEREAS, it is necessary at this time of imbalance between our supply and demand for middle distillate fuels to develop indigenous motor fuel substitutes;

WHEREAS, it has been found and successfully demonstrated that the use of coconut oil as diesel fuel extender is technically and economically feasible;

WHEREAS, the use of this indigenous and renewable source as diesel fuel blending stock will not only alleviate the fuel imbalance but also help absorb the country's coconut oil surplus and thus buoy up the coconut industry and consequently protect the livelihood of our coconut farmers;

WHEREAS, the Cabinet Executive Committee has already approved for implementation a coco-diesel program which will use a blend of a maximum 5% coconut oil and 95% diesel fuel nationwide distribution and sale for automotive purposes;

WHEREAS, for the program to succeed, it is necessary to secure a continuous and stable source of supply of coconut oil;

WHEREAS, to make economically viable the use of coconut oil as a diesel fuel extender at the present price of diesel and coconut oil, it is necessary that coconut oil be exempt from the coconut oil levy and sales tax, as well as the specific tax and special fund impost applicable to diesel fuel.

NOW, THEREFORE, by virtue of the powers vested in me under Sec. 290-A of the National Internal Revenue Code and other laws, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, do hereby direct and order:

SECTION 1. Coconut oil to be used as engine fuel, either in its pure state or as blending component for diesel fuel, be exempted from the coconut levy and sales tax, and the special fund impost and specific tax normally applied to diesel fuel.

SECTION 2. The Ministry of Energy shall, in consultation with the Ministers of Finance and the NEDA and upon recommendation of the Commissioner of Internal Revenue, promulgate the appropriate rules and regulations to implement this Order.

SECTION 3. The Philippine Coconut Authority and the Board of Energy shall, likewise in consultation with the Ministers of Energy and the NEDA, promulgate such rules and regulations as may be necessary to implement this Order.

SECTION 4. This Order shall take effect immediately.

Done in the City of Manila this 1st day of September, in year of our Lord, Nineteen