

**[ MEMORANDUM CIRCULAR NO. 55, February 09, 2004 ]**

**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 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