

EXECUTIVE ORDER NO. 171

AMENDING CERTAIN PROVISIONS OF PRESIDENTIAL DECREE NO. 334, AS AMENDED AND EXECUTIVE ORDER NO. 131

WHEREAS, there is a need to reorganize the Philippine National Oil Company (PNOC) to make it responsive to the requirements of the industry;

WHEREAS, pending the adoption by Congress of a law standardizing the compensation of government-owned and controlled corporations with original charters, there is a need to make the PNOC salaries competitive with the private sector;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Republic of the Philippines, do hereby order:

SECTION 1. The Philippine National Oil Company (PNOC) shall have the following purposes:

- a) To provide and maintain an adequate and stable supply of oil and petroleum products for the domestic requirement and for that purpose to engage in the transportation, storage, importation, exportation, refining, supply, sale and distribution of crude oil, refined, petroleum and petroleum based products, whether imported or produced by local refineries;
- b) To engage in the exploration, exploitation and development of local oil, petroleum and other energy resources;
- c) To foster conditions relating to oil or petroleum operations and other energy resources exploitation conducive to a balanced and sustainable growth of the economy;
- d) To undertake, by itself or otherwise, exploration, exploitation, and development of all energy resources of the country, including surveys and activities related thereto;
- e) To undertake all other forms of petroleum or oil operations and other energy

resources exploitation.

SECTION 2. All of the powers and functions of PNOC as provided in P.D. 334, as amended, except the regulatory functions are hereby maintained.

SECTION 3. As a transitory measure, PNOC shall, for a period of two (2) years, continue to use the facilities of the National Coal Authority which is to be integrated with the Natural Resources Development Corporation pursuant to Executive Order No. 131, subject to continued payment at current rate without escalation for a period of two (2) years.

SECTION 4. Pending the adoption by Congress of a law standardizing salaries and benefits of government-owned and controlled corporations with original charters, the personnel of PNOC shall be exempt from the Office of Compensation and Position Classification.

SECTION 5. The directors and officers of PNOC may hold concurrent positions in PNOC subsidiaries and receive reasonable compensation therefor.

SECTION 6. Employees and officers of the subsidiaries of PNOC may be detailed to PNOC for periods not exceeding one (1) year, or when necessary to maximize manpower use, they may be given concurrent positions in PNOC subject to a cost-sharing arrangement between PNOC and its subsidiaries.

SECTION 7. For efficiency of operations and maximum utilization of personnel, PNOC may, if warranted, set up a management company to supervise and coordinate the various activities of PNOC and its subsidiaries.

SECTION 8. The provisions of paragraph 4, Section 4, Section 5 (c) and (f) of Executive Order No. 131, Charter of the Department of Environment, Energy and Natural Resources, to the extent inconsistent herewith, are hereby amended accordingly.

SECTION 9. This Executive Order shall take effect immediately.

Done in the City of Manila, this 8th day of May in the year of Our Lord, Nineteen Hundred and Eighty-Seven.