

WEDNESDAY, JUNE 2, 1999

TABLE OF CONTENTS

PARLIAMENTARY INQUIRY OF SENATOR DRILON.....	3-5
(On How the Membership to Lingap Funds was Undertaken)	
REFERENCE OF BUSINESS.....	
RESOLUTION (S. Res. No. 473).....	5-6
COMMUNICATIONS.....	6-8
COMMITTEE REPORTS (C. R. Nos. 54-55).....	8-9
MOTION OF SENATOR DRILON.....	9-10
(Referral of Memorandum Order No. 62 to the Rules Committee Rather than the Economic Affairs Committee)	
CONFERENCE COMMITTEE REPORT ON S. NO. 1330/H. NO. 7036	10-14
(Imposition of Countervailing Duties)	
Report of Senator Enrile	10-12
Interpellation by Senator Guingona	12-13
(Approved)	
MANIFESTATION OF SENATOR FLAVIER.....	14
(Senators Fernan, Cayetano, Barbers, Coseteng, Jaworski, Honasan, and Tatad as Coauthors of S. No. 1554)	
PRIVILEGE SPEECH OF SENATOR SANTIAGO.....	14-22
(The Kingdom of Darkness, or: The Empire that Government Contracts Built)	
Interpellation by Senator Pimentel	22-23
MOTION OF SENATOR DRILON.....	23
(Referral of Senator Santiago's Speech to the Accountability of Public Officers and Investigations; and Public Order and Illegal Drugs Committees)	
BILL ON SECOND READING (Continuation).....	24-27
(S. No. 1545 - Philippine Micronutrient Fortification Act of 1999)	
Sponsor - Senator Flavie	
Amendments by Senator Santiago	24-26
(Approved on Second Reading)	

SUSPENSION OF SESSION

Senator Drilon. I move that we suspend the session for one minute, Mr. President.

The President. The session is suspended for one minute, if there is no objection. *[There was none.]*

It was 4:42 p.m.

RESUMPTION OF SESSION

At 4:44 p.m., the session was resumed with the Hon. Aquilino G. Pimentel Jr. presiding.

The Presiding Officer [Sen. Pimentel]. The session is resumed.

The Majority Leader is recognized.

CONFERENCE COMMITTEE REPORT ON S. NO. 1330/H. NO. 7036 (Imposition of Countervailing Duty)

Senator Drilon. Mr. President, before the Privilege Hour, and with the permission of the Chamber, I move that we consider the Conference Committee Report of the Senate and the House of Representatives on the disagreeing provisions of House Bill No. 7036 and Senate Bill No. 1330.

The Joint Explanatory Statement of the Conference Committee was filed this morning. And so, we move that we consider this Bicameral Conference Committee Report, Mr. President.

The Presiding Officer [Sen. Pimentel]. Is there any objection? *[Silence]* There being none, the motion is approved.

Senator Drilon. Mr. President, may I ask the Chair to recognize the principal sponsor, Sen. Juan Ponce Enrile, to submit the report.

The Presiding Officer [Sen. Pimentel]. Sen. Juan Ponce Enrile who delivered the best speech on the VFA debates is hereby recognized.

Senator Enrile. This is not VFA, Mr. President.

The Presiding Officer [Sen. Pimentel]. I am sorry.

Senator Enrile. This is countervailing duty.

REPORT OF SENATOR ENRILE

Mr. President, the Conference Committee on the disagreeing provisions of House Bill No. 7036, entitled

AN ACT STRENGTHENING THE MECHANISMS FOR THE IMPOSITION OF COUNTERVAILING DUTIES ON IMPORTED SUBSIDIZED PRODUCTS, COMMODITIES OR ARTICLES OF COMMERCE IN ORDER TO PROTECT DOMESTIC INDUSTRIES FROM UNFAIR TRADE COMPETITION. AMENDING FOR THE PURPOSE SECTION 302, PART 2, TITLE II, BOOK I OF PRESIDENTIAL DECREE NO. 1464, OTHERWISE KNOWN AS THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED

and Senate Bill No. 1330, entitled

AN ACT TO PROVIDE THE RULES FOR THE IMPOSITION OF COUNTERVAILING DUTIES ON THE IMPORTATION OF SUBSIDIZED PRODUCTS, COMMODITIES OR ARTICLES OF COMMERCE, AMENDING FOR THE PURPOSE SECTION 302 OF THE TARIFF AND CUSTOMS CODE, AS AMENDED, AND FOR OTHER PURPOSES

have met last May 26 in the morning, and after full and free conference, agreed to recommend and do recommend to their respective houses that House Bill No. 7036, in consolidation with Senate Bill No. 1330, be approved in accordance with the attached copy of the bill as reconciled and approved by the conferees.

Mr. President, the Conference Committee of the Senate and the House of Representatives on the disagreeing provisions of these two bills submits the following joint statement to both Houses in explanation of the amendments agreed upon by the conferees and recommended in the accompanying Conference Committee Report:

1. The conferees agreed to adopt the House version as the working draft:

2. Imported products, commodities or articles shall be released pending a countervailing investigation:

3. The Secretary shall, within ten (10) days from receipt of the petition for the imposition of a countervailing duty, determine whether there is sufficient basis to justify the initiation of a countervailing investigation:

4. The Secretary shall, within five (5) days from finding of the basis to initiate an investigation, notify all interested parties and give them thirty (30) days from receipt thereof to file their answer:

5. The Secretary shall make a preliminary determination within twenty (20) days from receipt of the answer of all interested parties:

6. The cash bond shall be imposed not earlier than sixty (60) days from the date of initiation of the investigation:

7. The importer will no longer be required to pay the deficiency in case the cash bond is less than the definitive countervailing duty imposed;

8. The Tariff Commission is given one hundred twenty (120) days instead of sixty (60) days under the Senate version and one hundred fifty (150) days under the House version to complete its formal investigation and submit its findings to the Secretary;

9. The House provision on voluntary undertaking was retained; and

10. The provision of the Senate version that the cost of the proceedings will be borne by the losing party was not adopted.

There is another further part of this, Mr. President.

11. The title of the House version was adopted to read as follows, and I quote:

AN ACT STRENGTHENING THE MECHANISMS FOR THE IMPOSITION OF COUNTERVAILING DUTIES ON IMPORTED SUBSIDIZED PRODUCTS, COMMODITIES OR ARTICLES OF COMMERCE IN ORDER TO PROTECT DOMESTIC INDUSTRIES FROM UNFAIR TRADE COMPETITION, AMENDING FOR THE PURPOSE SECTION 302, PART 2, TITLE II, BOOK I OF PRESIDENTIAL DECREE NO. 1464, OTHERWISE KNOWN AS THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED.

In case of conflict between the statements or amendments stated in this Joint Explanatory Statement and the provisions of the consolidated bill in the accompanying Conference Committee Report, the provisions of the latter shall prevail.

I so recommend, Mr. President.

The Presiding Officer [Sen. Pimentel]. The Majority Leader is recognized.

Senator Drilon. Mr. President, the Minority Leader requests that he be recognized to raise some questions if Senator Enrile will yield.

Senator Enrile. Gladly, Mr. President.

The Presiding Officer [Sen. Pimentel]. The Minority Leader is recognized.

Senator Guingona. Thank you.

Mr. President, will the distinguished sponsor please clarify whether the imported products in the original bill should be

released under Item No. 2 of the Report?

Senator Enrile. Yes, Mr. President. We are complying with the requirements of the WTO. We cannot impede the liquidation of the import entries and the release of the goods during the pendency of the countervailing duty investigation.

Senator Guingona. How about future imports pending investigation?

Senator Enrile. They will also be released, subject to the imposition of a cash bond.

Senator Guingona. It says here that the importer will no longer be required to pay deficiency in case the cash bond is less than.....

Senator Enrile. That is also a provision of the WTO Treaty. We opted to adopt a cash bond rather than a surety bond because, as we know, there are many stale surety bonds in the custody of the Bureau of Customs running to billions of pesos in amounts and they remain uncollectible. But I think there is hardly any possibility of a cash bond being less than the amount of the countervailing duty because the preliminary findings of the Secretary will probably show that the subsidy would equal the cash bond.

Senator Guingona. In view of this provision that the cost will no longer be borne by the losing party, who will shoulder the cost then?

Senator Enrile. Both parties will shoulder the cost, Mr. President.

Senator Guingona. Thank you, Mr. President.

The Presiding Officer [Sen. Pimentel]. The Majority Leader is recognized.

APPROVAL OF CONFERENCE COMMITTEE REPORT
ON S. NO. 1330/H. NO. 7036

Senator Drilon. Mr. President, I now move that we approve the Conference Committee Report of this Chamber and the House of Representatives on the disagreeing provisions of House Bill No. 7036 and Senate Bill No. 1330.

The Presiding Officer [Sen. Pimentel]. Is there any objection? [Silence] There being none, the motion is approved.

The following is the whole text of the Conference Committee Report:

(INSERT)
