

TUESDAY, JUNE 6, 2000 A.M.

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Senator Enrile. Yes, Mr. President. I think we can now afford to stop here and have lunch and then come back this afternoon with fresher mind and better perspective and a filled stomach without power.

I move that we suspend.

SUSPENSION OF CONSIDERATION OF S. NO. 2000

Senator Tatad. Mr. President, I move that we suspend consideration of Senate Bill No. 2000.

The President. Is there any objection?
[Silence] There being none, the motion is approved.

SUSPENSION OF SESSION

Senator Tatad. I move that we suspend the session until three o'clock this afternoon.

The President. Is there any objection?
[Silence] There being none, the session is suspended until three o'clock this afternoon with instructions to the Secretariat to prepare the revised version up to Section 34.

It was 12:25 p.m.

RESUMPTION OF SESSION

At 3:22 p.m., the session was resumed with the Senate President, Hon. Franklin M. Drilon, presiding.

The President. The session is resumed.

BILL ON SECOND READING

S. No. 2033--Safeguard Measures Act of 2000
(Continuation)

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2033.

The President. Is there any objection?
[Silence] There being none, resumption of
consideration of Senate Bill No. 2033 is now in
order.

Senator Tatad. This is the Safeguard Measures
Act. We are now in the period of individual
amendments. I ask that the distinguished sponsor,
Sen. Juan Ponce Enrile, be recognized.

The President. Sen. Juan Ponce Enrile is
recognized.

Senator Enrile. Thank you, Mr. President. We
are in the period of individual amendments.

Senator Tatad. To propose some individual
amendments, I ask that Sen. Sergio R. Osmeña III be
recognized.

The President. Sen. Sergio R. Osmeña III is
recognized.

OSMEÑA (S) AMENDMENTS

Senator Osmeña (S). Thank you, Mr. President.
Will the kind sponsor yield for the consideration of
a few amendments?

Senator Enrile. Mr. President, I am ready to
accept the amendments of the gentleman. We will go
page by page, I guess.

Senator Osmeña (S). Can we go section by
section, Mr. President, because my lining is
different.

Senator Enrile. All right, section by section.

Senator Osmeña (S). Section 1, since this is
the first Safeguard Measures Act, may we just delete
the phrase "of 2000"?

Senator Enrile. It is accepted, Mr. President.

The President. Is there any objection?
[Silence] There being none, the amendment is approved.

Senator Osmeña (S). In Section 2, may we delete "Filipino" and use instead the word DOMESTIC. So it shall read "DOMESTIC industries".

Senator Enrile. It is accepted, Mr. President.

The President. Is there any objection?
[Silence] There being none, the amendment is approved.

ENRILE-OSMEÑA (S) AMENDMENT

Senator Osmeña (S). In Section 2, line 8, delete the word "industries" and insert the word PRODUCERS.

Senator Enrile. May I suggest that we retain the word "industries" and put the words AND PRODUCERS in order to cover agriculture.

Senator Osmeña (S). That is acceptable, Mr. President.

The President. Is there any objection?
[Silence] There being none, the amendment is approved.

Senator Enrile. So we retain the words "DOMESTIC industries AND PRODUCERS"

The President. We insert the words AND PRODUCERS between the words "industries" and "from" on line 8.

Senator Enrile. It is accepted, Mr. President.

OSMEÑA (S) AMENDMENT

Senator Osmeña (S). On lines 8, 9 and 10, delete the words "IMPORT SURGES AND THE THREAT THEREOF, AND to facilitate the positive adjustment of domestic industries TO IMPORT COMPETITION", and in lieu thereof, insert the words INCREASED IMPORTS WHICH CAUSED OR THREATEN TO CAUSE SERIOUS INJURIES TO DOMESTIC INDUSTRIES OR PRODUCERS.

Senator Enrile. It is accepted, Mr. President.

The President. Is there any objection?

Senator Guingona. Mr. President.

The President. Senator Guingona is recognized.

GUINGONA-OSMEÑA (S) AMENDMENT

Senator Guingona. Mr. President, I would just like to add the phrase FOR THE PUBLIC INTEREST, if the distinguished sponsor will agree.

Senator Enrile. If the distinguished proponent of the amendment will accept that, Mr. President.

Senator Osmeña (S). I am sorry, Mr. President, I was distracted. May I hear that again, Mr. President.

Senator Guingona. I propose that we add the phrase FOR THE PUBLIC INTEREST at the end of the amendment.

The President. What does Senator Osmeña say?

Senator Osmeña (S). It is accepted, Mr. President.

Senator Enrile. I accept the amendment to the amendment.

The President. Is there any objection?
[Silence] There being none, the Guingona amendment is approved.

Senator Tatad. How will the amended provision now read?

The President. Will Senator Osmeña now read the amendment, including the amendment that he has accepted from Senator Guingona?

Senator Osmeña (S). ■ SEC. 2. DECLARATION OF POLICY. - The State shall promote the competitiveness of domestic industries based on sound industrial and agricultural development policies, and make full and efficient use of human and natural resources. In pursuit of these goals, the State shall provide safeguard measures which may be necessary TO PROTECT DOMESTIC INDUSTRIES AND PRODUCERS FROM INCREASED IMPORTS WHICH CAUSED OR THREATEN TO CAUSE SERIOUS INJURIES TO THOSE INDUSTRIES OR PRODUCERS...."

Will the distinguished Minority Leader read exactly his amendment?

Senator Guingona. Just add the phrase FOR THE PUBLIC INTEREST at the end.

Senator Tatad. Maybe not at the end, Mr. President.

Senator Osmeña (S). Yes, maybe not at the end.

Senator Tatad. Because the injury would be for the public interest. [Laughter] That is how it would read.

Senator Guingona. Subject to style, Mr. President. It should be for the public interest that we are doing this.

Senator Tatad. Maybe at the beginning--"The State shall IN THE PUBLIC INTEREST ..."

Senator Guingona. Yes, Mr. President.

The President. Maybe it should be on line 7?

Senator Osmeña (S). It should be on line 7, after the word "goals". "In pursuit of these goals and IN THE PUBLIC INTEREST, the State shall provide safeguard measures...."

Is that acceptable to the Minority Leader?

Senator Guingona. Yes, Mr. President. Subject to style.

Senator Enrile. It is accepted, subject to style.

The President. Is there any objection?
[Silence] There being none, the amendment is approved.

Senator Tatad. Mr. President, in the same section, referring to certain portions that were not touched by the amendments. Just one point of inquiry. Would domestic industries include agriculture also?

Senator Enrile. Yes, Mr. President.

Senator Tatad. So there is no distinction between agriculture and industries.

Senator Enrile. DOMESTIC INDUSTRIES AND PRODUCERS.

Senator Tatad. No, I am referring to line 5. The competitiveness of domestic industries would now be based on sound industrial and agricultural policies.

TATAD AMENDMENTS

Senator Enrile. To be more precise, I suggest that somebody propose that DOMESTIC INDUSTRIES AND PRODUCERS should be the consistent phraseology.

Senator Tatad. May I humbly propose that this be added.

Senator Enrile. What is to be added, Mr. President?

Senator Tatad. The words AND PRODUCERS after the word "INDUSTRIES".

Senator Enrile. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Tatad. On line 6 in the Osmena version, between the words "and" and "efficient", I propose the deletion of the words "make full and" and in lieu thereof, insert the word THE.

Senator Enrile. So we remove the words "make full and".

Senator Tatad. Yes, Mr. President, and insert the word THE.

Senator Enrile. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Tatad. After the word "human", I propose a comma (,) and the deletion of the word "and"; and on line 7, after the word "natural", I

propose to insert the words AND TECHNICAL, so that it will read: "The State shall promote the competitiveness of domestic industries AND PRODUCERS based on sound industrial and agricultural development policies and the efficient use of human, natural AND TECHNICAL resources."

Senator Enrile. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Tatad. On lines 6 and 7, after the word "resources. In pursuit of these goals", I propose to make the phrase "these goals" singular because we are only talking of promoting the competitiveness of the industries and producers. So that will read, "In pursuit of THIS GOAL AND IN THE PUBLIC INTEREST."

Senator Enrile. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Tatad. On line 8, I propose the deletion of the words "which may be necessary". "the State shall provide safeguard measures TO PROTECT DOMESTIC..."

Senator Enrile. The amendment is accepted, Mr. President.

The President. Is there any objection? [Silence] There being none, the amendment is approved.

Senator Tatad. That is all, Mr. President.

Senator Flavier. Mr. President.

The President. Sen. Juan M. Flavier is recognized.

Senator Flavier. Section 3, Mr. President.

Senator Enrile. What is the proposed amendment on Section 3 of the gentleman, Mr. President?

Senator Flavier. On page 1, Section 3, line 14, the last line of the page, after the word "source", delete the period (.) and add the following phrase: EXCEPT IMPORTED NONAGRICULTURAL AND AGRICULTURAL RAW MATERIALS NOT PRODUCED LOCALLY, OR IF PRODUCED LOCALLY, BUT NOT IN SUFFICIENT QUANTITIES TO MEET LOCAL DEMANDS.

Senator Osmena (S). Mr. President, may I take exception and object to that amendment?

The President. Before that, may the Chair find out from the sponsor whether he accepts or he rejects the amendment before Sen. Serge Osmena states his objection. What does the sponsor say?

Senator Enrile. Mr. President, that means that safeguards will not apply to imported nonagricultural raw materials not produced locally, or if produced locally but not in sufficient quantities to meet local demands.

I think it is going to be very difficult to accept that proposal because this must cover every conceivable imports. If I remember correctly, my understanding is that we will, except from quantitative restriction imported nonagricultural raw materials not produced locally or if produced locally, they are not in sufficient quantities to meet local demands.

Senator Flavier. Which part would the distinguished gentleman not like to include, Mr. President?

Senator Enrile. That will be in the provisional measures.

Senator Flavier. So which part would the distinguished gentleman not like to be included, Mr. President?

The President. The whole. From what the Chair understands, the sponsor is not inclined to accept.

Senator Enrile. I could not accept this amendment to Section 3, Mr. President, because then it will complicate matters. We will be removing a large portion of our imports which may affect local industries producing nonagricultural raw materials.

Senator Flavier. The distinguished gentleman is not accepting it in this particular section but he will accept it....

Senator Enrile. In another section, if properly introduced.

Senator Flavier. I would have no quarrel with that, Mr. President, provided the protection is there for the downstream industries that will need raw materials.

The President. All right. The amendment is withdrawn in Section 3 in the meantime.

Senator Flavier. That will be fine, except that this will be considered in the appropriate section, Mr. President.

Senator Enrile. Yes, Mr. President.

The President. Senator Flavier may introduce it again at the appropriate section.

Senator Flavier. I will be amenable to that, Mr. President, with the guidance of the sponsor.

Thank you, Mr. President.

The President. We now proceed to page 2.

Senator Enrile. I think the gentleman from Cebu has a proposal in Section 3.

Senator Osmeña (S). That was the proposal of Senator Flavier.

In Section 4,--

Senator Enrile. Section 4, Mr. President.

Senator Osmeña (S). --may I propose an added definition for C.I.F. "C.I.F." means Cargo, Insurance and Freight.

Senator Enrile. Where is that? What line, Mr. President?

Senator Osmeña (S). It would probably fall between lines 11 and 12 in alphabetical order on page 2 of the distinguished gentleman's bill.

Senator Enrile. All right, C.I.F. The distinguished gentleman may proceed, Mr. President.

Senator Osmeña (S). I am sorry, Mr. President. We have to go back to line 3 of page 2 and delete the words "listed as an 8-digit item". Would that already be included in the distinguished gentleman's amendments? Am I supposed to....

Senator Enrile. The word "cargo" here should not be "cargo" but "cost." This is Cost, Insurance and Freight, C.I.F.

Senator Osmeña (S). No, it is cargo. Cost of cargo. Insurance is a cost, freight is a cost,

cargo is a cost, but the expenditure made for, let us say, the car is referred to as a cargo.

But I am willing to look at the legal dictionary to.... This is a standard usage.

Senator Enrile. When we talk of C.I.F. and F.O.B., F.O.B. is Free on Board; C.I.F. is Cost, Insurance, Freight.

Senator Osmeña (S). May we revisit this later? I will just ask for a legal dictionary and I am willing to abide by the dictionary.

Just a clarificatory question, Mr. President. In the copy that was handed to me--which already incorporates the amendments made by the distinguished sponsor--am I supposed to read those amendments or deletions, or are these already accepted as....

Senator Enrile. I would suggest, Mr. President, that the distinguished gentleman read them so that I will accept them, so that we will follow the *Rules*.

Senator Osmeña (S). Therefore, on page 2, line 3, delete the phrase "listed as an 8-digit item".

Senator Enrile. Just a minute, Mr. President. Line 2....

Senator Osmeña (S). Line 3 on page 2.

Senator Enrile. Is it line 3 on page 2 of the distinguished gentleman's draft, Mr. President?

Senator Osmeña (S). No, Mr. President. This is the distinguished gentleman's official....

The President. May I invite the gentlemen on the Floor that the draft we are looking at already contains bracketed phrases which indicates that they have already been deleted. For example, in the line

being cited by Senator Osmeña, the phrase "listed as an 8-digit item" is bracketed.

Senator Enrile. This is already an amendment of the committee, Mr. President.

The President. Yes.

Senator Osmeña (S). That is what I asked.

Senator Enrile. We do not have to repeat. The gentleman will only repeat the red-colored words that have been inserted by him in his version.

Senator Osmeña (S). Very good. That would certainly simplify matters. I would like to thank the gentleman for that.

The President. Senator Guingona wishes to take the Floor.

GUINGONA AMENDMENT

Senator Guingona. Mr. President, may I revisit Section 3 on page 1? It says here: "This Act shall apply to all articles being imported into the country irrespective of source."

May we propose an amendment: "Scope of Application" - SAFEGUARD MEASURES PROVIDED IN THIS ACT SHALL BE APPLIED TO A PRODUCT BEING IMPORTED INTO THE COUNTRY IRRESPECTIVE OF ITS SOURCE." Because of the MNLF provision, Mr. President.

Senator Enrile. MNLF?

Senator Guingona. Most-favored-nation clause. I am getting...

Senator Osmeña (S). That is MFN. [Laughter]

Senator Guingona. MFN. If we ban rubber shoes, for example, from one country because of the most-

favorable-nation clause, it will apply to all nations. So what we are banning is the product.

Senator Enrile. Mr. President, if we grant a special concession to a product, that will apply to all nations. But if we impose a detriment to one product, it will not apply to all nations.

Senator Guingona. Precisely. But the way it is worded here "all articles being imported into the country"

Senator Enrile. Mr. President, that is subject to the provision of the Treaty. After all, the Treaty is still a part of our legal system because we adhered to it. When we interpret this provision, we must always take into account the provision of the Treaty to which we adhered.

Senator Guingona. Yes, but we are only trying to ban or to stop the undue importation of a particular product.

Senator Enrile. We cannot ban, Mr. President. We are not banning. We are not authorized to ban any product.

Senator Guingona. No. I did not say "ban". I continued by saying "to temporarily stop or increase tariffs, the undue importation which is threatening to harm that particular product."

Senator Enrile. That is correct, Mr. President.

Senator Guingona. But if we say as it is stated, "all articles", I do not think that is the intent of the distinguished sponsor.

Senator Tatad. Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. Just to be helpful. I think the only purpose of the word "all" there is to signify that all goods being imported into the country are capable of being imported in such quantities as to pose a threat or a serious injury to like or competitive products being introduced in the Philippines.

Senator Enrile. Would the problem of the distinguished gentleman be satisfied if we just say, "This Act shall apply to articles, COMMODITIES AND GOODS being imported into the country irrespective of source." We remove the word "all".

Senator Guingona. Yes, specific. As long as it is...

Senator Enrile. If the gentleman will propose that, Mr. President, I will accept it.

Senator Guingona. I so propose it, Mr. President.

Senator Enrile. We will delete the word "all"; put a comma (,) after the word "articles," and then insert the words COMMODITIES AND GOODS. Will that be it?

Senator Guingona. Yes, Mr. President.

Senator Enrile. The amendment is accepted, Mr. President.

The President. Is there any objection?
[Silence] There being none, the amendment is adopted.

Senator Osmena (S). Just a word of caution, Mr. President. The phrases and words used here are used in the WTO Agreement and the United States Tariff and Customs Code.

Senator Enrile. That is correct, Mr. President.

Senator Osmena (S). The word "article" is always used in the U.S. Tariff and Customs Code.

Senator Enrile. Mr. President, to be consistent, I suggest that we use the plural form to distinguish it from the grammatical term "article" - ARTICLES, COMMODITIES, GOODS, for interpretative clarity.

Senator Osmena (S). That is all right, Mr. President.

So on page 2...

Senator Enrile. Change letter "b" to C.

OSMENA (S) AMENDMENT

Senator Osmena (S). May we renumber later, Mr. President. I would like to introduce a new definition for the word "Consumers" which shall read as follows:

CONSUMERS SHALL REFER TO ORGANIZED CONSUMER GROUPS REPRESENTING THE INTERESTS OF NATURAL PERSONS WHO ARE PURCHASERS, LESSEES, RECIPIENTS OR PROSPECTIVE PURCHASERS, LESSEES, RECIPIENTS OF CONSUMER PRODUCTS, SERVICES OR CREDIT.

Senator Enrile. There are two "lessees" there. What is the distinction between the two "lessees"?

Senator Osmena (S). The first group consists of purchasers, lessees, while the second group is composed of prospective purchasers, lessees.

Senator Enrile. There should be no comma but a hyphen, Mr. President.

Senator Osmena (S). PURCHASERS, LESSEES, RECIPIENTS, OR PROSPECTIVE PURCHASERS, LESSEES, RECIPIENTS OF CONSUMER PRODUCTS, SERVICES OR CREDIT.

Senator Enrile. Is the distinguished gentleman proposing that amendment now, Mr. President.

Senator Osmena (S). Yes, Mr. President.

Senator Enrile. It is accepted, Mr. President.

The President. Is there any objection?
[Silence] There being none, the amendment is adopted.

Senator Tatad. Mr. President.

The President. The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF S. NO. 2033

Senator Tatad. Mr. President, so that we can proceed with our session proper for the day, with the permission of the gentlemen on the Floor, I move that we suspend consideration of Senate Bill No. 2033.

The President. Consideration of Senate Bill No. 2033 is hereby suspended.

ADJOURNMENT OF SESSION

Senator Tatad. Mr. President, I move that we adjourn the session to a later time within the next few minutes.

The President. The session is adjourned, if there is no objection. [There was none.]

It was 3:48 p.m.