

TUESDAY, MAY 30, 2000 P.M.

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RESUMPTION OF SESSION

At 3:57 p.m., the session was resumed.

The President. The session is resumed.

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.

BILL ON SECOND READING

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

Senator Tatad. Mr. President, I move that we resume consideration of Senate Bill No. 2033 as reported out under Committee Report No. 230.

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

Senator Tatad. Mr. President, I ask that the distinguished sponsor, Sen. Ramon B. Magsaysay, be recognized, and to continue his interpellation, the Minority Leader. But prior to that, I understand the cosponsor, Sen. Juan Ponce Enrile, would like to make a statement.

The President. Senator Enrile is recognized.

STATEMENT OF SENATOR ENRILE

(To Use The Revised Version of S. No. 2033
as Basis for Debate)

Senator Enrile. Mr. President, in view of what transpired yesterday, and in order to make this measure clearer, we revised the version of Senate Bill No. 2033 to reflect, in fact, the requirements of the pertinent

provision of the World Trade Organization Treaty on General Safeguards and Special Safeguards, and at the same time clarified the intended protection for our domestic industries, both industrial and agricultural.

We have now a new copy of Senate Bill No. 2033 which indicate the proposed revisions so that we can proceed.

The President. Is there any objection to using this version as the basis for debate on this bill?

Senator Magsaysay. Mr. President.

The President. Sen. Ramon Magsaysay Jr. is recognized.

MANIFESTATION OF SENATOR MAGSAYSAY
(To Allow His Cosponsor to Continue Sponsorship of
S. No 2033)

Senator Magsaysay. Due to the statement of my cosponsor, and having just found out this afternoon that in Section 8--which the committee had earlier included as a provision--the so-called "Australian model" has been changed, I would prefer that my cosponsor, Sen. John Enrile, be the one to defend the measure. Because as chairman of the Committee on Trade and Commerce, I would not want that the original provision in Section 8 be changed to include the term "quantitative restrictions."

So, without any prejudice to the original measure and as adjusted by my cosponsor, I will yield the sponsorship to, the chairman of the Committee on Ways and Means because this part of the measure is basically within the jurisdiction of his committee.

Senator Tatad. Mr. President.

The Majority Leader is recognized.

Senator Tatad. Mr. President, with that manifestation and with the consent of the chairman of

Committee on Ways and Means, I ask that Sen. Juan Ponce Enrile be recognized to continue the sponsorship.

The President. Sen. Juan Ponce Enrile is recognized to continue with the sponsorship of the measure. We are now in the period of interpellations.

SUSPENSION OF SESSION

With the permission of the Chamber, the Chair declares a one-minute suspension of the session, if there is no objection. [*There was none.*]

It was 4:02 p.m.

RESUMPTION OF SESSION

At 4:06 p.m., the session was resumed.

The President. The session is resumed.

Senator Tatad. Mr. President, I move that the Secretary read the Additional Reference of Business.

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

The Secretary is directed to read the Additional Reference of Business.

ADDITIONAL REFERENCE OF BUSINESS

COMMITTEE REPORT

The Secretary. Committee Report No. 285, submitted by the Committee on Electoral Reform, Suffrage and People's Participation, on Senate Bill No. 2020, introduced by Senator Ople, entitled

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO. 7941, OTHERWISE KNOWN AS THE PARTY-LIST SYSTEM ACT

recommending its approval with amendments.

Sponsors: Senators Ople and Roco

The President. To the Calendar for Ordinary Business.

SPECIAL ORDER

Senator Tatad. Mr. President, I move that we transfer from the Calendar for Ordinary Business to the Calendar for Special Orders Committee Report No. 285 on Senate Bill No. 2020, entitled

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT
NO. 7941, OTHERWISE KNOWN AS THE PARTY-LIST
SYSTEM ACT

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

MOTION OF SENATOR TATAD

(Transfer of Referral of S. No. 1979 from the
Rules Committee to the Local Government Committee)

Senator Tatad. Mr. President, I move that we transfer the referral of Senate Bill No. 1979, which was previously referred to the Committee on Rules, to the Committee on Local Government.

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

Mr. Majority Leader, before the suspension of the session, Sen. Juan Ponce Enrile was on the Floor as sponsor of Senate Bill No. 2033.

Senator Enrile. Mr. President, I am ready.

SUSPENSION OF SESSION

Senator Tatad. I am sorry. Mr. President, I move that we suspend the session for one minute.

[Silence]
The President. Is there any objection? [Silence]
There being none, the session is suspended for a minute. *bnc*

• It was 4:08 p.m.

RESUMPTION OF SESSION

At 4:10 p.m., the session was resumed.

The President. The session is resumed.

The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF S. NO. 2033

Senator Tatad. Since we are still reproducing the proposed amendments that are subject of debate, I move that we temporarily suspend consideration of Senate Bill No. 2033.

The President. Is there any objection? [Silence]
There being none, consideration of Senate Bill No. 2033 is hereby suspended.

BILL ON SECOND READING

S. No. 2020--Party-List System Act

Senator Tatad. Mr. President, I move that we consider Senate Bill No. 2020 as reported out under Committee Report No. 285.

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

Consideration of Senate Bill No. 2020 is now in order. With the permission of the Body, the Secretary will read only the title of the bill without prejudice to inserting in the *Record* the whole text thereof.

The Secretary. Senate Bill No. 2020, entitled

might in the long run be prejudicial to our own companies that are trying to make a living out of their own products here.

With that, Mr. President, I would like to reserve my right to continue this interpellation at some future time.

Senator Leviste. Thank you, Mr. President.

The President. The Majority Leader is recognized.

SUSPENSION OF CONSIDERATION OF S. NO. 2041

Senator Tatad. Mr. President, I move that we suspend consideration of Senate Bill No. 2041.

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

SUSPENSION OF SESSION

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

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

It was 4:49 p.m.

RESUMPTION OF SESSION

At 5:01 p.m., the session was resumed.

The President. The session is resumed.

The Majority Leader is recognized.

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 as reported out under Committee Report No. 230.

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

Senator Tatad. Mr. President, we are still in the period of interpellations. I ask that the distinguished cosponsor, the chairman of the Committee on Ways and Means, Sen. Juan Ponce Enrile, be recognized, and to continue his interpellation, Sen. Sergio Osmena III.

The President. Sen. Juan Ponce Enrile and Sen. Sergio Osmena III are recognized.

Senator Osmena (S). Thank you very much, Mr. President.

Will the distinguished sponsor yield for a few questions on the new safeguards measure?

Senator Enrile. Gladly, Mr. President, to the distinguished son of a distinguished father and a very able senator from the great province and City of Cebu.

MOTION OF SENATOR TATAD

(To Use the May 30, 2000 Version of the Bill)

Senator Tatad. Mr. President, before the interpellation, we invited attention to a revised copy of the bill. This has been distributed to the members. I move that we use this for purpose of the debates.

The President. Is there any objection? [Silence] There being none, the revised copy as of May 30, 2000 of Senate Bill No. 2033 will be used as the basis for the debates.

Senator Osmena (S). Mr. President, may we know if the interpellations that this representation made to the

previous sponsor will still stand with regard to this bill?

Senator Enrile. Surely, Mr. President. In fact, some of those points that were raised by the distinguished Senator from Cebu are already covered by this new draft.

Senator Osmena (S). I thank the distinguished sponsor for that.

Mr. President, just some point of clarification. Yesterday, when we suspended interpellation of this particular bill, I was trying to obtain from the sponsor the definition of "tariff-rate quota" as used in Section 11, now page 13 of the bill.

Senator Enrile. "Tariff-rate quota," as I understand it, Mr. President, is actually a portion of our imports that is given a special rate. I think this refers to what we call "minimum access volume."

If we have 100% of imports of a commodity, there is a special portion that is given a preferential rate. We call this "minimum access volume" which is given a lower rate than the rest of the 100%.

For example, in the case of sugar, I think the minimum access volume is 51,000 tons at the rate of 50%. Anything above 51,000 tons is so covered by a higher rate.

Senator Osmena (S). I believe the rate would be lower than that. The rate would be 35%?

Senator Enrile. No, higher.

Senator Osmena (S). Under the MAV?

Senator Enrile. The out quota is 65%, Mr. President.

Senator Osmena (S). The MAV is 50%?

Senator Enrile. Yes, Mr. President.

Senator Osmena (S). All right. The way this is written, Mr. President, it says: "UPON AFFIRMATIVE DETERMINATION OF SERIOUS INJURY...."

Senator Enrile. What page is that, Mr. President?

Senator Osmena (S). Page 13, Section 11, lines 8 to 21. "UPON AFFIRMATIVE DETERMINATION OF SERIOUS INJURY OR THREAT THEREOF, THE COMMISSION SHALL RECOMMEND ANY OF THE FOLLOWING:..." Then Subsection (B). A TARIFF-RATE QUOTA ON THE ARTICLE;"

Now, if a tariff-rate quota is a minimum access volume, how does imposing a minimum access volume protect the farmer?

Senator Enrile. For instance, if we have an import surge on a particular commodity, although this particular commodity has no minimum access volume as of now, as written in the law, then with the present level, we can compress; we can say that a portion of this import will be given the present level of commodity to which we have bound ourselves, and beyond that we impose a higher rate of duty.

Senator Osmena (S). But if we had bound ourselves already, therefore that is a minimum access volume.

Senator Enrile. No, not necessarily.

Senator Osmena (S). What this might imply, Mr. President, is that either the Tariff Commission has the power--because it uses the word "Commission" and I presume this means the Tariff Commission--to lower our maximum....

SUSPENSION OF SESSION

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

The President. Is there any objection? [Silence]. There being none, the session is suspended for one minute.

It was 5:07 p.m.

RESUMPTION OF SESSION

At 5:10 p.m., the session was resumed.

The President. The session is resumed.

Sen. Juan Ponce Enrile is recognized.

Senator Enrile. Mr. President, in connection with the question of the distinguished gentleman from Cebu, this subparagraph (B) of Section 11 simply means--according to the concerned agency--that the committed minimum access volume could be reduced to a lower level. I do not know whether we can go to zero but I assume that we can reduce it a little over zero.

Senator Osmena (S). Well, that would be a big help. I am glad to hear that answer, Mr. President, which means that the Filipino farmer will have at least more protection now, especially with regard to those commitments we made, I think, on frozen beef and chicken.

Senator Enrile. Chicken. Poultry.

Senator Osmena (S). Poultry which is about 10 times higher than what was the average import at that time.

Senator Enrile. We made an error which until now has not been corrected.

Senator Osmena (S). And this can hopefully be corrected through this measure. Thank you, Mr. President.

Senator Enrile. But may I add, Mr. President, that in a case where the Philippines does not have any committed minimum access volume but bound itself to lower the duty on a particular commodity over time, if there is

an import surge, then the remedy will be quantitative restrictions (QR).

I think in evaluating the remedies available, we will have to select the best possible remedy that will protect our industries.

Senator Osmeña (S). Thank you for that, Mr. President. Now in Section... Please forgive me, this is the first time I....

Senator Enrile. We are open to possible amendments, if there are any amendments that the distinguished gentleman would like to propose to improve this text here.

Senator Osmeña (S). Mr. President, there is a Remedies Fund that is mentioned in Section 28 of the bill.

Senator Enrile. Are we talking of the four years, eight years, Mr. President?

Senator Osmeña (S). It is now Section 30 of the new bill. *Administrative System Support*, page 33, line 19. It starts with line 17:

....FIFTY PERCENT (50%) OF the revenue collected from these fees and charges shall be set aside in a Remedies Fund which shall be earmarked for the use of these agencies in the implementation of TRADE remedies...

May we know, Mr. President, what trade remedies are envisioned that will be funded by this Remedies Fund?

Senator Enrile. Well, it could be to support any action. For instance, if it is possible to institute an action for the imposition of countervailing duties or antidumping duties or to initiate an effort to convince the exporting country to maintain a voluntary export restraint, and such other similar efforts, Mr. President.

Senator Osmeña (S). So this is envisioned to be spent for legal and administrative remedies.

Senator Enrile. To help our local industries.

Senator Osmeña (S). So this means that at least there will be a fund for hiring lawyers in Washington, D.C. and New York in behalf of the Filipino farmers who cannot afford to hire those lawyers.

Senator Enrile. That is correct, Mr. President.

Senator Osmeña (S). Thank you, Mr. President. What about the other 50%? Will that be included in the Agriculture Competitiveness Enhancement Fund which exists under Republic Act No. 8178?

Senator Enrile. That is correct, Mr. President.

This will be subject to the disposition of Congress in consultation with the agencies concerned.

Senator Osmeña (S). Now, Mr. President, if the first 50%--the 50% that goes to the Remedies Fund--is of such an amount that is over and above what they would need for administrative and legal expenses, where can the balance be spent? Can we earmark that it be spent on behalf of the farmers, like infrastructure or...

Senator Enrile. No question, Mr. President. If the gentleman would submit a proposed amendment to that effect, this representation would gladly accept it for the good of our farmers.

Senator Osmeña (S). Thank you very much for that. I think I have exhausted my interpellation on this bill. I am glad to see the new version. But may I just make a short reservation that since this is the first time I see this bill, I would like to compare it with the old one. If there will be additional questions in my mind, may I ask that I be allowed to continue my interpellation.

Senator Enrile. I would like to reiterate my statement, Mr. President, that the distinguished gentleman is free to introduce amendments at the proper time and we will consider them.

Senator Osmena (S). Thank you very much, Mr. President.

The President. The Majority Leader is recognized.

Senator Tatad. Mr. President, we would like to thank Senator Osmena for his abbreviated interpellation.

The Minority Leader has reserved the right to interpellate tomorrow.

SUSPENSION OF CONSIDERATION OF S. NO. 2033

In view thereof, I move to suspend consideration of Senate Bill No. 2033.

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

SUSPENSION OF SESSION

Senator Tatad. I move to suspend our session until ten o'clock tomorrow morning.

The President. Is there any objection? [*Silence*] There being none, the session is suspended until ten o'clock tomorrow morning, May 31, 2000.

It was 5:17 p.m.