

TENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

MAR 11 1957

SENATE

JOINT COMMITTEE REPORT No. 61-1450

Submitted by the Committees on Agriculture and Food and Ways and Means on MAR 11 1956

Re : S. No. 1450, prepared by the Committees. Recommending its approval in substitution of S. Nos. 1039, 1040, 1041, 1256, 1257, 1275, 1276 and 1277.

Sponsors : Senators Shahani, Enrile and the Members of the Committees.

Mr. President:

The Committees on Agriculture and Food and Ways and Means to which were referred S. Nos. 1039 introduced by Senator Shahani, entitled:

AN ACT TO REPEAL PRESIDENTIAL DECREE NO. 1297, AS AMENDED BY PRESIDENTIAL DECREE NO. 1593, OTHERWISE KNOWN AS "CENTRALIZING THE IMPORTATION OF RUMINANTS FOR BREEDING, SLAUGHTER AND BEEF"

S. No. 1040, introduced by Senator Shahani, entitled:

AN ACT TO REPEAL REPUBLIC ACT NO. 2712, OTHERWISE KNOWN AS "AN ACT TO PROHIBIT THE IMPORTATION OF COFFEE"

S. No. 1041, introduced by Senator Shahani, entitled:

AN ACT TO REPEAL REPUBLIC ACT NO. 1296, OTHERWISE KNOWN AS "AN ACT TO PROHIBIT THE IMPORTATION OF ONIONS, POTATOES, GARLIC AND CABBAGES, EXCEPT FOR SEEDLING PURPOSES, AND TO PROVIDE PENALTIES FOR THE VIOLATION THEREOF"

S. No. 1256, introduced by Senator Shahani, entitled:

AN ACT TO REPEAL REPUBLIC ACT 7607 SECTION 23 PARAGRAPH 10 ENTITLED "AN ACT PROVIDING A MAGNA CARTA FOR SMALL FARMERS"

S. No. 1257, introduced by Senator Shahani, entitled:

AN ACT TO REPEAL PARAGRAPH A SECTION 15 OF REPUBLIC ACT NO. 7308 ENTITLED "SEED INDUSTRY DEVELOPMENT ACT"

S. No. 1275, introduced by Senator Shahani, entitled:

AN ACT AMENDING PRESIDENTIAL DECREE NO. 4 AS AMENDED BY REMOVING THE POWER OF THE NATIONAL FOOD AUTHORITY TO IMPOSE QUANTITATIVE RESTRICTIONS ON CORN AND OTHER GRAINS AND THEIR SUBSTITUTES, EXCEPT RICE, AND FOR OTHER PURPOSES

S. No. 1276, introduced by Senator Shahani, entitled:

AN ACT TO REPEAL PRESIDENTIAL DECREE NO. 1483 "AUTHORIZING THE IMPORTATION OF FOREIGN CIGAR LEAF TOBACCO FOR BLENDING PURPOSES"

S. No. 1277, introduced by Senator Shahani, entitled:


AN ACT TO REPEAL REPUBLIC ACT NO. 4155 SECTION 4 AS AMENDED, OTHERWISE KNOWN AS "AN ACT TO PROMOTE AND STRENGTHEN THE VIRGINIA TOBACCO INDUSTRY"

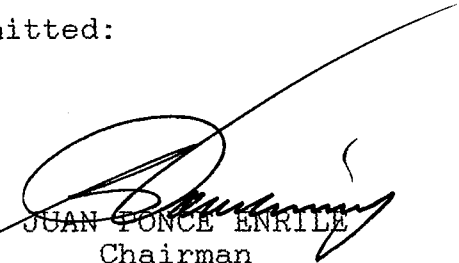
have considered the same and have the honor to report them back to the Senate with the recommendation that the attached substitute bill, S. No. 1450, prepared by the Committees, entitled:

AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTION (QRs) ON AGRICULTURAL PRODUCTS EXCEPT RICE, WITH TARIFF, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND AND FOR OTHER PURPOSES.

be approved in substitution of S. Nos. 1039, 1040, 1041, 1256, 1257, 1276, and 1277 with Senators Shahani, Enrile and the members of the Committees as authors thereof.

Respectfully Submitted:


LETICIA RAMOS SHAHANI
Chairperson
Committee on Agriculture
and Food


JUAN PONCE ENRILE
Chairman
Committee on Ways and Means

page 3 of CRPT
on Tariffication bills

Vicente C. Sotto III
VICENTE C. SOTTO III

Vice-Chairmen

Juan M. Flavien
JUAN M. FLAVIER

SERGIO R. OSMENA III

MEMBERS

Orlando S. Mercado
ORLANDO S. MERCADO

Ramon B. Revilla
RAMON B. REVILLA

Blas F. Opde
BLAS F. OPDE

Ernesto M. Maceda
ERNESTO M. MACEDA

Nikki M.L. Coseteng
NIKKI M.L. COSETENG

Ernesto F. Herrera
ERNESTO F. HERRERA
I dissent because the tariff rates are not specified.

Ramon B. Magsaysay Jr.
RAMON B. MAGEAYSAY JR.

Gloria M. Macapagal
GLORIA M. MACAPAGAL

Marcelo B. Fernan - with amendments
MARCELO B. FERNAN

Francisco S. Tatad
FRANCISCO S. TATAD

Franklin M. Drilon with amendments
FRANKLIN M. DRILON

EX-OFFICIO MEMBERS

Leticia Ramos Shahani
LETICIA RAMOS SHAHANI
President Pro Tempore

Alberto G. Romulo
ALBERTO G. ROMULO
Majority Leader

Edgardo J. Angara
EDGARDO J. ANGARA
Minority Leader

Nestor A. Gonzalez
~~HONORABLE NESTOR A. GONZALES~~
Senate President
Manila

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

96 MAR 11 P6 59

SENATE

S. No. 1450

(In substitution of S.B. Nos. 1039, 1040, 1041, 1256,
1257, 1275, 1276 & 1277)

Prepared by the Committees with Senators Shahani, Enrile
and the Members of the Committees as authors thereof

AN ACT

REPLACING QUANTITATIVE IMPORT RESTRICTIONS (QRs) ON AGRICULTURAL
PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL
COMPETITIVENESS ENHANCEMENT FUND AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:

1 SECTION 1. Title - This Act shall be known as the
2 "Agricultural Tariffication Act."

3 SEC. 2. Declaration of Policy. - It is the policy of the
4 State to make the country's agricultural sector efficient and
5 globally competitive and to honor its commitments as a member of
6 the World Trade Organization (WTO). Non-tariff restrictions such
7 as quantitative import restrictions are inefficient measures of
8 promoting agricultural production because these measures increase
9 investment uncertainty and raise the cost of doing business. It
10 shall therefore be the policy of the State to adopt the use of
11 tariffs in lieu of quantitative restrictions, except in the case of
12 rice, which is the country's main staple, as a more transparent
13 means of providing ample protection to local producers of
14 agricultural products while they adjust to a more open trade
15 regime.

16 Consistent with the Constitutional mandate of protecting
17 Filipino firms against unfair trade, it is furthermore the policy
18 of the State to employ anti-dumping and countervailing measures to

1 protect local producers from unfair trade practices, rather than
2 use quantitative import restrictions.

3 To prepare the agricultural sector for global competition, the
4 State aims to improve farm productivity by providing the necessary
5 support services such as, but not limited to, irrigation, farm-to-
6 market roads, post-harvest equipment and facilities, credit,
7 research and development, extension, other market infrastructure
8 and market information.

9 SEC. 3. Definition of Terms. - The following definitions
10 apply to the terms used in this Act:

11 (a) "Agricultural products" shall have the same meaning as
12 agricultural products under Chapters 1-24 of Presidential Decree
13 No. 1464, otherwise known as the Tariff and Customs Code of the
14 Philippines, as amended.

15 (b) "Agricultural Sector Advisory Committee" refers to the
16 body (also created under MO 245, which supersedes MO 231) that will
17 recommend to the Cabinet Committee appropriate mechanisms for the
18 importation of minimum access quotas.

19 (c) "Applied Rate" is the rate of import duty that is actually
20 used by Customs authorities in the collection of Customs revenues.

21 (d) "Based Bound Rate" refers to maximum limits on tariffs on
22 products committed by the Philippines to the World Trade
23 Organization (WTO) under the Uruguay Round Final Act in its initial
24 year of implementation.

25 (e) "Final Bound Rate" refers to the maximum limits on
26 tariffs on products committed by the Philippines to the WTO under
27 the Uruguay Round Final Act in its final year of implementation.

28 (f) "Minimum Access Volume" refers to the volume of a specific
29 agricultural product that is allowed to be imported with a lower
30 tariff as specified in the Tariff and Customs Code of the

1 Philippines, as amended.

2 (g) "Quantitative Import Restrictions" refers to non-tariff
3 restrictions used to prevent the entry of imported commodities,
4 including but not limited to import prohibitions, discretionary
5 import licensing, and import quotas, whether qualified or absolute.

6 (h) "Tariff" refers to a tax levied on a commodity imported
7 from another country. It earns revenues for the government and
8 regarded as instruments to promote local industries by taxing their
9 competitors. The benefit is accorded to the local producers by the
10 maintenance of a domestic price at a level equal to the world price
11 plus the tariff.

12 (i) "Tariffication" refers to the process of removing all
13 existing quantitative restrictions such as import quotas or
14 prohibitions, imposed on agricultural imports, and converting these
15 restrictions to their tariff equivalents.

16 SEC. 4. Repeal - The following laws and all other laws or
17 provisions of law prescribing quantitative import restrictions or
18 granting government agencies the power to impose such restrictions
19 on agricultural products, except rice, shall be deemed repealed
20 only upon the imposition of equivalent tariffs pursuant to Section
21 6 hereof:

22 (1) Republic Act No. 1296 entitled "An Act To Prohibit the
23 Importation of Onions, Potatoes, Garlic, and Cabbages, Except for
24 Seedling Purposes, and to Provide Penalties for the Violation
25 Thereof".

26 (2) Republic Act No. 2712 entitled "An Act to Prohibit the
27 Importation of Coffee".

28 (3) Presidential Decree No. 1297, as amended, entitled
29 "Centralizing the Importation of Ruminants for Breeding, Slaughter
30 and Beef".

1 (4) Paragraph 10 of Section 23 of Republic Act No. 7607
2 entitled "An Act Providing a Magna Carta for Small Farmers".

3 (5) Paragraph (a) of Section 15 of Republic Act No. 7308
4 entitled "Seed Industry Development Act".

5 (6) Section 4 of Republic Act No. 4155, as amended, entitled
6 "An Act to Promote and Strengthen the Virginia Tobacco Industry".

7 (7) Presidential Decree No. 1485 entitled "Authorizing the
8 Importation of Foreign Cigar Leaf Tobacco for Blending Purposes".

9 SEC. 5. Amendment to the National Grains Authority - The
10 quantitative import restrictions on corn and other grains, except
11 rice, are hereby repealed. The power of the National Food
12 Authority, formerly the National Grains Authority, shall be
13 confined to the importation of rice. For this purpose sub-
14 paragraph (xii), paragraph (a), Sec. 6 of Presidential Decree No.
15 4, otherwise known as the National Grains Authority Act as amended,
16 shall be amended accordingly.

17 SEC. 6. Tariffication - In lieu of quantitative
18 restrictions, equivalent tariffs shall be applied on commodities
19 whose quantitative restrictions were repealed by this Act.

20 The President is hereby authorized to adjust in accordance
21 with the provisions of Section 401 of the Tariffs and Customs Code,
22 as amended, the tariffs on agricultural products whose quantitative
23 import restrictions are repealed by this Act: Provided, that, the
24 schedule of the initial and final applied rates shall be equal to
25 the base bound rate and final bound rate, respectively, as
26 committed by the Philippine Government under the Uruguay Round:
27 Provided, further, that the phasedown of the applied rates shall be
28 consistent with our tariff binding commitments.

29 SEC. 7. Mechanisms for the Implementation of Minimum Access
30 Volume (MAV) - An equitable and transparent mechanism for

1 allocating the Minimum Access Volume (MAVs) of agricultural
2 products, whose quantitative restrictions are herein repealed,
3 shall be developed and established, having the least government
4 intervention, addressing the requirements of each geographical
5 area, and without entailing any cost to importers/users of these
6 products to the detriment of local consumers and other end-users.

7 For this purpose and in accordance with these guiding
8 principles, the Cabinet Committee and the Agricultural Sector
9 Advisory Council (ASAC) created by Memorandum Order No. 245 dated
10 December 13, 1994 to oversee and manage the minimum access quotas
11 committed by the Philippines under the General Agreement on Tariffs
12 and Trade Uruguay Round, with the inclusion of the National
13 Economic and Development Authority (NEDA), and in consultation with
14 all concerned agricultural farmer/producer/processor/importer
15 groups, shall perform the following tasks within six (6) months
16 from the effectivity of this Act:

17 a) To identify all eligible quota users or beneficiaries,
18 both large-scale and small scale, through a system of accreditation
19 to be administered by the respective government agencies: Provided
20 that new users or beneficiaries must register within ninety (90)
21 days from their organization in order to be entitled to the
22 allocation of the minimum access volume.

23 b) To identify the allocation of quota per eligible user or
24 beneficiary and if applicable, in response to the needs of specific
25 geographical areas, on the basis of specific criteria/relevant
26 factors, such as, but not limited to, the following:

- 27 1) Capitalization;
- 28 2) Proven capability to import;
- 29 3) Adequate storage facilities;
- 30 4) Records of production volumes; and

1 5) Plant capacity;

2 c) To determine the volume and timing of the in-quota
3 importation taking into consideration the periods of the product's
4 scarcity of supply; and

5 d) To determine the manner in which the importation of
6 minimum access volumes shall be made such that the
7 users/beneficiaries may be able to import their allocated volume
8 either individually or as a group.

9 SEC. 8. Agricultural Competitiveness Enhancement Fund. - To
10 implement the policy enunciated in this Act, there is hereby
11 created the Agricultural Competitiveness Enhancement Fund,
12 hereinafter referred to as the Fund. Fifty percent of the proceeds
13 from the importation of the minimum access volumes will accrue to
14 this Fund, the remaining fifty percent of which shall be reverted
15 to the National Treasury.

16 The Fund shall be plowed back to the sectors/industries
17 adversely affected by the repeal and shall be used solely to
18 improve farm productivity by providing the necessary support
19 services such as, but not limited to, irrigation, farm-to-market
20 roads, post-harvest equipment and facilities, credit, research and
21 development, extension, and other marketing infrastructure and
22 provision of market information.

23 The allocation of the Fund shall be based on the specific
24 needs of the agricultural sector concerned.

25 The Committee on Agriculture of both the Senate and the House
26 of Representatives of Congress shall conduct an annual oversight on
27 the use of the Fund. The Fund shall have a term of nine (9) years.

28 SEC. 9. Agricultural Competitiveness Enhancement Fund Board -
29 There is hereby created an Agricultural Competitiveness Enhancement
30 Fund Board, hereinafter referred to as the Board, composed of the

1 following: The Secretary of Agriculture as Chairperson, two (2)
2 representatives from the farmer/peasant and fisherfolk sectors and
3 two (2) representatives from the private sector.

4 The four (4) members of the Board whose term shall be for a
5 period of three (3) years, with possible re-appointment, shall be
6 appointed by the President from among the nominees submitted by the
7 different organizations within the sector.

8 The Board shall formulate a set of rules and regulations
9 governing the administration of the fund referred to in Section 8
10 of this Act.

11 The operating expenses to be incurred by the Board shall be
12 charged against the Fund.

13 SEC. 10. Repealing Clause. - All laws, decrees, executive
14 issuances, rules and regulations inconsistent with this Act are
15 hereby repealed or modified accordingly.

16 SEC. 11. Separability Clause. The provisions of this Act
17 are hereby declared to be separable, and in the event one or more
18 of such provisions are held unconstitutional, the validity of the
19 other provisions shall not be affected thereby.

20 SEC. 12. Effectivity. - This Act shall take effect thirty
21 (30) days from the date of its publication in the Official Gazette
22 or in at least two newspapers of general circulation.

23 Approved,

14

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'95 AUG -3 11:50

S E N A T E

RECEIVED BY:

S. Bill No. 1039

Introduced by Senator Shahani

EXPLANATORY NOTE

Presidential Decree No. 1297, as amended by Presidential Decree No. 1593, otherwise known as "Centralizing the Importation of Ruminants for Breeding, Slaughter and Beef" aims to speed up the attainment of self-sufficiency in foods of animal origin through effective animal health and quarantine measures, good livestock nutrition, sound management systems, and livestock dispersal and allied services. In order to strengthen the beef/carabeef program and address the inadequate breeder base, the government thru these Decrees encouraged large-scale ranching projects and has set aside experimental area for cattle breeding.

The ratification of the Uruguay Round Final Act of the General Agreement on Tariffs and Trade by the Philippine Senate in 1994, however, has rendered Presidential Decree Nos. 1297 and 1593 contrary to the provision of the GATT-UR on import restrictions or prohibitions. There is therefore a need to repeal said Decrees in order for the Philippines to abide with its commitments to the GATT-UR.

In view of the aforementioned reason, immediate passage of this measure is earnestly requested.


LETICIA RAMOS SHAHANI
Senator

'95 AUG -3 11:50

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE

RECEIVED BY:

S. Bill No. 1039

Introduced by Senator Shahani.

AN ACT

TO REPEAL PRESIDENTIAL DECREE NO. 1297, AS AMENDED BY PRESIDENTIAL DECREE NO. 1593, OTHERWISE KNOWN AS "CENTRALIZING THE IMPORTATION OF RUMINANTS FOR BREEDING, SLAUGHTER AND BEEF

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Presidential Decree Numbered Twelve Hundred and Ninety-Seven, as amended by Presidential Decree Numbered Fifteen Hundred and Ninety-Three, otherwise known as "Centralizing the Importation of Ruminants for Breeding, Slaughter and Beef" is hereby repealed.

SEC. 2. Effectivity. - This Act shall take effect upon its approval.


Approved,

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'95 AUG -3 AM 11:52

S E N A T E

S. Bill No. 1040

RECEIVED BY: 

Introduced by Senator Shahani


EXPLANATORY NOTE

Republic Act No. 2712, otherwise known as "An Act to Prohibit the Importation of Coffee" was enacted in June, 1960. Its objective was to promote the development of a coffee industry by protecting our farmers growing and cultivating coffee from undue competition from foreign sources of this agricultural crops.

In 1994, however, the Philippine Senate ratified the Uruguay Round Final Act of the General Agreement on Tariffs and Trade. The GATT-Uruguay Round is the most comprehensive multilateral trade agreement and has brought agricultural trade under global rules for the first time. It provides better access to more open markets where our agricultural products can compete on a leveled playing field by reducing agricultural domestic support and removing quantitative import restrictions or import prohibitions.

Since RA 2712 is a protectionist legislation in a pre-GATT regime, there is therefore a need to repeal such a law in order for us to abide by our commitments under the GATT-Uruguay Round Agreement.

In view of the aforementioned reason, immediate passage of this measure is earnestly requested.


LETICIA RAMOS SHAHANI
Senator

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'95 AUG -3 A11 :53

S E N A T E

S. Bill No. 1040

RECEIVED BY: [Signature]

Introduced by Senator Shahani

AN ACT
TO REPEAL REPUBLIC ACT NO. 2712, OTHERWISE KNOWN AS "AN ACT
TO PROHIBIT THE IMPORTATION OF COFFEE"

Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:

SECTION 1. Republic Act Numbered Twenty-Seven
Hundred and Twelve, otherwise known as "An Act to Prohibit
the Importation of Coffee" is hereby repealed.

SEC. 2. Effectivity. - This Act shall take effect
upon its approval.

Approved,

19
Republic of the Philippines

Senate
Manila

Office of the Secretary

August 10, 1995

M a d a m :

I have the honor to transmit herewith S. No. 1040,
entitled:

"AN ACT TO REPEAL REPUBLIC ACT NO. 2712, OTHERWISE
KNOWN AS 'AN ACT TO PROHIBIT THE IMPORTATION
OF COFFEE"

which was referred by the President to the Committee(s) on
Agriculture and Food during the session of the Senate on
August 9, 1995.

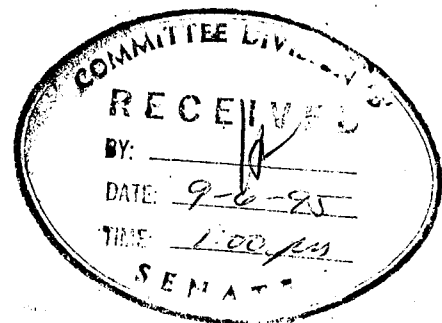
Very respectfully,


FOR THE SECRETARY:

DEMAREE J.B. RAVAL
Deputy Secretary for Legislation

The Honorable LETICIA RAMOS SHAHANI
Chairperson
Committee on Agriculture and Food

dj/69



TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'95 AUG -3 11:54

S E N A T E

S. Bill No. 1041

RECEIVED BY: [Signature]

Introduced by Senator Shahani

EXPLANATORY NOTE

Republic Act No. 1296, otherwise known as "An Act to prohibit the importation of onions, potatoes, garlic and cabbages, except for seedling purposes, and to provide penalties for violation thereof" was enacted in June, 1955. Its objective was to protect our farmers growing onions, potatoes, garlic and cabbage from undue competition from foreign sources of these agricultural crops.

In 1994, however, the Philippine Senate ratified the Uruguay Round Final Act of the General Agreement on Tariffs and Trade. The GATT-Uruguay Round is the most comprehensive multilateral trade agreement and has brought agricultural trade under global rules for the first time. It provides better access to more open markets where our agricultural products can compete on a leveled playing field by reducing agricultural domestic support and removing quantitative import restrictions or import prohibitions.

Since RA 1296 is a protectionist legislation in a pre-GATT regime, there is therefore a need to repeal such a law in order for us to abide by our commitments under the GATT-Uruguay Round Agreement.

In view of the aforementioned reason, immediate passage of this measure is earnestly requested.

[Signature]
LETICIA RAMOS SHAHANI
Senator

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'95 AUG -3 11:54

S E N A T E

S. Bill No. 1041

RECEIVED BY: ES

Introduced by Senator Shahani

AN ACT
TO REPEAL REPUBLIC ACT NO. 1296, OTHERWISE KNOWN AS "AN ACT
TO PROHIBIT THE IMPORTATION OF ONIONS, POTATOES, GARLIC AND
CABBAGES, EXCEPT FOR SEEDLING PURPOSES, AND TO PROVIDE PENAL-
TIES FOR THE VIOLATION THEREOF

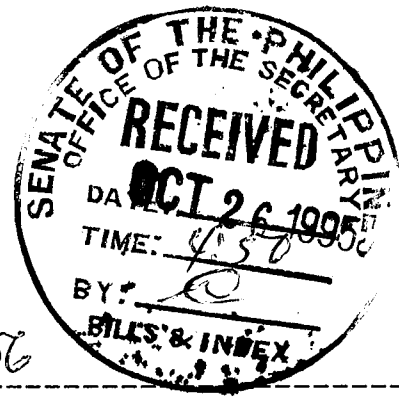
Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:

SECTION 1. Republic Act Numbered Twelve Hundred and
Ninety-Six, otherwise known as "An Act to Prohibit the Impor-
tation of Onions, Potatoes, Garlic and Cabbages, Except for
Seedling Purposes and to Provide Penalties for the Violation
Thereof" is hereby repealed.

SEC. 2. Effectivity. - This Act shall take effect
upon its approval.

Approved,

TENTH CONGRESS OF THE PHILIPPINES)
OF THE PHILIPPINES)
First Regular Session)



SENATE
Senate Bill No. 1256

Introduced by Senator Shahani

EXPLANATORY NOTE

The Philippines, as a member of the World Trade Organization (WTO), needs to amend existing laws to make these laws consistent with our GATT commitments. Under our market access laws, those that impose quantitative restrictions (QRs) need to be amended or repealed since the country is bound under the GATT-UR to tariffify existing quantitative restrictions.

Thus, this, bill aims to adopt tariff protection measures in lieu of non-tariff measures for all agricultural products, except rice, and therefore seeks to replace with ordinary customs duties imposing the existing quantitative import restrictions (QRs) on such products.

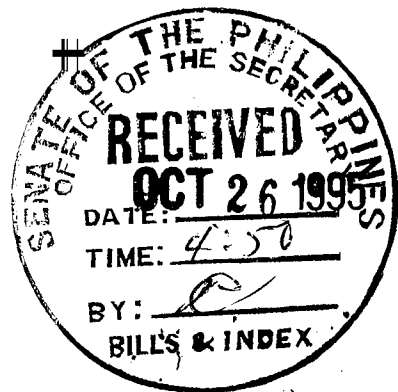
By replacing QRs with import tariffs, the government continues to provide trade protection to the country's farmers without the costs associated with QRs. Import tariffs increase the prices of imported agricultural products in the domestic market, making domestically-produced substitutes, competitive.

This bill is essential in preparing the country's agricultural sector to become competitive under the new world trade order. It also enables the State to conform with our GATT commitment. Since international trade of farm products requires transparency, the tariffication of the country's existing quantitative import restrictions is vitally essential in protecting agriculture from the effects of globalized trading.

The approval of this bill is therefore earnestly urged.


LETICIA RAMOS SHAHANI

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



S E N A T E

S.B. No. 1256

Introduced by Senator Shahani

AN ACT
TO REPEAL REPUBLIC ACT 7607 SECTION 23 PARAGRAPH 10 ENTITLED,
"AN ACT PROVIDING A MAGNA CARTA FOR SMALL FARMERS"

Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:

SECTION 1. Declaration of Policy. --- It is the policy of the State to make the country's agricultural sector efficient and globally competitive and to honor its commitment as a member of the World Trade Organization (WTO).

As such, it shall be the policy of the State to adopt the use of tariffs in lieu of non-tariff restrictions as a means to protect local producers of agricultural products (except for rice which is the country's primary staple).

Consistent with the Constitutional mandate of protection Filipino firms against unfair trade, it is furthermore the policy of the State to apply anti-dumping and countervailing measures to protect local producers from unfair trade practices, rather than use quantitative import restrictions.

To prepare the agricultural sector for global competition, the State aims to improve farm productivity by providing the necessary support services such as irrigation, farm-to-market roads, post-harvest equipment and facilities, credit, research and development, extension, other marketing infrastructure and information.

21

SEC. 2. Repeal. --- Republic Act Numbered Seventy-Six Hundred and Seven Section 23 Paragraph ten (10) (R.A. 7607 Sec. 23 Par. 10), entitled "An Act Providing a Magna Carta for Small Farmers" is hereby repealed.

SEC. 3. Authority. --- In view of the preceding Section, the President is hereby authorized to adjust in accordance with the provisions of Section 401 or 402 of the Tariffs and Customs Code, as amended, the tariffs on the agricultural products whose quantitative import restrictions are repealed by this Act: Provided, that proceeds from the importation of these agricultural commodities shall accrue to the Department of Agriculture: Provided, further that such proceeds from the importation of agricultural commodities shall revert back to the agricultural sector concerned through the implementation of projects such as but not limited to infrastructure support e.g. farm-to-market roads, irrigation, post harvest facilities.

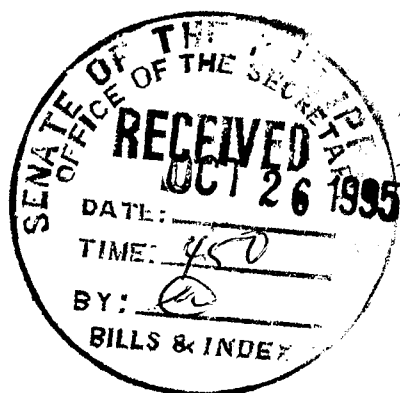
SEC. 4. Separability Clause - If any of the provisions, sections or parts of this Act is declared invalid, the other provisions not affected thereby shall remain in full force and effect.

SEC. 5. Repealing Clause. -- All laws, or parts thereof, decrees, orders, rules and regulations, inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 6. Effectivity. - This Act shall take effect upon its approval.

Approved,

TENTH CONGRESS OF THE PHILIPPINES)
OF THE PHILIPPINES)
First Regular Session)



SENATE
Senate Bill No. 1257

Introduced by Senator Shahani

EXPLANATORY NOTE

The Philippines, as a member of the World Trade Organization (WTO), needs to amend existing laws to make these laws consistent with our GATT commitments. Under our market access laws, those that impose quantitative restrictions (QRs) need to be amended or repealed since the country is bound under the GATT-UR to tariffify existing quantitative restrictions.

Thus, this, bill aims to adopt tariff protection measures in lieu of non-tariff measures for all agricultural products, except rice, and therefore seeks to replace with ordinary customs duties imposing the existing quantitative import restrictions (QRs) on such products.

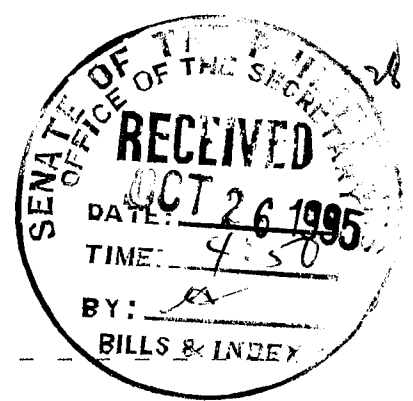
By replacing QRs with import tariffs, the government continues to provide trade protection to the country's farmers without the costs associated with QRs. Import tariffs increase the prices of imported agricultural products in the domestic market, making domestically-produced substitutes, competitive.

This bill is essential in preparing the country's agricultural sector to become competitive under the new world trade order. It also enables the State to conform with our GATT commitment. Since international trade of farm products requires transparency, the tariffification of the country's existing quantitative import restrictions is essential.

The approval of this bill is therefore earnestly urged.


LETICIA RAMOS SHAHANI

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



SENATE
Senate Bill No. 1257

Introduced by Senator Shahani

PARAGRAPH A SECTION 15 of AN ACT
TO REPEAL REPUBLIC ACT NO. 7308 OTHERWISE KNOWN AS THE "SEED
INDUSTRY DEVELOPMENT ACT"

Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:

SECTION 1. Declaration of Policy. - It is the policy
of the State to make the country's agricultural sector efficient
and globally competitive and to honor its commitment as a member
of the World Trade Organization (WTO).

As such, it shall be the policy of the State to adopt the
use of tariffs in lieu of non-tariff restrictions as a means to
protect local producers of agricultural products (except for rice
which is the country's primary staple).

Consistent with the Constitutional mandate of protection
Filipino firms against unfair trade, it is furthermore the policy
of the State to apply anti-dumping and countervailing measures to
protect local producers from unfair trade practices, rather than
use quantitative import restrictions.

To prepare the agricultural sector for global competition,
the State aims to improve farm productivity by providing the
necessary support services such as irrigation, farm-to-market
roads, post-harvest equipment and facilities, credit, research
and development, extension, other marketing infrastructure and
information.

SEC. 2. Repeal. - Republic Act Numbered Seventy-Three
Hundred and Eight (~~R.A. 7308~~), otherwise known ^{PARAGRAPHS SECTION 15} ~~AS~~ ^{THE} entitled "Seed Industry Development Act" is hereby repealed.

SEC. 3. Effectivity. - This Act shall take effect upon its approval.

A p p r o v e d.

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

S E N A T E
Senate Bill No. _____

Introduced by Senator Shahani

AN ACT
TO REPEAL PARAGRAPH A SECTION 15 OF REPUBLIC ACT NO. 7308
ENTITLED "SEED INDUSTRY DEVELOPMENT ACT"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Declaration of Policy. - It is the policy of the State to make the country's agricultural sector efficient and globally competitive and to honor its commitment as a member of the World Trade Organization (WTO).

As such, it shall be the policy of the State to adopt the the use of tariffs in lieu of non-tariff restrictions, as a means to protect local producers of agricultural products (except for rice which is the country's primary staple).

Consistent with the Constitutional mandate of protecting Filipino firms against unfair trade, it is furthermore the policy of the State to apply anti-dumping and countervailing measures to protect local producers from unfair trade practices, rather than use quantitative import restrictions.

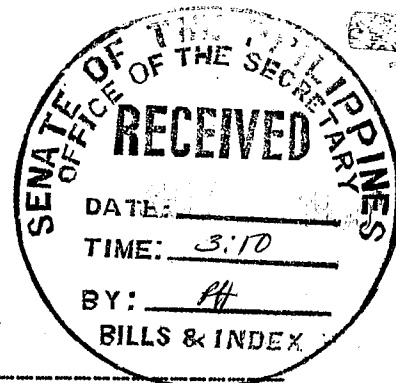
To prepare the agricultural sector for global competition, the State aims to improve farm productivity by providing the necessary support services such as irrigation, farm-to-market roads, post-harvest equipment and facilities, credit, research and development, extension, other marketing infrastructure and information.

SEC. 2. Repeal. - Republic Act Numbered Seventy-Three
 Hundred and Eight Paragraph A Section Fifteen (~~R.A. 7308~~
 Paragraph ~~A Section 15~~), otherwise known ^{as} ~~as~~ ^{the} entitled "Seed
 Industry Development Act" is hereby repealed.

SEC. 3. Effectivity. - This Act shall take effect upon
 its approval.

A p p r o v e d,

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)S.S.
FIRST REGULAR SESSION)



SENATE
S. No. 1275

Introduced by Senator Shahani

EXPLANATORY NOTE

This bill aims to replace with ordinary customs duties the existing discretionary import licensing power of the National Food Authority on corn and other grains and their substitutes except for rice.

Import licensing generally increases the cost of business. For this reason, users and consumers of agricultural products are compelled to devote part of their time and resources to lobby for import permits. The farmers likewise are impelled to utilize their resources to block any farm imports. Such valuable resources could be used more wisely by both users and producers to increase productivity in the agricultural and agricultural-processing sectors. In the case of the public sector, the system entails the allocation of scarce government resources for the administration of the import licensing system.

The cost of uncertainty and unnecessary government regulation is eventually translated into higher farm prices. At the end of the chain, consumers are forced to pay more for food products, reducing demand therefor, and robbing the majority of the country's farmers of potential income. In the long run, this situation undermines the competitiveness of the country's agricultural sector.

By replacing discretionary import licensing with import tariffs, the government continues to provide trade protection to the country's farmers without the costs associated with such kinds of quantitative restrictions (QRs). Import tariffs increase the prices of imported agricultural products in the domestic market, making domestically-produced substitutes competitive.

The QR on rice, which is the country's primary staple, should be maintained in the interest of food security. At present, only about 5 percent of the rice production in the world is presently traded. It is uncertain whether this proportion may increase in the future. While closely reviewing the prospects of international trade in rice, the government is presently investing to provide the required support services including irrigation, research and development, farm to market roads, and post harvest facilities in order to increase the average yield of rice farms in the country.

S. No. -----

- 2 -

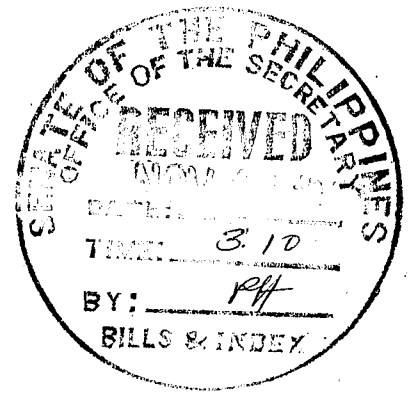
This bill therefore aims to replace, with ordinary customs duties, the existing discretionary import licensing power of the National Food Authority on corn and other grains and their substitutes except rice. This move is essential in preparing the country's agricultural sector to become globally-competitive. This is extremely necessary as part of our commitment to the WTO, which is expected to spur global competition in agricultural products. It is only by tariffication that we hope to secure protection for our agricultural products and maintain their competitiveness in the World Market.

Approval of this bill is therefore earnestly recommended.


LETICIA RAMOS SHAHANI

/acb:infa.bill
09/12/95

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)S.S.
FIRST REGULAR SESSION)



SENATE
S. No. 1275

Introduced by Senator Shahani

AN ACT AMENDING PRESIDENTIAL DECREE NO. 4 AS AMENDED BY REMOVING THE POWER OF THE NATIONAL FOOD AUTHORITY TO IMPOSE QUANTITATIVE IMPORT RESTRICTIONS ON CORN AND OTHER GRAINS AND THEIR SUBSTITUTES, EXCEPT RICE, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippine in Congress assembled:

SECTION 1. Declaration of Policy. - It is the policy of the State to make the country's agricultural sector efficient and globally-competitive. Since non-tariff restrictions in general and quantitative import restrictions in particular are inefficient measures of promoting agricultural production relative to tariff, the State adopts the use of tariffs in lieu of non-tariff restrictions to protect local producers of agricultural products. However, this will not apply to rice which is the country's primary staple and has limited internationally traded volume. But to minimize adjustment costs in the rice-growing sector in the interim while public infrastructure and other support services are being delivered, the quantitative import restriction on rice shall be maintained.

Furthermore, the state shall apply anti-dumping and countervailing measures to protect local producers from unfair trade practices, rather than use of quantitative import restrictions.

For this purpose, the State shall improve farm productivity by providing the necessary support services such as irrigation, farm-to-market roads, post-harvest equipment and facilities,

S. No. _____

- 2 -

credit, research and development, extension, other marketing infrastructure and information.

SEC. 2. Sub-paragraph (xii), Paragraph (a), Section 6 of Presidential Decree No. 4 (National Grains Authority Act), as amended, is hereby further amended to read as follows:

"Sect. 6(a) - Powers

xxxxxx

"(xii) To establish rules and regulations governing the importation of rice, [corn and other grains and their substitutes] and/or by-products/end-products and to license, impose and collect fees and charges for said importation for the purpose of equalizing the selling price of such imported grains and their substitutes and/or their by-products/end-products with the normal prevailing domestic prices.

"In the exercise of this power, the Council after consultation with the office of the President shall first certify to a shortage of [grains and/or their substitutes] RICE that may occur as a result of a short-fall in production, a critical demand-supply gap, a state of calamity or other verified reasons that may warrant the need for importation. The Authority shall undertake the direct importation of [grains and/or their substitutes] RICE or it may allocate import quotas among certified and licensed importers, and the distribution thereof through cooperatives and other marketing channels, at prices to be determined by the Council regardless of existing floor prices and the subsidy thereof, if any, shall be borne by the National Government."

S. No. _____

The President shall adjust, in accordance with the provisions of Section 401 or 402 of the Tariffs and Customs Code, as amended, the tariffs in corn and other grains and their substitutes, except rice.

SEC. 3. Repealing Clause. All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 4. Separability Clause. The provisions of this Act are hereby declared to be separable, and in the event one or more of such provisions are held unconstitutional, the validity of the other provisions shall not be affected thereby.

SEC. 5. Effectivity. This act shall take effect thirty (30) days from the date of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

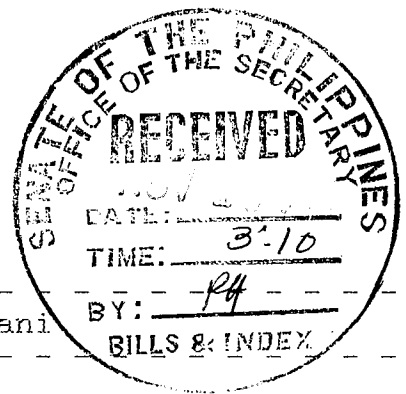
A p p r o v e d.

/acb:nfa.bill
09/12/95

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
Senate Bill No. 1276

Introduced by Senator Shahani



EXPLANATORY NOTE

The Philippines, as a member of the World Trade Organization (WTO), needs to amend existing laws to make these laws consistent with our GATT commitments. Under our market access laws, those that impose quantitative restrictions (QRs) need to be amended or repealed since the country is bound under the GATT-UR to tariffify existing quantitative restrictions.

Thus, this, bill aims to adopt tariff protection measures in lieu of non-tariff measures for all agricultural products, except rice, and therefore seeks to replace with ordinary customs duties imposing the existing quantitative import restrictions (QRs) on such products.

By replacing QRs with import tariffs, the government continues to provide trade protection to the country's farmers without the costs associated with QRs. Import tariffs increase the prices of imported agricultural products in the domestic market, making domestically-produced substitutes, competitive.

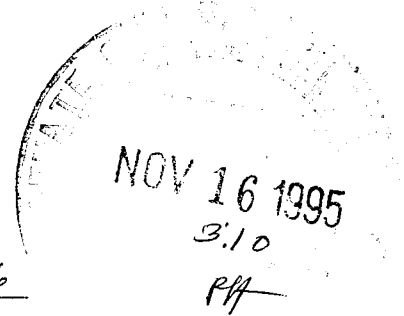
This bill is essential in preparing the country's agricultural sector to become competitive under the new world trade order. It also enables the State to conform with our GATT commitment. Since international trade of farm products requires transparency, the tariffication of the country's existing quantitative import restrictions is essential.

The approval of this bill is therefore earnestly urged.


LETICIA RAMOS SHAHANI

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

S E N A T E
Senate Bill No. 1276



Introduced by Senator Shahani

AN ACT
TO REPEAL PRESIDENTIAL DECREE NO. 1483 "AUTHORIZING THE
IMPORTATION OF FOREIGN CIGAR LEAF TOBACCO FOR BLENDING PURPOSES"

Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:

SECTION 1. Declaration of Policy. - It is the policy
of the State to make the country's agricultural sector efficient
and globally competitive and to honor its commitment as a member
of the World Trade Organization (WTO).

As such, it shall be the policy of the State to adopt the
the use of tariffs in lieu of non-tariff restrictions as a means
to protect local producers of agricultural products (except for
rice which is the country's primary staple).

Consistent with the Constitutional mandate of protecting
Filipino firms against unfair trade, it is furthermore the policy
of the State to apply anti-dumping and countervailing
measures to protect local producers from unfair trade practices,
rather than use quantitative import restrictions.

To prepare the agricultural sector for global competition,
the State aims to improve farm productivity by providing the
necessary support services such as irrigation, farm-to-market
roads, post-harvest equipment and facilities, credit, research
and development, extension, other marketing infrastructure and
information.

SEC. 2. Repeal. - Presidential Decree Numbered Fourteen Hundred and Eighty Three (P.D. 1483 "Authorizing the Importation of Foreign Cigar Leaf Tobacco For Blending Purposes is hereby repealed.

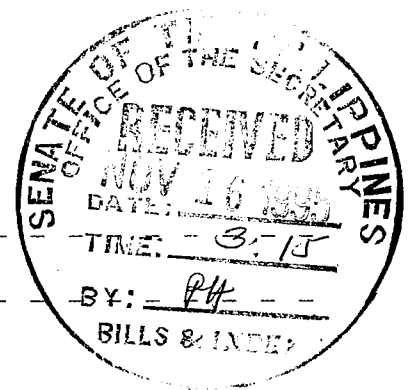
SEC. 3. Effectivity. - This Act shall take effect upon its approval.

A p p r o v e d,

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

S E N A T E
Senate Bill No. 1277

Introduced by Senator Shahani



EXPLANATORY NOTE

The Philippines, as a member of the World Trade Organization (WTO), needs to amend existing laws to make these laws consistent with our GATT commitments. Under our market access laws, those that impose quantitative restrictions (QRs) need to be amended or repealed since the country is bound under the GATT-UR to tariffify existing quantitative restrictions.

Thus, this, bill aims to adopt tariff protection measures in lieu of non-tariff measures for all agricultural products, except rice, and therefore seeks to replace with ordinary customs duties imposing the existing quantitative import restrictions (QRs) on such products.

By replacing QRs with import tariffs, the government continues to provide trade protection to the country's farmers without the costs associated with QRs. Import tariffs increase the prices of imported agricultural products in the domestic market, making domestically-produced substitutes, competitive.

This bill is essential in preparing the country's agricultural sector to become competitive under the new world trade order. It also enables the State to conform with our GATT commitment. Since international trade of farm products requires transparency, the tariffication of the country's existing quantitative import restrictions is essential.

The approval of this bill is therefore earnestly urged.


LETICIA RAMOS SHAHANI

TENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

SENATE
Senate Bill No. 1277

Introduced by Senator Shahani

46
NOV 16 1995

3:15

PA

BILLS & RES.

AN ACT
TO REPEAL REPUBLIC ACT NO. 4155 SECTION 4 AS AMENDED, OTHERWISE
KNOWN AS "AN ACT TO PROMOTE AND STRENGTHEN THE VIRGINIA TOBACCO
INDUSTRY"

Be it enacted by the Senate and House of Representatives of
the Philippines in Congress assembled:

SECTION 1. Declaration of Policy. - It is the policy
of the State to make the country's agricultural sector efficient
and globally competitive and to honor its commitment as a member
of the World Trade Organization (WTO).

As such, it shall be the policy of the State to adopt the
use of tariffs in lieu of non-tariff restrictions as a means to
protect local producers of agricultural products (except for rice
which is the country's primary staple).

Consistent with the Constitutional mandate of protection
Filipino firms against unfair trade, it is furthermore the policy
of the State to apply anti-dumping and countervailing measures to
protect local producers from unfair trade practices, rather than
use quantitative import restrictions.

To prepare the agricultural sector for global competition,
the State aims to improve farm productivity by providing the
necessary support services such as irrigation, farm-to-market
roads, post-harvest equipment and facilities, credit, research
and development, extension, other marketing infrastructure and
information.

SEC. 2. Repeal. - Republic Act Numbered Forty-One Hundred and Fifty Five Section 4 (R.A. 4155 Sec. 4), otherwise known as "An Act to Promote and Strengthen the Virginia Tobacco Industry" is hereby repealed.

SEC. 3. Effectivity. - This Act shall take effect upon its approval.

A p p r o v e d.