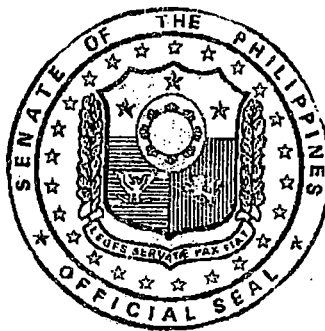


CONGRESS OF THE PHILIPPINES
S E N A T E
RECORDS AND ARCHIVES SERVICE

CP - SENATE

JOURNAL

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117 CP

1st REGULAR SESSION

REPUBLIC OF THE PHILIPPINES

S e n a t e

Pasay City

Journal

SESSION NO. 4

Thursday, July 15, 1999

**ELEVENTH CONGRESS
FIRST SPECIAL SESSION**

NOT TO BE TAKEN OUT OF THE
RECORDS AND ARCHIVES SERVICE

undertaking by allowing prospective price undertakings;

9. To incorporate in the House's provision on retroactivity of the anti-dumping duty conditions for application of such retroactivity;
10. To revise the House's provision on administrative support to be consistent with the countervailing duty measure;
11. To change one of the penalties in the House version relating to importers from P500,000 to double the definitive anti-dumping duty;
12. To adopt the House's provision on the creation of an Oversight Committee;
13. To include a provision requiring the filing of a surety bond by the petitioner which will be returned immediately if the Secretary makes an affirmative preliminary determination;
14. To add a provision that the welfare of the consumers and/or the general public and local industries should be considered in the imposition of the anti-dumping duty; and
15. To adopt the title of the House version, to read as follows:

AN ACT PROVIDING THE RULES FOR THE IMPOSITION OF AN ANTI-DUMPING DUTY, AMENDING FOR THE PURPOSE SECTION 301, PART 2, TITLE II, BOOK I OF THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES, AS AMENDED BY REPUBLIC ACT NO. 7843, AND FOR OTHER PURPOSES.

Senator Enrile requested the Body to approve the report.

APPROVAL OF THE CONFERENCE COMMITTEE REPORT

Submitted to a vote, there being no objection, the Conference Committee Report on the disagreeing provisions of Senate Bill No. 763 and House Bill No. 7612 was approved by the Body.

SUSPENSION OF SESSION

Upon motion of Senator Drilon, the session was suspended.

It was 5:51 p.m.

RESUMPTION OF SESSION

At 5:53 p.m., the session was resumed.

APPROVAL OF SENATE BILL NO. 1545 ON THIRD READING

Upon motion of Senator Drilon, there being no objection, the Body considered, on Third Reading, Senate Bill No. 1545, printed copies of which were distributed to the Members on June 3, 1999.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, upon motion of Senator Drilon, there being no objection, Secretary Gacutan read only the title of the bill, to wit:

AN ACT ESTABLISHING THE PHILIPPINE MICRONUTRIENT FORTIFICATION PROGRAM AND FOR OTHER PURPOSES.

Secretary Gacutan called the roll for nominal voting.

RESULT OF THE VOTING

The result of the voting was as follows:

In favor

| | |
|----------|------------|
| Barbers | Honasan |
| Biazon | Jaworski |
| Drilon | Ople |
| Enrile | Osmeña (J) |
| Flavier | Roco |
| Guingona | |

Against

None

Abstention

None

With 11 affirmative votes, no negative vote and no abstention, Senate Bill No. 1545 was approved on Third Reading.

MANIFESTATION OF SENATOR DRILON

Senator Drilon noted that there were only 18 senators in the country.

SPECIAL ORDER

Upon motion of Senator Drilon, there being no objection, the Body approved the transfer of Committee Report No. 60 on Senate Bill No. 1620 to the Calendar for Special Orders.

COMMITTEE REPORT NO. 60 ON SENATE BILL NO. 1620

Upon motion of Senator Drilon, there being no objection, the Body considered, on Second Reading, Senate Bill No. 1620 (Committee Report No. 60), entitled

AN ACT CREATING THE NATIONAL TRANSMISSION COMPANY (TRANSCO), TRANSFERRING NPC'S TRANSMISSION AND SUB-TRANSMISSION FUNCTION, NPC'S NATIONWIDE FRANCHISE FOR TRANSMISSION AND SUB-TRANSMISSION, AS WELL AS THE RIGHT OF EMINENT DOMAIN TO THE NEW NATIONAL TRANSMISSION COMPANY.

Pursuant to Section 67, Rule XXIII of the Rules of the Senate, with the permission of the Body, only the title of the bill was read without prejudice to the insertion of its full text into the Record of the Senate.

The Chair recognized Senator Osmeña (J) for the sponsorship.

SPONSORSHIP SPEECH OF SENATOR OSMEÑA (J)

Senator Osmeña (J) underscored the importance of electricity in people's lives. He averred that the persistent power outages in the past stunted the country's growth; at present, many rural areas are without power yet the retail rates of electricity are second highest in Asia. The future demand for electricity is getting bigger, he said, but there is no funding for the required infrastructure to meet the demand.

For a developing country like the Philippines, Senator Osmeña pointed out that the power industry is at the core of all efforts towards achieving economic and industrial progress but the sad state of the local power industry does not provide the assurance that the country can attain this national aspiration. He said that the high cost of electricity can be attributed to the following: difficulties of being an archipelagic country; inherent inefficiencies and cross-subsidies in the cost of power generation and transmission; technical inefficiency and mismanagement of some utilities; and improper consumption by misinformed end-users.

Senator Osmeña informed the Body that the demand for electricity is increasing at the rate of 6% per annum and to keep up with the demand, the government would need P48.8 billion annually for the construction, rehabilitation and upgrading of power plants as well as a similar amount for transmission and distribution. He said that the huge expenditure would drain the government's coffers and prejudice other vital services; on the other hand, increasing power rates would make the tariff rates for consumers the highest in Asia, if not in the world.

Senator Osmeña stated that the restructuring of the power sector is a complex process requiring careful study, a set of legislative actions, an extended time frame and a coordinated and convergent action by a number of executive agencies; as such, the best approach would be the passing of measures in sequence. Hence, he said, the Committee on Energy would be reporting to the Body five bills in sequence; the sixth bill would be reported out by the Committee on Government Corporations and Public Enterprises chaired by Senator Enrile.

Senator Osmeña explained that in restructuring the power industry, the Body should first create "the highway through which the electrons would travel" and such would be the TRANSCO which at present is part of the functions of the National Power Corporation. The bill, he said, seeks to separate the TRANSCO from the NPC by creating a distinct corporation to be given a capital of P200 billion, P120 billion of which would come from the transmission assets of NPC and the remaining P80 billion from a strategic partner to be chosen by the Department of Energy.

Since 47% of the electric power supply in the country is controlled by independent power producers,