

## RECORD OF THE SENATE

WEDNESDAY, AUGUST 26, 1998

### OPENING OF THE SESSION

*At 3:03 p.m., the Senate President, Hon. Marcelo B. Fernan, called the session to order.*

**The President.** The 15th session of the Senate in the First Regular Session of the 11th Congress is hereby called to order.

We shall be led in prayer by Senate President Pro Tempore Blas F. Ople.

*Everybody rose for the prayer.*

### PRAYER

**Senator Ople.**

### PANALANGIN

Mahal naming Panginoon:

Sa amin pong kapaligiran ay naghahari pa rin ang lagim ng mga patayan, gutom at matinding pagdarahap at laganap na kawalan ng pag-asa;

Sa kabila nito'y buo ang aming pananampalataya sa Iyo at sa Iyong banal na pananalita. Sapagkat alam naming sa pamamagitan ng kalinga at pagpapala Mo ay maaari naming tawirin at pagtagumpayan ang lahat ng pagsubok na ito kung kami ay magiging tapat sa Iyo at sa aming sinumpaang tungkulin.

Pagpalain Mo po, Panginoon, ang Senado ng Pilipinas at ang lahat ng bumubuo sa Kapulungang ito.

Maraming salamat po.

**The President.** Thank you, Senate President Pro Tempore, Blas F. Ople.

### ROLL CALL

**The President.** The Secretary will please call the roll.

**The Secretary, reading:**

Senator Teresa Aquino-Oreta ..... Present  
Senator Robert Z. Barbers ..... Present  
Senator Rodolfo G. Biazon ..... \*\*  
Senator Renato L. Compañero Cayetano .... Present  
Senator Anna Dominique M. L. Coseteng . Present  
Senator Franklin M. Drilon ..... Present  
Senator Juan Ponce Enrile ..... Present\*

Senator Juan M. Flavie ..... Present  
Senator Teofisto T. Guingona Jr. .... Present  
Senator Gregorio B. Honasan ..... Present  
Senator Robert S. Jaworski ..... Present  
Senator Loren B. Legarda-Leviste ..... Present  
Senator Ramon B. Magsaysay Jr. .... Present  
Senator Blas F. Ople ..... Present  
Senator John Henry R. Osmeña ..... Present\*  
Senator Sergio R. Osmeña III ..... Present  
Senator Aquilino Q. Pimentel Jr. .... Present  
Senator Ramon B. Revilla ..... Present\*  
Senator Raul S. Roco ..... Present  
Senator Miriam Defensor Santiago ..... Present  
Senator Vicente C. Sotto III ..... Present  
Senator Francisco S. Tatad ..... Present  
The President ..... Present

**The President.** With 19 senators being present, the Chair declares the presence of a quorum.

The Majority Leader is recognized.

### THE JOURNAL

**Senator Drilon.** Mr. President, I move that we dispense with the reading of the *Journal* of the previous session and consider it approved.

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

The Secretary will read the Reference of Business.

### REFERENCE OF BUSINESS

### MESSAGE OF THE PRESIDENT OF THE PHILIPPINES

**The Secretary.**

Malacañang  
Manila

Aug. 20, 1998

Hon. MARCELO B. FERNAN  
Senate President  
Senate of the Philippines  
Pasay City

Dear Senate President Fernan:

I hereby endorse Senate Bill No. 586, entitled

\* Arrived after roll call

\*\* On official mission

CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ASSASSINATION OF SENATOR BENIGNO S. AQUINO JR. THROUGH A SELECT COMMITTEE, WITH A VIEW TO DETERMINING RESPONSIBILITY FOR THIS "CRIME OF THE CENTURY" AT THE HIGHER LEVEL OF GOVERNMENT

Introduced by Senator Ople

**The President.** Referred to the Committee Justice and Human Rights

**The Secretary.** Proposed Senate Resolution No. 143, entitled

RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO INVESTIGATE, IN AID OF LEGISLATION, THE APPOINTMENT TO PUBLIC OFFICES OF NATIONAL CANDIDATES, WHO LOST IN THE LAST ELECTIONS

Introduced by Senators Santiago and Tatad

**The President.** Referred to the Committees on Constitutional Amendments, Revision of Codes and Laws; and Government Corporations and Public Enterprises

The Majority Leader is recognized.

#### SUSPENSION OF SESSION

**Senator Drilon.** May I ask for a one-minute suspension of the session, Mr. President.

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

*It was 3:11 p.m.*

#### RESUMPTION OF SESSION

*At 3:12 p.m., the session was resumed.*

**The President.** The session is resumed.

#### BILL ON SECOND READING S. No. 763 - Antidumping Act (Continuation)

**Senator Drilon.** Mr. President, with the concurrence of

the the Chamber, we ask that we resume consideration of Senate Bill No. 763, as reported out under Committee Report No. 1.

The parliamentary status is that we are under the period of interpellations. For that purpose, may we ask the Chair to recognize Senator Enrile, sponsor of the measure, for the continuation of the interpellation.

Senator Tatad has made a reservation to interpellate but he is not in the hall right now. May we ask the Chair to recognize Sen. Renato L. *Compañero* Cayetano for the interpellation.

**The President.** Senator Enrile is recognized for the continuation of his interpellation of Senate Bill No. 763, as reported out under Committee Report No. 1. Senator Renato L. *Compañero* Cayetano is recognized for his interpellation.

**Senator Cayetano.** Thank you, Mr. President. Will the distinguished gentleman from Cagayan allow certain clarificatory questions?

**Senator Enrile.** Gladly, Mr. President, to the distinguished gentleman from Taguig, Pateros, Muntinlupa City, Bulacan and the Philippines.

**Senator Cayetano.** Thank you, Mr. President. First of all, let me add my voice to the previous interpellators who have complimented the good gentleman from Cagayan for his able, very lucid and clear presentation of the sponsorship of Senate Bill No. 763 which seeks to amend R.A. No. 7843.

As we know, Mr. President, the matter of taxation and public finance is one of the specialties of the gentleman from Cagayan. Certainly, we are very fortunate to have a colleague in the person of the gentleman who sponsored this very technical and sometimes philosophical Antidumping Act.

Mr. President, the Explanatory Note of Senate Bill No. 763 clearly indicates the rationale for seeking the amendment of Republic Act No. 7843, and that is by removing its restrictive provisions and by adopting a workable antidumping mechanism in order to attain the following:

1. conformity with the GATT-UR Agreement on antidumping, avoiding unnecessary restrictive provisions;
2. establishing common legal provisions like prescriptive periods that would also be applicable to other GATT-UR Agreements like countervailing measures and safeguard measure; and
3. transforming the law into a more workable and simple piece of legislation.

These indeed are the rationale behind the sponsorship of Senate Bill No. 763. Is that correct, Mr. President?

**Senator Enrile.** Well, the Explanatory Note speaks for itself. I think that would be the best evidence of what was intended by the measure.

**Senator Cayetano.** Mr. President, having said that Senate Bill No. 763 is intended to remove the restrictive provisions of Republic Act No. 7843, I wonder if the provision found on page 17, subsection B—

**Senator Enrile.** Yes, Mr. President.

**Senator Cayetano.** —*Initiation of Action*, requires that a person, whether natural or juridical, may file a verified petition. Thereafter, it says beginning in line 25 that:

“The application shall be considered to have been made by or on behalf of the domestic industry if it is supported by those domestic producers whose collective output constitutes more than 50 percent of the total production of the like product,” et cetera.

Mr. President, is this provision found in the original Republic Act that is being sought to be amended?

**Senator Enrile.** No, Mr. President. Precisely, I was correcting the mistake committed by that original law. Because, in spite of the fact that the GATT-Uruguay Round-WTO Agreement was already ratified at that point in crafting the antidumping law, they forgot that they have ratified the provision of this treaty and they missed putting it in the law as a condition *sine qua non* to qualify the applicant for an antidumping duty.

I read into the records the requirement of the WTO Agreement yesterday, but I think it is worth repeating here, so that those who are unfamiliar with the text of the treaty could familiarize themselves. I would like to refer to page 152 of this document, *Uruguay Round Final Act*, Marrakesh, 15 April 1994, evidently published by PhilExport, and calling direct attention to paragraph 5.4, and I quote:

5.4 An investigation shall not be initiated pursuant to paragraph 1 unless the authorities have determined, on the basis of an examination of the degree of support for, or opposition to, the application expressed by the domestic producers of the like product, that the application has been made by or on behalf of the domestic industry. The application shall be considered to have been made “by or on behalf of the domestic industry” if it is supported by those domestic producers

whose collective output constitutes more than 50 percent of the total production of like product produced by that portion of the domestic industry expressing either support for or opposition to the application. However, no investigation shall be initiated when domestic producers expressly supporting the application account for less than 25 percent of total production of like product produced by the domestic industry.

That is a requirement, Mr. President, of the treaty that we have ratified. And we are just repeating it in the proposed measure.

**Senator Cayetano.** So, Mr. President, it is clear that this requirement is indeed found in the treaty that the gentleman mentioned and it is a repetition of the provision that the gentleman...

**Senator Enrile.** It is a statement of this requirement, Mr. President, so that we will harmonize ourselves with the treaty that we have acceded to.

**Senator Cayetano.** Is it the position of the gentleman, Mr. President, that without restating this particular provision in the treaty in this proposed Senate Bill No. 763, this provision in the treaty may be violated by the Philippines?

**Senator Enrile.** Not necessarily, Mr. President. But there is no harm in restating the requirement because it will be required of the applicant anyway, and it will educate our young lawyers who will be practicing antidumping cases. They should know without reading these very complex treaty provisions.

**Senator Cayetano.** Mr. President, having been informed by the good gentleman of the source of this particular provision requiring a certain percentage before an application may be made on behalf of domestic industry, or an investigation may be initiated, would he consider this particular provision now as restated, restrictive or liberal?

**Senator Enrile.** Mr. President, we can quibble about whether this is restrictive or not. But whether it is restrictive or not, the fact is that it is a requirement of the treaty, and we cannot alter that, otherwise we have to go around the world and get the consent of the other nations.

**Senator Cayetano.** So the explanatory note that this piece of legislation that is now being sponsored is intended to remove the restrictive provisions in the existing law is indeed not restrictive in the sense that what is just being proposed in this new legislation is a restatement of what is found in the treaty and ratified by this august Body.

Anyway, Mr. President, my last question really is: What happens if these requirements are not met by an applicant? Is there an appeal process? Because I do not see in this particular piece of proposed legislation an appeal process where an applicant, for some reason, may be denied as far as his anti-dumping complaint with the Secretary is concerned.

**Senator Enrile.** There is none, Mr. President, because that means, first, that either there is no dumping found by the Secretary or that there is no compliance with the requirement that we bound ourselves under the treaty.

**Senator Cayetano.** There is no doubt about being bound by the treaty, Mr. President. The reason I asked is to give due process to the local industries that might be prejudiced by the initial decision of the Secretary of Trade and Industry, that no dumping has occurred as far as a particular domestic industry is concerned.

I wish to relate that question, Mr. President, to a latter paragraph in this legislation where the trade and industry secretary has imposed an antidumping duty. This can later on be recalled or even reconsidered after an expiration of a certain period of time.

**Senator Enrile.** Yes, because the measure of the right of any member-country under the treaty to use this response to unfair trade practices is limited by time to five years. And only if the injury persists. If there is no more injury to the domestic industry because of some economic conditions changing, then we cannot make the antidumping duty permanent. But that is a separate issue altogether. We are talking here about the requirements for the assumption of jurisdiction to initiate an investigation with respect to a claimed dumping.

Before the authorities of the Philippines can assume jurisdiction over an application, the applicant must comply with certain requirements to be alleged in the application and to be supported by evidence to establish a *prima facie* case.

**Senator Cayetano.** Mr. President, that is quite clear as far as the provision of the proposed legislation is concerned. I am only concerned as to the opportunity for an applicant whose complaint has been denied by the Secretary, and the good gentleman said that there is nothing in the law here which would allow the applicant to appeal the decision that no dumping exists.

I wonder, Mr. President, if it is possible to say that in spite of the absence of any appellate provision here where the complaint has been denied, that the provision of the Administrative Code that any decision of the department secretaries may be appealed to the Office of the President would apply.

**Senator Enrile.** That will be too cumbersome a procedure, Mr. President. In fact, we would not be able to comply with the text of the treaty.

I would like to state here that all of these measures that we are discussing are, in fact, encouraged by the Secretary of the Department of Trade and Industry who is the guardian and protector of our local industries as far as industrial goods are concerned, and by the Secretary of Agriculture who is the guardian and protector of the agricultural sector bearing on agricultural products coming into the country.

So, I could not possibly fathom a situation where the corresponding secretary, either of trade and industry or of agriculture, would say that there is no dumping if indeed there is dumping. Because the Secretary of Trade is supposed to protect his own clientele—the industries of the Philippines; and the agricultural sector in the case of the secretary of Agriculture. He would be most foolish as a secretary to deny the initiation of an investigation if indeed there is dumping and that the injury bears on the ratios established in the treaty that we have acceded to and now restated in this proposed measure.

**Senator Cayetano.** Mr. President, I understand the explanation or justification except the fact that whether we like it or not, when the Secretary of Trade and Industry makes a decision, let us say, denying an application for dumping, still it is a judgment based on his own perception on facts and information that he has with him. But as a matter of law, the Secretary of Trade and Industry or the Secretary of Agriculture and for that matter, all the department secretaries, are alter egos of the President, and it is a principle of administrative law that the decision of a department secretary is appealable to the Office of the President.

I am wondering, Mr. President, if it is possible that despite the absence of any provision on appeal, whether in fact an applicant for reason of his own may appeal a decision of the Secretary of Trade on the basis of the general principle on administrative law, which is—that the decision of the secretary of a department is appealable to the Office of the President?

**Senator Enrile.** Mr. President, time is of the essence in this particular situation. If we are going to elevate the matter to Malacañang *baka iyong kabayo ay patay na at hindi na kailangan iyong damo*. But we would just like to say here, that as far as complying with these percentages, I do not think there is any businessman worth his salt who will initiate an antidumping application without assuring himself—unless he has a band of lawyers—that he has the percentages that will support him because it is very clear.

In fact, many of the industries in the country have their own

Chamber of Agriculture, Chamber of Hog Producers, Chamber of Poultry Operators, Chamber of Steel Producers, Chamber of Beer Producers, Chamber of Glass Producers, and so forth and so on. So it is easy for them to comply with this requirement.

Second, even if there is no applicant for the imposition of an antidumping duty, the secretary concerned is obligated under this proposed law *motu proprio* to initiate an investigation—precisely there is dumping—to protect local industries. The assumption here is that the government, through the secretaries, will exercise their prerogative to protect local industries because the politics of this is that if we do not exercise this protective umbrella, many mouths, many families will be deprived of livelihood.

**Senator Cayetano.** Well, Mr. President, we do not dispute the justification or benefits from what is being sought by this particular legislation, we are just concerned that the decision of the Secretary of Trade, regardless of its objectivity, would deprive an applicant of due process of law.

**Senator Enrile.** I do not think, Mr. President, that the secretary concerned can ignore an antidumping application if the applicant alleges in his application that first, there is dumping and this is supported by documents of pricing and volume, and second, that he represents at least 25 percent of production in the community. If he files an application for himself, as well as by and on behalf of the industry to which he belongs, then he must comply with the 50-percent requirement.

That is why yesterday, I said facetiously that if it happens that the dumped product is beer, then one single applicant, like San Miguel, will probably be enough. But if it is the reverse, if it is Asia Brewery that will apply, it must allege that the application is supported by San Miguel because Asia Brewery has only 20 percent of the market.

**Senator Cayetano.** I would like to thank the sponsor for that. I only hope that the Secretary of Trade and Industry that the gentleman referred to would make a judgment on whether to accept or dismiss an application for dumping on the basis of what is good for the local industry.

**Senator Enrile.** I assure the gentleman, Mr. President, that the Secretary of Trade and Industry or the Secretary of Agriculture will not favor an antidumping application if it is established that the application complies with the requirements of the law. The entire industry will be against him. He will be booted out by President Estrada or by any president for that matter in the future.

**Senator Cayetano.** With that statement, Mr. President, I have no other question. Thank you very much.

**The President.** The Majority Leader is recognized.

**Senator Drilon.** Mr. President, may I ask the Chair to recognize Sen. Francisco S. Tatad.

**The President.** Sen. Francisco S. Tatad is recognized for the interpellation.

**Senator Tatad.** Thank you very much, Mr. President. Will the distinguished sponsor yield for a few questions?

**Senator Enrile.** Gladly, Mr. President, to one of the experts in this discipline. I will be very happy to accommodate and hear his questions, and answer them.

**Senator Tatad.** I would like to thank the sponsor for that.

First of all, may we congratulate the distinguished sponsor on this timely measure and on the patience that he has shown so far in responding to questions on the floor.

Mr. President, we ratified the Marrakesh Agreement establishing the World Trade Organization in December, 1994 and we became a member of the World Trade Organization effective January 1, 1995.

As part of the preparations for our membership in the WTO, we enacted the present law, Republic Act No. 7843, otherwise known as the Antidumping Act of 1994, which amends Section 301, Part II, Title 2, Book 1 of the Tariff and Customs Code. Four years later, or one Congress later, we have this bill, Senate Bill No. 763, proposing to rewrite the law.

My first question is: Have we had an opportunity to test the efficacy of this particular law that we are trying to amend?

**Senator Enrile.** No, Mr. President, because precisely it is so difficult to apply. The businessmen are complaining that they want to protect themselves but they could not find protection in the law because it is so complex. Apart from being complex, some of the provisions were muddled because they mixed the requirements of safeguards, the portion of the treaty bearing on safeguards, which have different standards with the requirements of the treaty bearing on antidumping and countervailing.

**Senator Tatad.** Mr. President, we will have the opportunity to examine this particular statement in detail as we go along. But for now, is our distinguished friend telling us that there has been dumping except that no industry has been able to bring up any petition that would stand before the appropriate jurisdiction because the law is defective?

**Senator Enrile.** Yes, Mr. President, because that seems to be the complaint. In fact, there has been no case of dumping filed because of the difficulty of the evidential requirement under the present law.

Second, some of the provisions, I understand, caused some confusion in the minds of legal practitioners.

**Senator Tatad.** It is possible, Mr. President, that some of the defects referred to by our distinguished colleague in the law came about because, although the law itself was passed after we had fully debated the WTO Agreement—I am not so sure if my date is correct—it was prepared long before the text of the treaty came into our hands. That is one possibility.

In any case, in the 1997 Annual Report of the WTO, we find that at least 206 antidumping investigations were initiated in 1996. The most active members during the year in terms of initiating antidumping investigations were South Africa with 30; Argentina and the European Community with 23 each; the United States with 21; India with 20; Australia and Brazil with 17 each; and Korea with 13.

As of December 31, 1996, WTO members reported 900 antidumping measures, including price undertakings that are enforced. Of these, 35 percent were maintained by the United States; 17 percent by the European Community; 11 percent by Canada and Mexico. Products from China were the subject of the most antidumping investigations initiated during the year. There were 39 in number, followed by products exported from the European Community or its members, 35; the United States, 21; Brazil and India, 10 each.

Looking at these numbers, we are quite impressed that some countries have indeed been using their antidumping laws quite actively. I wonder if the distinguished sponsor would have some familiarity with their laws as they stand right now—whether they are fully in conformity with Article 6 of GATT 1994, which is the basis of the antidumping law.

**Senator Enrile.** Mr. President, the only country that has quite a different antidumping statute, probably stricter in protecting its national interest than others, is the United States because had been using antidumping law long before the onset of the GATT. When the antidumping provision of the General Agreement on Tariff and Trade was adopted by the member countries, the United States was able to get what they call the “Grandfather Rule,” excepting their antidumping law from the requirements of the antidumping provision of the GATT-Uruguay Round WTO Agreement.

Second, all the other signatories to the agreement who are

not placed in the same position *in pari passu* with that of the United States would have to comply with the requirements of this treaty that we are discussing.

Third, Mr. President, apropos of what the gentleman has just read as a report of the WTO, the fact that other countries have been saddled with too many antidumping cases should suggest to us that indeed there are countries that are dumping their products. It is not farfetched to conclude, maybe even a certitude to say that the Philippines is a victim of dumping. And yet our businessmen could not protect themselves for the simple reason that the law crafted by us in Congress, which is now Republic Act No. 7843, is defective.

In fact, I was told—I do not know this for a fact but I was told—that the reason there had been no antidumping case arising under the provisions of Republic Act No. 7843 was due to the difficulty of a prospective petitioner or applicant in complying with the documentary requirements essential in the determination of a *prima facie* case that will usher a formal investigation of dumping. So the adversely affected domestic industries find it difficult to substantiate their claims, especially a claim for material injury.

Now, the restrictiveness of RA No. 7843 was in fact noticed by Argentina, Australia, the European Union, Hong Kong, and the United States. These WTO members expressed their desire for the amendment of RA No. 7843 to make it conform with GATT-Uruguay Round Agreement on Antidumping.

I understand this matter was last raised during the WTO review of this RA No. 7843 on the Subsidies and Countervailing Duties Conference in Geneva on April 24, 1996.

**Senator Tatad.** Thank you very much, Mr. President.

I would need a bit more enlightenment on a few points with respect to the US record on antidumping. Unless I am mistaken, my recollection is that the antidumping regime first became fashionable with the Kennedy Round, started in 1964 up to 1967, and then went on during the Tokyo Round, 1973 to 1979. Of course, it acquired a new life altogether during the Uruguay Round.

But it is not really a particular antidumping law that the United States has been using to protect its interests. It is a provision in the Trade Act, popularly known as “Super 301.”

Even in the Uruguay Round Agreements, there is a provision there which says that US laws would override the provisions of the treaty. This was one of the points hotly and intensely debated on the floor of the Senate in December 1994.

**Senator Enrile.** Precisely, Mr. President, because of what I have already alluded to, the United States was given what they call a "grandfather right" with respect to its antidumping law because it predated the Antidumping Code of the GATT Treaty.

**Senator Tatad.** I am sufficiently enlightened there, Mr. President. Now our distinguished colleague was saying that it is logical to suppose that the Philippines has been a victim of dumping.

With the permission of the Chair, may I step back a little into the area of principles. We are talking of antidumping. Can we talk a little about dumping? Is dumping illegal, as a trade practice?

**Senator Enrile.** No, Mr. President. If they will flood the country with a certain type of product, that would not be dumping. Unless we could show first that we have an industry to be affected here and that the products that are flooding the country would have a lower export price than the home market price.

If there is a difference between the export price and the home market price of the product, then there is dumping. Because that will be the measure of the additional duty that we are authorized to impose on the product exported to us.

**Senator Tatad.** That is very clear, Mr. President. I have no problem understanding when dumping occurs. I am referring now to the philosophical framework which Senator Cayetano referred to earlier. Is dumping illegal?

My understanding is that, GATT itself does not prohibit dumping. In fact, it is a normal business practice. There are many reasons why it happens. We have sporadic dumping where there is no deliberate intention to engage in dumping. We probably have a new industry, and the pricing system is not yet fixed. The people involved do not know yet how to price their commodities.

We have a situation where for profit maximization, they engage in dumping. We have a cyclical situation where to cover at least variable cost or to insure job security during periods of slack demand, dumping is resorted to. We have a defensive type of dumping where dumping is used to minimize losses resulting from excess capacity, which is maintained to deter entry by competitors.

We have dumping taking place when we want to establish an economy of scale. When we want to eat up the bigger part of the market, dumping occurs. When we want to attack a leader in the export market, as the Japanese have been doing, then dumping occurs. Then we have the predatory type of dumping which is meant to establish monopoly in a foreign market. These are day-to-day normal practices.

**Senator Enrile.** There is no question about that, Mr. President. That is looking from the viewpoint of the exporting country and the producing entities.

I will give a classic example to define everything that has been mentioned by the distinguished gentleman. Let us take, for instance, a factory producing ladies shoes.

If a factory in a foreign country could produce 1 million pairs of shoes annually on a one shift of eight hours per day, and it sells that pair of shoes for \$20 in its home market, it makes a profit of \$4 dollars per pair. It has a variable cost of \$10 and a fixed cost of \$16.

As far as the fixed cost is concerned, if it produces 1 million pairs, it covers its fixed cost, and with a variable cost of \$10 per pair, it makes a profit of \$4 per pair. It has a variable cost of \$10 and a fixed cost of \$16.

Now it wants to hit the Philippines and does two shifts a day and produces 2 million. It sells the 1 million additional pairs to the Philippines at \$14 per pair, which is about \$6 less than what it sells the same pair in its own home market. In that case, regardless of the intention of the exporting country and its producing unit, there is dumping in the Philippines, and we can apply the Dumping Law if it injures our Marikina shoe producers.

**Senator Tatad.** There is no dispute, Mr. President. I was merely making my statement...

**Senator Enrile.** Because the philosophy or the economic principle involved is, entities, producers would produce and sell their production in addition to their normal production for as long as they can sell the product for more than their variable cost. So if the variable cost is \$10 in this case, they can sell these goods even for \$12 in the Philippine market and still make \$2 million additional profit a year, in addition to their \$4 million already assured in their home market.

**Senator Tatad.** The point is understood, Mr. President. I was merely trying to give a preface to the next statement I am about to make.

Dumping is GATT legal, antidumping has also been made GATT legal. But in fact, antidumping is nothing but a protectionist measure in a liberalized market repackaged in order to look different and acceptable. I have no problem with that, but I believe it is necessary to identify properly the bills we are discussing according to its nature and accidents.

**Senator Enrile.** Mr. President, if all nations, as well as all human beings are honest with one another, there would be no need to have these laws—antidumping laws, countervailing duty

laws, safeguard laws, escape clauses and so on and so forth. But unhappily, in the world of business as it is in the world of politics, there are always dishonesties going on. While we want a liberalized international trading arrangement, this desire must not be allowed to prevail to the injury of our local entrepreneurs and industries.

I think the basic rationale of the GATT-Uruguay-WTO Agreement was to establish a system of international trading where the playing field is even or level. But if other countries will use unfair trade practices to assault, attack or injure the domestic economy of their fellow members, then it is equally understood by the members themselves realistically speaking, that each member is given the right to adopt an adequate response to protect itself, and one of the responses allowed is antidumping duty.

**Senator Tatad.** I thank the sponsor, Mr. President. As I said, there is no dispute there. I think the GATT-WTO document sustains both our positions on this issue.

Does our distinguished friend, however, foresee an anti-dumping regime that would be commodity-neutral where the law would apply to all commodities irrespective of their respective uses to the country?

**Senator Enrile.** I think the contemplation of the law is that this should be a commodity-neutral.

**Senator Tatad.** Let me explain, Mr. President. For instance, we are an energy-deficit country. We have a liberalized regime as far as the importation of petroleum products is concerned. Supposing there are shipments of petroleum products well below their prices in the home market, would these be welcomed by the Filipino people or opposed by the local industry?

**Senator Enrile.** Of course, because first, we will get cheaper fuel; and second, there is no adequate local supply of fuel. There is no industry to be injured. We will be clapping our hands as 70 million souls if they will send us cheap crude at, say, US\$10 per barrel.

**Senator Tatad.** But I have not completed my question, Mr. President. Precisely, we have several oil firms in the country, and all of them would combine and file a petition with the Secretary of Trade and Industry or we would have other firms that would file a similar petition saying that this importation of very cheap fuel would, in the words of the bill, "retard the establishment of the petroleum industry."

What happens there?

**Senator Enrile.** The distinguished gentleman is talking now of products that are processed in the Philippines, like gasoline, diesel and liquefied petroleum. That is a different matter altogether, Mr. President, because when I answered the distinguished gentleman's question, I was talking of crude. But if they dump products to us at prices that are below their home market prices, then in that event, our local industries must be protected.

Now, if they are selling the same type of product in their home market at the price at which they export the product to the Philippines, it is the duty of the local industries to lower their prices in order to serve the interest of the consumers and we are not going to protect them under this law.

**Senator Tatad.** Thank you, Mr. President. A similar instance. Let us talk of rice. Under the WTO—

**Senator Enrile.** I think that is excepted, Mr. President.

**Senator Tatad.** —we have not lifted the quantitative requirements...

**Senator Enrile.** Yes, that is excepted from...

**Senator Tatad.** We have not lifted the quantitative restrictions; we allow a maximum of 59,000 metric tons progressively increasing in small doses up to the year 2005, if I am not mistaken. But during emergencies, we authorize importations well above the 59,000 metric tons. We sometimes authorize importation up to one million metric tons. Supposing there is such an importation, because it is required—we have nothing to eat, but the commodity is priced below the prevailing prices here, not necessarily below the prices in the home market, but below the prices here, well above the 2 percent *de minimis*. Then we have an unusual group of people who would go to the Secretary of Agriculture to say, "This is going to kill our *palay* industry, therefore we stop it."

**Senator Enrile.** Mr. President, if admittedly, according to the question, there is a large gap between local supply and demand, then, there is no industry that will be injured.

The truth of the matter is that the local industry has such a lucrative market that the demand of which could not be covered. So there is no material injury to the local industry as technically understood under the treaty.

**Senator Tatad.** I thank the distinguished senator for that answer, Mr. President, it is very clear.

There have been instances in the past, Mr. President, in other countries in the '80s, for instance, when the European



Union imposed a 20-percent antidumping duty on 12 Japanese exporters of photocopiers. Then three years after the antidumping duty was imposed, a so-called anticircumvention case was brought by the EU industry. It claimed that the Japanese exporters had circumvented the antidumping duty by establishing assembly operations inside the European Union that imported most of the parts of photocopiers from Japan adding very little local value. This is a model that can be replicated in many parts of the world. My question is: Is there anything in the present bill that would protect the economy from this type of operation?

**Senator Enrile.** Mr. President, if the product is already locally manufactured, we import the parts. If we can show that the parts are priced at less than their home market value, then we can raise an issue of dumping. But if those parts are brought here at their home market price, and these goods are cheaper than locally produced like goods, there is no dumping. They become domestic products competing with other domestic products.

**Senator Tatad.** The contention of the host government under these circumstances would be to the effect that this is a way of circumventing the Antidumping Law.

But as our distinguished friend has pointed out, perhaps this now falls under "rules-of-origin" scheme rather than the antidumping scheme.

**Senator Enrile.** Or, we will have to craft another law that will deal with this kind of a situation maybe, some degree of pricing or we can attack it on the tariff level in a different way.

**Senator Tatad.** Mr. President, may we now go to the text of the bill.

Before we do so, on a question of personal privilege. I think the air conditioning has run out.

**The President.** Will the Maintenance attend to the air conditioning.

**Senator Enrile.** A matter of personal privilege, Mr. President, I like it a little warmer. [Laughter]

**The President.** Okay, two privileges are interfering. Let us look for a compromise.

**Senator Tatad.** I also can use a little warmth from the Chair.

**Senator Enrile.** That will collide with the bill of the distinguished Senate President, if we are going to embrace each other. [Laughter]

**Senator Tatad.** Mr. President, the present law provides the following procedure:

1. A petition against dumping is received from an industry, or the Secretary of Finance is led to believe that a particular good is being exported into the country at a lower price than its normal value which would, therefore, be harmful to local industry.

2. Within 20 days from receipt of such petition or information generated by the Secretary of Finance himself, the Secretary of Finance shall determine a *prima facie* case of dumping. He notifies the importer within five days after receipt of the petition and requires him to submit within 10 days documented evidence of the normal value of the imported product.

3. Pending determination of the of a *prima facie* case, the petitioner may ask the Commissioner of Customs to withhold release of the imported product. The Secretary of Finance may then direct the Commissioner of Customs to withhold the same upon filing by the petitioner of a bond equal to the margin of dumping alleged. This bond shall answer for damages which the importer suffers if there is no *prima facie* case, otherwise the bond shall be cancelled once a *prima facie* case is established.

4. Upon determination of a *prima facie* case, the Secretary of Finance shall advise the Tariff Commission to hold the release of the goods in question unless the importer files a bond equivalent to the estimated dumping duty, plus all other applicable charges and duties. If the petition is dismissed, this bond will be returned.

5. The Tariff Commission shall terminate its investigation within 90 days from date of advise and shall submit its findings to the Special Committee on Antidumping within 60 days from termination of its investigation; otherwise, it shall, *motu proprio*, terminate its investigation if it finds that the estimated amount of dumping does not exceed the *de minimis* quantities.

6. The Special Committee on Antidumping shall decide on the case within 15 days. In case the committee decides that dumping has been committed, it shall direct the Commissioner of Customs to collect the dumping duty and all other duties and charges. If the committee fails to decide within 15 days, the recommendation of the Tariff Commission shall become final and executory.

Finally, the decision may be appealed to the Court of Appeals whose finding shall be final and conclusive.

Assuming that we utilize all the periods for each of these steps to the maximum, the whole process stretches to about 185 days.

**Senator Enrile.** Yes, Mr. President.

**Senator Tatad.** Now, the proposed amendment seeks to revise the existing procedures as follows:

First, A PETITION AGAINST DUMPING IS INITIATED BY A PERSON, NATURAL OR JURIDICAL, ON BEHALF OF AN INDUSTRY.

**Senator Enrile.** That is correct, Mr. President.

**Senator Tatad.** GOVERNMENT AUTHORITIES MAY NOT, BY THEMSELVES, INITIATE AN INVESTIGATION UNLESS THEY HAVE SUFFICIENT EVIDENCE TO JUSTIFY SUCH AN INVESTIGATION. NO PUBLICITY SHALL BE AUTHORIZED OF THE PETITION UNTIL THERE IS A DECISION TO INVESTIGATE.

2. THE SECRETARY OF TRADE AND INDUSTRY OR THE SECRETARY OF AGRICULTURE, AS THE CASE MAY BE, SHALL FURNISH THE SECRETARY OF FINANCE WITH A COPY OF THE PETITION, AND THE LATTER SHALL INFORM THE COMMISSIONER OF CUSTOMS OF THE SAME.

There is no period stipulated for this process.

3. THE COMMISSIONER SHALL ORDER THE IMPOSITION OF A CASH BOND EQUAL TO THE ESTIMATED DUMPING DUTY, except that it is not clear who is supposed to post this bond.

**Senator Enrile.** There is some error. We are going to propose an amendment to that.

**Senator Tatad.** Is it the petitioner or the importer?

**Senator Enrile.** Mr. President, the commissioner is not authorized to require a cash bond. It is the Secretary concerned who will determine that after establishing the margin of dumping. There was error in crafting the provision.

**Senator Tatad.** All right. So, this particular part of the bill is going to be corrected later?

**Senator Enrile.** Yes, Mr. President.

**Senator Tatad.** Now, after this "WITHIN FIVE (5) DAYS FROM RECEIPT OF THE PETITION, THE SECRETARY SHALL NOTIFY THE IMPORTER OF THE PETITION AND WITHIN TEN (10) DAYS, THE IMPORTER SHALL REPLY TO THE PETITION. IF HE

FAILS TO DO SO, HE IS DECLARED IN DEFAULT AND THE SECRETARY SHALL MAKE A PRELIMINARY DETERMINATION OF HIS CASE ON THE BASIS OF THE UNANSWERED PETITION.

4. IF HE ANSWERS NOT LATER THAN TEN (10) DAYS FROM RECEIPT OF THAT ANSWER, THE SECRETARY SHALL MAKE A PRELIMINARY DETERMINATION WHETHER A *PRIMA FACIE* CASE EXISTS.

5. IF A *PRIMA FACIE* CASE EXISTS, THE SECRETARY SHALL INITIATE AN INVESTIGATION AND ORDER THE COMMISSIONER OF CUSTOMS THROUGH THE SECRETARY OF FINANCE TO AUTHORIZE THE RELEASE OF THE PRODUCT UPON PAYMENT OF ALL DUTIES AND CHARGES AND UPON THE POSTING OF A CASH BOND EQUAL TO THE PROVISIONALLY ESTIMATED MARGIN OF DUMPING.

6. WITHIN TEN (10) DAYS FROM RECEIPT OF A FAVORABLE REPORT FROM THE TARIFF COMMISSION, THE SECRETARY SHALL IMPOSE AN ANTI-DUMPING DUTY UNLESS THE EXPORTER HAS EARLIER MADE A PRICE UNDERTAKING AND THE SECRETARY HAS ACCEPTED IT. THE DUTY SHALL BE APPLIED TO THE CASH BOND, and if the cash bond is not sufficient, then additional payments must be made.

Finally, THE RULING MAY BE APPEALED TO THE COURT OF TAX APPEALS, so there is no need for the Office of the President to come in, PROVIDED THE APPEAL WILL NOT SUSPEND THE COLLECTION OF ALL DUTIES.

**Senator Enrile.** Pending appeal, while the appeal is pending.

**Senator Tatad.** While the appeal is pending. So this process, again assuming that we use the maximum periods for every step, would stretch to a total of 35 days.

**Senator Enrile.** No, Mr. President, not 35 days. Five days plus 10, plus 10, plus 60, plus 10....

**Senator Tatad.** Where is the 60, Mr. President?

**Senator Enrile.** Sixty (60) days of hearing by the commission.

**Senator Tatad.** This is not clear here. It is not stated here.

**Senator Enrile.** It is stated in the law, Mr. President.

**Senator Tatad.** May we see where that appears. This is in the old law.

**Senator Enrile.** Just a minute, Mr. President.

**Senator Tatad.** It is in the old law, but not in the proposed amendment.

**Senator Enrile.** It is in the present law, Mr. President.

**Senator Tatad.** It is in the present law, but not in the proposed amendment.

**Senator Enrile.** No, it is in the present text of the proposed measure.

#### SUSPENSION OF SESSION

**Senator Tatad.** May we ask for a minute-suspension of the session?

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

*It was 4:15 p.m.*

#### RESUMPTION OF SESSION

*At 4:22 p.m., the session was resumed.*

**The President.** The session is resumed.

**Senator Tatad.** Mr. President, my mistake, I missed that portion.

So from 185 days, the proposed amendment cuts down the period to 95 days, and I believe that is a distinct improvement, and for which we congratulate the distinguished sponsor of this measure.

**Senator Enrile.** Thank you, Mr. President.

**Senator Tatad.** Mr. President, there are a few points I would like to clarify, just certain terms.

This is on page 16, which states:

A. WHENEVER ANY PRODUCT, COMMODITY OR ARTICLE OF COMMERCE IS IMPORTED INTO THE COUNTRY AT LESS THAN ITS NORMAL VALUE IN THE ORDINARY COURSE OF TRADE, FOR THE LIKE PRODUCT, COMMODITY OR ARTICLE DESTINED FOR

CONSUMPTION IN THE PHILIPPINES,...

**Senator Enrile.** This "Philippines" should be read as "in the home country or the country of export."

**Senator Tatad.** I think it is in the committee report, Mr. President.

**Senator Enrile.** Yes, we will be changing that.

**Senator Tatad.** But just to continue, Mr. President.

AND IS CAUSING OR IS THREATENING TO CAUSE MATERIAL INJURY TO A DOMESTIC INDUSTRY, OR MATERIALLY RETARDING THE ESTABLISHMENT OF SUCH AN INDUSTRY PRODUCING LIKE PRODUCTS AS DETERMINED BY THE SECRETARY OF TRADE AND INDUSTRY, IN THE CASE OF NON-AGRICULTURAL PRODUCT, COMMODITY OR ARTICLE; OR BY THE SECRETARY OF AGRICULTURE, IN THE CASE OF AGRICULTURAL PRODUCT, COMMODITY OR ARTICLE (BOTH OF WHOM ARE HEREINAFTER SIMPLY REFERRED TO AS "THE SECRETARY" AS THE CASE MAY BE) AFTER FORMAL INVESTIGATION AND AFFIRMATIVE FINDING OF THE TARIFF COMMISSION TO HAVE CAUSED OR THREATENS A MATERIAL INJURY TO A DOMESTIC INDUSTRY, OR MATERIALLY RETARDS THE ESTABLISHMENT OF SUCH A DOMESTIC INDUSTRY PRODUCING LIKE PRODUCTS, A DUMPING DUTY SHALL BE LEVIED et cetera.

I am interested, Mr. President, and I am trying to clarify the meaning of the phrase "materially retarding the establishment of." The question is: The industry is not yet in existence and is to be established, or is the industry in its infant stage and would be retarded by the entry of dumped goods?

**Senator Enrile.** Yes, Mr. President. Probably we can interpret this to mean—this is actually taken from the wording of the treaty.

**Senator Tatad.** Yes, I see it in the treaty.

**Senator Enrile.** I suppose that what is contemplated here is that the industry is, in its infant stage and is now being threatened or killed because of the dumping, or not really killed but its growth in the market is being retarded because of the entry of dumped like goods.

Another possible scenario, Mr. President, is that there are industries already strong enough to stand by themselves. When I say industries here, I am talking of enterprises, manufacturing units producing like goods. There is a growing gap between supply and demand and the entry of new entrants would not take place because of the entry of dumped like products.

**Senator Tatad.** One very important issue, Mr. President, with which not too many of us are familiar, is the so-called price undertaking. In the course of an investigation, an exporter may wish to terminate the investigation simply by offering a change in the price of the commodity being exported. What would be the standards to be used here?

**Senator Enrile.** The standard is very simple, Mr. President. The price that must be offered and accepted by the authorities would be a price that will level the playing field in our domestic economy. Meaning, that it is a price in competition with the price in our domestic economy, or a fair price that would erase the actual or threatened injury to a local industry.

**Senator Tatad.** Mr. President, supposing in a less than normal situation, an anticipated price movement is to take place at a given period and a volume of imports comes in at prices very much below the anticipated rise in prices, would there be basis for a petition from the industry that would be affected?

**Senator Enrile.** Mr. President, the price that we are talking here to be compared would be—

**Senator Tatad.** The home market?

**Senator Enrile.** —the home market. The home market price as against the export sales price.

**Senator Tatad.** And nothing else?

**Senator Enrile.** And nothing else. That is the starting point of the analysis. Even if there is such a price differential if the importation would not cause any actual injury to a local industry or if there is no industry at all, there is no problem. If there is an industry and that price differential will not result in an actual injury, material injury to a local industry, or will not threaten a material injury to a local industry or will not retard, then even if we have that price differential there is no justification for a dumping duty because we also have to consider the interest of the consumers.

Well, this is a law that will balance, Mr. President, the interest of our local producers and the consuming public in the country.

**Senator Tatad.** On page 25 to 26, Mr. President, it states:

Any interested party may also petition the Secretary for a review of the continued imposition of the Anti-Dumping Duty provided that a reasonable period of time has elapsed since the imposition of the Anti-Dumping Duty and upon the need for a review.

Would the distinguished sponsor enlighten us on the meaning of the phrase "reasonable period of time"?

**Senator Enrile.** I suppose, Mr. President, this will mean that at least several months or a year has passed before a review could be made. We are using this standard and leaving it to the implementing agencies to determine what is a reasonable time. Because we cannot possibly say a reasonable time is six months or one year in all situations.

**Senator Tatad.** I thank the sponsor for that, Mr. President. I have one last question and this has to do with the sunset clause.

The duration of the antidumping duty includes this provisional measure and the time extensions shall not exceed five years.

This is a full stop. But it is altogether possible that the injury may persist or that the removal of the measure could lead to a recurrence of dumping or the injury caused by dumping.

**Senator Enrile.** This is also in accord with our commitment. The text of the treaty, I think, the contemplation here is that I think it would be rather unrealistic for an exporter in the United States to keep sending goods here at dumping prices for that length of time to destroy an industry, or that the other side of the coin is, if within that period with the equalizing anti-dumping duty in place would not make the domestic industry survive, then I do not think the industry would be a viable industry.

**Senator Tatad.** Well, I suppose that is all, Mr. President. May I thank our distinguished colleague for accommodating us this afternoon. May we assure him of our full support for this measure.

**Senator Enrile.** Thank you very much.

**Senator Tatad.** I do not believe it is too early to congratulate him for having sponsored the first important measure to be approved by the 11th Congress.

**The President.** Thank you, Sen. Francisco Tatad.

The Majority Leader is recognized.

**Senator Drilon.** Mr. President, there are no more interpellations. We therefore move that the period of interpellations be closed.

**The President.** There is a motion to close the period of interpellations. Is there any objection? *[Silence]* There being none, the motion is hereby approved.

#### SUSPENSION OF SESSION

**Senator Drilon.** Mr. President, may we ask for a one-minute suspension of the session.

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

*It was 4:35 p.m.*

#### RESUMPTION OF SESSION

*At 4:40 p.m., the session was resumed.*

**The President.** The session is resumed. The Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF S. NO. 763

**Senator Drilon.** Mr. President, I move that we suspend consideration of Senate Bill No. 763 under Committee Report No. 1.

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

**Senator Drilon.** Mr. President, may I request that the Additional Reference of Business be read by the Secretary.

**The President.** The Secretary will please read the Additional Reference of Business.

#### ADDITIONAL REFERENCE OF BUSINESS

##### BILLS ON FIRST READING

**The Acting Secretary** [Atty. Tolentino]. Senate Bill No. 1119, entitled

AN ACT CONVERTING THE CENTRAL VISAYAS POLYTECHNIC COLLEGE AND ITS CAMPUSES AT DUMAGUETE CITY, BAIS CITY, AND GUIHULNGAN, NEGROS ORIENTAL INTO A STATE UNIVERSITY

TO BE KNOWN AS THE CENTRAL VISAYAS STATE UNIVERSITY AND INTEGRATING THEREWITH THE NEGROS ORIENTAL NATIONAL AGRICULTURAL COLLEGE, STA. CATALINA-BAYAWAN; GENARO GONI MEMORIAL COLLEGE, BAIS CITY; AND SIATON COMMUNITY COLLEGE, SIATON; MABINAY INSTITUTE OF TECHNOLOGY, MABINAY AND THE AYUNGON INTEGRATED AGRICULTURAL TRAINING FARM, AYUNGON, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

Introduced by Senator Roco

**The President.** Referred to the Committee on Rules

**The Acting Secretary** [Atty. Tolentino]. Senate Bill No. 1120, entitled

AN ACT TO AMEND REPUBLIC ACT NUMBERED THREE THOUSAND FOUR HUNDRED FIFTY-SIX, AS AMENDED BY REPUBLIC ACT NUMBERED FOUR THOUSAND ONE HUNDRED SEVENTY-SEVEN, OTHERWISE KNOWN AS "INTERNAL AUDITING ACT OF 1962"

Introduced by Senator Roco

**The President.** Referred to the Committee on Finance

**The Acting Secretary** [Atty. Tolentino]. Senate Bill No. 1121, entitled

AN ACT TO PREVENT CHILDREN'S ACCESS TO FIREARMS

Introduced by Senator Santiago

**The President.** Referred to the Committees on National Defense and Security; and Youth, Women and Family Relations

**The Acting Secretary** [Atty. Tolentino]. Senate Bill No. 1122, entitled

AN ACT IMPOSING AN ADDITIONAL PENALTY UPON ANY PERSON WHO HAS BEEN CONVICTED BY FINAL JUDGMENT FOR THE THIRD TIME IN THE COMMISSION OF GRAVE AND LESS GRAVE CRIMINAL

but it is simpler since this is important, I guess, to the administration to just tell us the information.

**Senator Osmeña III.** Mr. President, the information is forthcoming. I just felt that it was not quite germane. Although if we are up against brilliant lawyers like the distinguished gentleman from Bicol, we will always find the way to explain that it is germane. In any case, the industry standards that have been referred to in the law are the Subic Bay Metropolitan Authority and the Clark Development Authority Ecozones.

In the period of amendments, Mr. President, I would be willing to consider an amendment that would specify that it should be at par with the salaries being paid in the Subic Bay Metropolitan Authority and the Clark Development Authority.

**Senator Roco.** Yes, we are happy about that information. So, we will still reserve just in terms of Subic, Mr. President, maybe, since the distinguished gentleman authored a resolution.

In analyzing this bill, I went to the Constitution and maybe, the people who are worried about this case should really think in terms of the prohibition—the two-month prohibition before presidential elections. Because the presidential election period commenced on February 10 and the appointment was February 9.

So, presidential election period does not refer to the day of the casting of the ballot. In fact, I think under the Election Code, it probably commenced February 10. So maybe, it is covered by the two-month prohibition. That is just an additional information why Subic may not be a good model for standards of the industry, because in Subic, Mr. President, we can even have an airplane getting there, landing there, given so many exemptions. This is tax exempt. We can bring in cars.

If that is the standard, we must stop giving all these pocket kingdoms to people. Because some of them even get to believe that they own it. That is why, if that is the standard alluded to here, then I suggest that the distinguished sponsor examine very carefully those standards because those two are not the best examples of regulated or rule-bound domains.

So may I just reserve, Mr. President, and seek the indulgence of the gentleman to just continue very briefly next time.

Thank you, Mr. President.

**The President.** Thank you, Senator Roco.

**Senator Osmeña III.** Yes. Mr. President, before we adjourn, may I just react to the parting comments of the gentleman from Bicol. I would rather leave it up to the Secretary of Trade and Industry to determine the standard; otherwise in examining every ifs, buts, whys and wherefores of a bill, we could go on for 10 years to perfect the bill.

The industry standard, we could compare it with the Department of Trade and Industry, we could compare it with the salaries being paid in Thailand Export Processing Zones, Malaysia Export Processing Zones, et cetera, because we are in direct competition with those countries in attracting locators to our country. They could also decide to go a little bit less and compare it with the salaries that the chairman of the SBMA is getting. After all, the director general of the PEZA has a wider scope and responsibility in administering and regulating 101 ecozones all over the country and the Subic Bay administrator only has one. Maybe he deserves a higher salary. Anyway, I will leave that up to the DTI secretary. That is my trend of thought.

Thank you, Mr. President.

**The President.** Thank you, Senator Osmeña III.

The Majority Leader is recognized.

#### SUSPENSION OF CONSIDERATION OF S. NO. 1136

**Senator Drilon.** Mr. President, I move to suspend consideration of Senate Bill No. 1136 under Committee Report No. 2.

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

#### MOTION OF SENATOR DRILON (Reopening of the Period of Interpellations on S. No. 763)

**Senator Drilon.** Mr. President, earlier, the Chamber approved the termination of the period of interpellations on Senate Bill No. 763 under Committee Report No. 1. There is a request here by our colleague, Senator Santiago, that the period of interpellations be reopened as she has some questions to the sponsor.

May we, therefore, move that we reconsider our earlier decision terminating the period of interpellations on Senate Bill No. 763.

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

SUSPENSION OF SESSION

**Senator Drilon.** Mr. President, I move to suspend our session for today and to resume tomorrow, Thursday, August 27, at ten o'clock in the morning.

We shall resume consideration on Senate Bill No. 1136 under Committee Report No. 2. Scheduled to interpellate is the

Minority Leader Senator Guingona, after which Senator Roco will continue his interpellation.

**The President.** Is there any objection to the motion?  
[Silence] There being none, the session is suspended until tomorrow, August 27, at ten o'clock in the morning.

*It was 7:12 p.m.*