

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

14 MAR 10 P3:49

SENATE
P.S. Resolution No. 564

RECEIVED BY: *jed*

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

RESOLUTION

DIRECTING THE COMMITTEE ON TRADE, COMMERCE AND ENTREPRENEURSHIP TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, ON THE ALLEGED PROLIFERATION OF UNCERTIFIED AND SUBSTANDARD STEEL PRODUCTS AND THE RAMPANT SMUGGLING OF IMPORTED STEEL PRODUCTS, WITH THE END VIEW OF AMENDING PROVISIONS OF REPUBLIC ACT NO. 7103, OTHERWISE KNOWN AS "THE IRON AND STEEL INDUSTRY ACT" AND OTHER PERTINENT LAWS

Whereas, under Republic Act No. 7103, it is hereby declared a policy of the State to promote industrialization through the immediate establishment of an integrated iron and steel industry that makes full and efficient use of the country's human and natural resources taking into consideration its critical impact on employment, indigenous resources utilization, foreign exchange and balance of payments position;

Whereas, the State shall provide impetus for the growth, promotion and development of the iron and steel industry as the springboard and basis for launching Philippine industrialization. The intent of the law is to provide a framework for a rational iron and steel program consistent with the requirements of the government's environmental protection program. It shall provide measures to strengthen the demand and supply structures primarily through the establishment of an integrated iron and steel plant, which is technologically and economically efficient, internationally competitive and contributing to industrialization and accelerated development of the country;

Whereas, in the Philippines, reinforcing steel bars (Rebars) are consumed more than any other steel product. All building and infrastructures use rebars to ensure strength and integrity in their concrete foundations and structures. Rebars are covered in the Philippine National Standards 49 (PNS49) as mandatory because the product is critical to public safety. In accordance with PNS49, rebars should be manufactured from proper steel billets. However, in the past years, it has been reported that there has been a visible proliferation of substandard rebar in the market place;

Whereas, the Philippine Iron & Steel Institute (PISI) and Steel Angles, Shapes & Sections Manufacturers Association of the Philippines, Inc. (SASSMAPI) conducted several test buy operations in Bulacan while the Consumer Protection Group of the Department of Trade and Industry (DTI) conducted market monitoring and standards enforcement activities on hardware stores reported to be carrying substandard steel products. Technical experts from the PISI and SASSMAPI assisted DTI in conducting the standards enforcement and found that substandard steel products are being sold in hardware stores located in Caloocan City. The test buys and standards enforcement operations resulted in the confiscation of thousands of pieces of uncertified and substandard reinforcement and angle bars;

Whereas, the substandard steel products had no Import Commodity Clearance (ICC) or PS Mark, thus raising suspicions that said products are smuggled into the Philippine market by unscrupulous traders. The other confiscated products had PS Mark but failed the standard test conducted on them;

Whereas, in the aftermath of the disastrous earthquake that caused severe damage in the provinces of Cebu and Bohol, a technical team was sent by PISI to inspect the damages brought about by the earthquake. They discovered that there was widespread use of substandard construction materials. Based on their inspection, with the exception of the old churches that understandably used primitive engineering techniques, disproportionately more public structures were damaged. Majority of the damaged structures like residential houses, public markets and bridges, used substandard bars and angle bars in their construction;

Whereas, setting aside bureaucratic inefficiency and corruption, there is a need to integrate the iron and steel industry because steel is a basic component of industrialization and thus, considered a strategic sector of the national economy. More importantly, the continued sale of uncertified and substandard steel products poses a grave threat to Filipino lives. With climate change as a complex environmental, cultural and political phenomenon, the production and integration of steel production should be able to significantly contribute to the effort to correctly and effectively address the safety of the public when another disaster strikes the country;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved to direct the Committee on Trade, Commerce and Entrepreneurship to conduct an investigation, in aid of legislation, on the alleged proliferation of uncertified and substandard steel products and the rampant smuggling of imported steel products, with the end view of amending provisions of Republic Act No. 7103, otherwise known as "The Iron and Steel Industry Act" and other pertinent laws.

Adopted,

Handwritten signature of Bam Aquino in black ink.