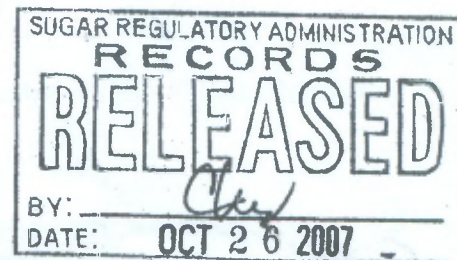




REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City
P.O. Box 70, U.P. Diliman, Quezon City
TIN 000-784-336-000

23 October 2007

SUGAR ORDER NO. 6
Series of 2007-2008



SUBJECT: FILLING UP THE U.S. QUOTA FOR QUOTA YEAR 2007-2008 AND VERIFICATION AND SHIPMENT SCHEDULES

WHEREAS, the United States of America has allocated for the Philippines an initial quota of 142,160 Metric Tons Raw Value (MTRV) or 137,353 Metric Tons Commercial Weight (MTCW) for Quota Year 2007-2008;

WHEREAS, under the Tariff Rate Quota (TRQ) country allocations for raw sugar for the said Quota Year, the United States Trade Representative (USTR) has waived the quarterly shipment requirement (shipping pattern restrictions) of our regular allocation of 137,353 MTCW;

WHEREAS, Certificate for Quota Eligibility (CQE) will be issued to the Philippines to ship any volume of raw sugar at any given time/period as part of our regular allocation of 137,353 MTCW within the Quota Year 2007-2008;

WHEREAS, it is in the national interest that the "First Come-First Served" policy of allocating the U.S. Quota among sugar traders/exporters shall apply;

WHEREAS there is a need to ensure that the full quota is actually shipped to the United States after the verification of "A" quedans has been accomplished;

WHEREAS records show that the requirement of the Undertaking to Ship Out in the preceding crop year contributed to the complete filling up of the U.S. Quota for 2006-2007;

WHEREAS, to facilitate the filling up of the U.S. Quota in the past, when necessary, the SRA had to impose verification deadlines for the "A" quedans taking into consideration the economical volume requirement for one shipment and the shippers have time to gather the "A" quedans scattered all over the country;

WHEREAS, the Sugar Alliance of the Philippines, in the immediately preceding crop year, has recommended to SRA to "issue a Sugar Order that will set up guidelines for the verification of the "A" quedans as produced in order to ensure the timely shipment of the sugar to the U.S. market.


SUGAR ORDER NO. RE: Filling up US Quota, Verification and Shipment Schedules

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loaded 11/5/07

NOW, THEREFORE, under and by virtue of the authority vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that:

Section 1. Sugar exporters with "A" or U.S. Quota sugar quedan-permits issued during the current Crop Year 2007-2008 and the previous Crop Year/s, (unshipped, verified and reinstated "A" sugar) not covered by SRA Sugar Order No. 4 and Circular Letter No. 16, both of Series of 2005-2006, are hereby advised to apply with the SRA for export allocations attached thereto the aforesaid quedan-permits for verification/processing in order to fill up the allocations of the U.S. Sugar Quota for Quota Year 2007-2008.

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- 1.1 The U.S. Quota Allocation for Quota Year 2007-2008 shall be allocated among the sugar exporters on a **"First Come-First Served"** basis. Likewise, all sugar shipments to the U.S. shall be made on a **"First-In, First-Out"** basis.
 - 1.2 In the event the exporter shall have sold his verified "A" quedan-permits to another party, the allocation of the said exporter is deemed cancelled, in which case, the said "A" quedan-permits shall be again subject to verification by the SRA for allocation on a **"First Come-First Served"** basis.
 - 1.3 In order to ensure that good quality sugar shall be exported to the U.S., exporters with "A" quedan-permits of previous crop year/s, eligible for export pursuant to this Order, are hereby required to procure "B" or Domestic quedan-permits issued during the current Crop Year 2007-2008 and have the said "B" quedans swapped against "A" quedans of previous crop year/s or to provide the SRA with a certification from the sugar mill (duly notarized) that good quality sugar shall be exported.
 - 1.4 The "A" quedan-permits of previous crop years and the "B" quedan-permits of the current Crop Year 2007-2008 when submitted to the SRA for regular swapping, shall be stamped at the back thereof as: **'SURCHARGED AS "B" OR DOMESTIC SUGAR OF PREVIOUS CROP YEAR PER S.O. NO. 6, SERIES OF 2007-2008'**, and **'SURCHARGED AS "A" OR EXPORT SUGAR OF THE CURRENT CROP YEAR 2007-2008 PER S.O. NO. 6, SERIES OF 2007-2008'**, respectively.
 - 1.5 All fees and charges due the SRA for the processing of documents relative to the filling up of the 2007-2008 U.S. Quota Allocation shall be subject to SRA General Administrative Order No. 1, Series of 2002-2003 dated 20 February 2003.
 - 1.6 All forms and/or documents relevant to export of sugar to the U.S. market as prescribed in Circular Letter No. 44, Series of 1995-1996, shall remain in force.

Section 2. DEADLINE OF SUBMISSION FOR VERIFICATION OF "A" QUEDANS FOR THE U.S. QUOTA.

- 2.1 In order to ensure the filling up of the U.S. quota at the appropriate time, hereunder is the scheduled deadline of submission of "A" quedans of CY 2007-2008 to the PCRO, SRA, Quezon City for verification:

PERIOD COVERED
PRODUCTION

DEADLINE FOR
VERIFICATION

DEADLINE OF SHIPMENT/
NOMINATION OF VESSEL

September 2, 2007 - November 25, 2007
December 2, 2007 - January 27, 2008
February 03, 2008 - March 30, 2008
April 6, 2008 - until the end of Milling

January 09, 2008
March 13, 2008
May 14, 2008
August 29, 2008

March 22, 2008
April 27, 2008
June 28, 2008
September 29, 2008

2.2 The subject "A" quedans if not verified with the SRA on or prior to the above-mentioned deadline/s shall be classified as "HOMELESS" quedans and its covering sugar is a non-status or non-marketable sugar which cannot be withdrawn from the mills.

2.3 An **Undertaking to Ship "A" Sugar to the United States** shall be signed by the trader/exporter indicating his commitment to ship the "A" sugar on or before the schedule as agreed upon by the SRA and to comply with all the terms and conditions therein set forth, shall be a part of the verification requirements.

Section 3. Effectivity. This Sugar Order shall take effect immediately.

Section 4. Consistency. Provisions of Sugar Orders, Circular Letters, and/or other rules and regulations contrary to or inconsistent with this Sugar Order, are hereby amended, modified or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


RAFAEL L. COSCOLLUELA
Administrator