

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

Third Regular Session

HOUSE BILL NO. 5806



INTRODUCED BY REP. HERMINIO G. TEVES

Explanatory Note

This bill is an offshoot of the Special Committee on Globalization-WTO's experience when it conducted its Committee deliberations on House Resolution No. 551 inquiring about various international trade agreements entered into by the Executive Department without the knowledge of the Legislative Department. Further, said Resolution also inquired on the proposed Japan Philippine Economic Partnership Agreement (JPEPA) which was being hailed as the newest trade agreement that will be entered into by our government. The Executive Officials who are directly involved in the drafting of the JPEPA had the temerity to refuse the request of the members of the Committee for a copy of the draft agreement even if there was no intention to meddle, intervene or hinder the pending negotiations. All the committee wanted was to know the proposed concessions we are giving and the benefits we are getting in return.

Be that as it may, these trade agreements surrender some of our economic rights with the corresponding compromise of our domestic laws. Further, these trade agreements cover wide-ranging matters that would indubitably show a need for congressional authorization. As it is, there is no strict mechanism that will guarantee that our economy is not offered in silver platter to other countries while we get nothing in return but a pittance. It is even aggravated by the fact that the executive department has the penchant for negotiating them in secrecy to the exclusion of the affected sectors of our country.

To resolve this impasse, this bill aims to grant a general authority for the contracting of international trade agreements but also provides for the general limitations thereto.


HERMINIO G. TEVES

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**AN ACT PROVIDING FOR A GENERAL AUTHORITY FOR THE
CONTRACTING OF INTERNATIONAL TRADE AGREEMENTS AND THE
GENERAL LIMITATIONS THERETO**

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

SECTION 1. Short title. This Act shall also be known as the International Trade
Agreements Act of 2006

SECTION 2. Declaration of State Policies.

a. It is the policy of the State to pursue international cooperation in terms of trade and
investment subject to Constitutional limitations.

b. It is the policy of the State that these trade agreements shall be pursued with
the least possible concessions and greatest possible advantage for the country in terms of
economic interests.

c. It is the policy of the State to pursue international trade agreements with full
transparency via mandatory and meaningful public consultations to obviate unwarranted
concessions in international trade agreements.

SECTION 3. Coverage. --- Any bilateral or multilateral trade agreement not
amounting to a treaty shall not cover the following areas:

- a. Mining, logging, and similar industries;
- b. Mass media and telecommunications and related industries;
- c. Real estate, including agricultural and residential lands
- d. Power generation and similar industries

SECTION 4. Limitations. --Except on the industries contained in Section 2 above,

there may be entered into bilateral or multilateral trade agreement with other countries subject to the following conditions:

- a. The reduction of and exemption from tariff, customs duties and all other forms of taxes shall not be allowed, except when the other contracting State has an existing tax treaty with the Philippines in which case the latter may be invoked.
- b. Any form of non-disclosure agreement entered into by, between or among foreign and domestic entities shall not be applicable as soon as their transactions involve availment of the benefits of a particular trade agreement.
- c. Regulatory requirements or procedures so provided by our laws shall not be disregarded, waived, relaxed or otherwise be diminished as a result of the trade agreement.
- d. Prior public consultations shall involve the affected sectors whose respective position papers shall be duly submitted to the country's negotiators and taken into account during formal negotiations.
- e. Before a trade agreement is signed, the final draft agreement is required to be publicized and distributed to the affected sectors referred above, failure of which shall render the trade agreement invalid and considered as not authorized under this Act.

SECTION 5. Implementation. The provisions of this Act shall be followed and implemented by the government agencies directed to negotiate a particular trade agreement. The respective heads of agencies involved shall be directly responsible for the observance of the provisions of this Act and failure of which shall subject them to the appropriate penal, civil and administrative sanctions.

SECTION 6. Oversight. There shall be created a Special Congressional Oversight Committee on Trade Agreements (SCOCTA) specifically constituted to monitor compliance of this Act and effectiveness of subsisting trade agreements, including the conduct of continuing public hearings to address issues on all international trade agreements and similar initiatives. The respective Chairmen of the Senate and House Committees on Trade, and Special Committee on Globalization-WTO shall be the co-Chairmen of this Committee with their three (3) members each to be designated by the Senate President and the Speaker of the House.

SECTION 7. Effectivity. This Act shall take effect within fifteen (15) days from complete publication in at least two newspapers of general circulation.