

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. **10636**

EXPLANATORY NOTE

The success of participating in domestic and international markets and global value chains is largely dependent on the quality of products and services. In most countries, the capacity to develop globally competitive products and services and assist industries in complying with local and international market requirements is increasingly becoming a priority for economic growth. To this end, the existence of an effective national quality infrastructure (NQI) is necessary. The Philippines has long struggled with weak and fragmented national quality institutions as well as inconsistent policies on promoting a culture of quality. And one of the reasons for this is the lack of a National Quality Policy that would prescribe commitment from government, medium- to long-term objectives, interrelationship with regulators and industries, action plans, and funding. Institutionalizing the National Quality Policy enables the government to build a system of trust, create a culture of quality and safety, and promote the value of accreditation.

The proposed bill aims to develop this much-needed National Quality Policy and build a robust NQI as embodied under the Philippine Development Plan (PDP) 2017-2022. Chapter 9A of the PDP 2017-2022 includes in the legislative agenda to expand economic opportunities in industry the pursuance of the passage of an NQI law. Through the passage of such law, the government shall set up the NQI to integrate series of activities involving metrology, standardization, testing, accreditation, and certification. It shall serve to coordinate policies and programs to meet quality requirements for products and services with the goal of promoting innovation, competitiveness, sustainable development, and compliance with international commitments.

There is thus an urgent need to reassess the current landscape of our fragmented NQI institutions, programs, and policies, and to harmonize the same in order to promote and institutionalize cooperation and coordination between the various local, regional, and international NQI bodies. It is high time for the country to develop a robust NQI that is unified, responsive, and sustainable. Unified in the sense that its components work together as a system in a coherent manner to support industry efficiency and effectiveness; consumer protection; and the people's need for NQI services. Responsive in addressing the needs of industry, regulators, and Filipino people. And finally, sustainable enough to keep up and continuously carry on the work. The proposed bill seeks to accomplish this by establishing the Philippine National Quality Infrastructure Coordination Council, which will serve as the lead policy body for developing a Philippine National Quality Policy, and providing the needed direction and order to our NQI landscape.

Understanding the importance of NQI is understanding that it is present in every system and in our daily lives – from the light bulbs in our homes to the food we consume and export, NQI exists.

In view of the foregoing, the approval of this measure is earnestly sought.


RUFUS B. RODRIGUEZ

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AN ACT

TO DEVELOP A NATIONAL QUALITY POLICY DEFINING THE PHILIPPINE NATIONAL QUALITY INFRASTRUCTURE (NQI) THEREOF, CREATING FOR THIS PURPOSE, THE PHILIPPINE NATIONAL QUALITY INFRASTRUCTURE COORDINATING COUNCIL

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

SEC. 1. Title. – This Act shall be known as the “National Quality Infrastructure Development Act”.

SEC. 2. Declaration of Policy. – It is declared the policy of the State to adopt a culture of quality among its citizens to encourage competitiveness among firms, to facilitate trade, and to promote consumer welfare in accordance with good regulatory practices.

The State shall adopt and strengthen its quality infrastructure network that would support national policies and strategies on economic development, industrialization, trade and investments, ease of doing business, consumer protection, and environmental protection, while adhering to international best practices and international standards.

The State recognizes the critical role of the private sector in the national quality infrastructure, and shall promote a transparent, participatory, coherent, and efficient mechanism to enable businesses to effectively comply with market requirements and consumer needs.

Pursuant thereto, the State shall also develop a National Quality Policy (NQP) that will further strengthen the Philippine National Quality Infrastructure (NQI) to provide the necessary institutional apparatus so that the country’s private sector can produce products and services of a prescribed national or international standard; and the verification of conformance to these standards can be achieved by internationally accepted means.

It is hereby declared the policy of the State to harmonize the fragmented quality programs and policies, as well as institutionalize effective cooperation and coordination among the NQI institutions in the country, as well as with their regional and international counterparts. The NQI shall serve both the regulatory authorities and the market place in order to comply with the State’s constitutional mandate to protect consumer rights and encourage industries and other organizations to adopt quality improvements and best practices into their day-to-day activities.

SEC. 3. Coverage. – This Act shall apply to activities, processes, programs, and to public and private institutions relevant to standards, accreditation, metrology, conformity assessment, and other matters incidental thereto.

SEC. 4. Definition of Terms. – For purposes of this Act, the following terms are defined as follows:

- a) Accreditation refers to a third-party attestation conveying a formal demonstration of the competence of a conformity assessment body to carry out

- specific conformity assessment tasks. It provides a basis for uniform technical policy and conditions for mutual recognition at the international level;
- b) Calibration refers to the operation that is used to establish that the measuring instruments used remain accurate within specified parameters;
 - c) Certification refers to a third-party attestation of conformance to standards, technical regulations, other specified requirements or guidelines related to products, processes, systems or persons. This can be accomplished by conducting inspection, verification, audit and/or testing;
 - d) Conformity Assessment refers to the demonstration that specified requirements relating to a product, process, system, person or body are fulfilled;
 - e) Conformity Assessment Body refers to a body that performs conformity assessment activities and that can be the object of accreditation;
 - f) Culture of Quality refers to the set of group values that guide how improvements are made to everyday working practices and consequent outputs;
 - g) Inspection refers to the examination of a product, process, service, or installation, or their design and determination of its conformity with specific requirements or, on the basis of professional judgment, with general requirements;
 - h) Metrology refers to the science of measurement and its application, which includes all theoretical and practical aspects of measurement;
 - i) National Quality Infrastructure (NQI) refers to policy, legal, regulatory, and administrative frameworks, and the institutional arrangements, public and private, to implement standardization, accreditation, and totality of the testing, certification, and measurement necessary to provide acceptable evidence that products and services meet the defined government and market standards.
 - j) National Quality Policy (NQP) refers to the basic government instrument for establishing and overseeing the quality infrastructure system;
 - k) Philippine National Standard (PNS) refers to a document established by consensus and promulgated by the Bureau of Philippine Standards, which provides, for common and repeated use, rules, guidelines, or characteristics for activities or their results which aim at the achievement of the optimum degree of order in a given context;
 - l) Quality refers to the degree to which a set of inherent characteristics fulfill requirements;
 - m) Standard refers to the document approved by a recognized body that provides for common and repeated use, rules, guidelines, or characteristics for products or related processes and production methods, with which compliance is not mandatory. It may also include terminology, symbols, packaging, marking, or labelling requirements as they apply to a product, process, or production method;
 - n) Standardization refers to the process of developing technical specifications of standards based on consensus among all interested parties, consumers, trade associations, manufacturers and providers of goods and services, non-governmental organizations (NGOs), and government agencies and instrumentalities;
 - o) Testing refers to the determination of a product's characteristics against the requirements of the standard;

SEC. 5. Philippine National Quality Policy. – a Philippine National Quality Policy shall be developed to ensure that Philippine products and services are globally accepted; earn a reputation of highest quality in terms of safety, standards, and acceptability; promote a national culture of quality among the citizenry; and that Philippine goods and services are designed, manufactured, and supplied in a manner that fully matches or exceeds the needs,

expectations, and requirements of the retailers, purchasers, consumers, and regulatory authorities in the local, regional and international markets.

The National Quality Policy shall define the National Quality Infrastructure in accordance with the objectives set forth in this Act.

SEC. 6. Scope of the NQI. The NQI shall prescribe the policy, regulatory, and legal frameworks on Standardization, Accreditation, Metrology, and Conformity Assessment that shall be defined in the implementing rules and regulations of this Act.

SEC 7. Institutional Arrangements. To achieve the objectives set forth in this act, there is hereby created a Philippine National Quality Infrastructure Coordination Council (PNQICC), herein referred to as the Council.

The Council shall be composed of the following:

- a) The Department of Trade and Industry (DTI) Secretary and Department of Science and Technology (DOST) Secretaries as Co-Chairpersons;
- b) A representative of the private sector as Vice-Chairperson;
- c) The Secretary of the Department of Budget and Management (DBM);
- d) The Secretary of the Department of Agriculture (DA)
- e) The Secretary of the Department of Energy (DOE);
- f) The Secretary of the Department of Environment and Natural Resources (DENR);
- g) The Secretary of the Department of Information and Communications Technology (DICT);
- h) The Secretary of the Department of Finance (DOF);
- i) The Secretary of the Department of Health (DOH);
- j) The Secretary of the Department of Tourism (DOT);
- k) The Department of the Department of Public Works and Highways (DPWH);
- l) The Director-General of the National Economic and Development Authority (NEDA);
- m) A representative of the Union of Local Authorities of the Philippines (ULAP);
- n) Four (4) members from the private sector who shall represent exporters, manufacturers, importers, and consumers;
- o) A representative of the academe or research institutions;

The DTI and DOST Secretaries may designate the appropriate Undersecretary as their alternate, and the other ex-officio members may designate an alternate with the rank not below the rank of Director.

The President shall appoint the Vice-Chairperson from the nominees submitted by reputable business groups or associations.

A permanent secretariat shall be organized by the DTI to assist the Council in the discharge of its functions.

SEC. 8. Functions of the Philippine National Quality Infrastructure Coordination Council. The Council shall perform the following functions:

- a) Formulate and adopt a Philippine National Quality Policy pursuant to Section 5 of this Act;
- b) Instill a culture of quality in all levels of society, at the individual and institutional levels, through an effective information, education, capacity building, and communication campaign to relevant regulatory bodies and to the public;
- c) Ensure the adoption of good regulatory practices and policy cohesion by NQI institutions and in the delivery of NQI services, as well as in the development and promotion of programs and projects;
- d) Create committees or technical working groups and request the participation, assistance and cooperation of government agencies, industry associations, consumers, the academe, and other stakeholders, if necessary for the performance of its functions and the attainment of the objectives of this Act;

- e) Identify the roles and contribution of government agencies, the private sector, industry associations, non-government organizations, and other stakeholders in attaining the vision and adhering to the principles prescribed in this Act;
- f) Coordinate and support programs, projects, and activities that will foster the development of a responsible and sustainable NQI, such as but not limited to improving and increasing the availability of experts, technical assessors, laboratories, calibration services, and product certification bodies, among others;
- g) Provide direction and order, and encourage the participation of the public and private sectors in conformity assessment activities and mechanisms as a means to demonstrate compliance with voluntary and mandatory requirements to public and private sectors;
- h) Promote the adoption of quality management practices and necessary training to those in charge of the production and commercialization of goods and services in the country;
- i) Promulgate rules to enable the NQI institutions under its direction to offer technical support to relevant industries;
- j) Ensure that standardization, accreditation, and metrological processes are in line with and comparable to international best practices;
- k) Ensure the proper promulgation of all standards created by other agencies and instrumentalities of the government, and perform standardization functions over conformity assessment bodies in the country;
- l) Direct the development of the National Standardization Strategy and the National Accreditation Strategy, with the involvement of all stakeholders;
- m) Ensure that the country participates in regional and international standardization efforts and accreditation activities, arrangements, and fora;
- n) Support the formation of cooperation and conclusion of mutual recognition arrangements and agreements with national, regional, and international organizations;
- o) Promote the recognition of accreditation among regulatory agencies by:
 - i. Requiring their testing and calibration laboratories, inspection bodies and certifying bodies to seek accreditation;
 - ii. Requiring government agencies to utilize the services of test and calibration laboratories, inspection bodies, certification bodies and other conformity assessment bodies that are accredited by the Accreditation Philippines or a signatory member of the Asia Pacific Accreditation Cooperation (APAC), International Accreditation Forum (IAF), International Laboratory Accreditation Cooperation (ILAC), and International Halal Accreditation Forum (IHAF);
 - iii. Establishing agreements, Memorandum of Understanding (MoU) and Mutual Recognition Arrangement (MRA) with regulatory bodies, other accreditation bodies, signatory members and other interested parties
- p) Ensure the maintenance and continuous update of the national measurement standards in all relevant fields for the Philippines, guaranteeing that all metrological laboratories, infrastructure, equipment, instruments, artifacts, reference standards, and other similar articles are in good condition, internationally compliant, and reliant and other qualities that may be required in the future;
- q) Provide metrological traceability to the International System of Units (SI) for measurements used in regulations, trade, and manufacturing;
- r) Engage and coordinate research and development work with other local institutes/bodies having metrological responsibilities (radiation, standard time and dissemination, etc.);
- s) Exercise responsibility for legal metrological controls in the country through coordination with other executive branches of government;
- t) Ensure uniformity of metrological procedures in the same prescribed manner of their implementation; and
- u) Perform such other functions as may be necessary, incidental, or proper to its mandate.

SEC. 9. Role of NQI Institutions. – Under the direction of the Philippine National Quality Infrastructure Council, all existing NQI institutions involved in standards development, accreditation, metrology, and conformity assessment shall continue to perform the mandates and functions assigned to them by their respective enabling laws, including but not limited to:

- a) Department of Agriculture (DA)
 - i. Bureau of Agriculture and Fisheries Standards (BAFS) pursuant to Republic Act No. 8435;
 - ii. National Meat Inspection Service (NMIS), pursuant to Republic Act No. 9296;
- b) Department of Environment and Natural Resources (DENR), pursuant to Executive Order No. 192, series of 1987;
- c) Department of Information and Communications Technology (DICT)
 - i. National ICT Planning Policy and Standards Bureau (NIPPSB), pursuant to Republic Act No. 10844;
- d) Department of Energy (DOE)
 - i. Energy Research and Testing Laboratory (ERTL), pursuant to Administrative Order No. 38, series of 2002;
 - ii. National Renewable Energy Board (NREB), pursuant to Republic Act No. 9513;
 - iii. Oil Industry and Management Bureau (OIMB), pursuant to Republic Act No. 8479;
- e) Department of Health (DOH)
 - i. Food and Drugs Administration (FDA), pursuant to Republic Act No. 9711;
- f) Department of Science and Technology (DOST)
 - i. Forest Products Research and Development Institute (FPRDI), pursuant to Executive Order No. 128, series of 1987;
 - ii. Industrial Technology Development Institute (ITDI), pursuant to Executive Order No. 128, series of 1987;
 - iii. Metals Industry Research and Development Center (MIRDC), pursuant to Republic Act No. 4724;
 - iv. National Metrology Laboratory (NML), pursuant to Republic Act No. 9236;
- g) Department of Tourism (DOT)
 - i. Office of Tourism Standards and Regulations, pursuant to Republic Act No. 9593;
- h) Department of Transportation (DOTr)
 - i. Land Transportation Franchising and Regulatory Board (LTFRB), pursuant to Executive Order No. 202, series of 1987
- i) Department of Public Works and Highways (DPWH)
 - i. Bureau of Research and Standards (BRS), pursuant to Executive Order No. 292, series of 1987;
- j) Department of Trade and Industry (DTI)
 - i. Bureau of Philippine Standards (BPS), pursuant to Republic Act No. 4109;
 - ii. Philippine Accreditation Bureau (PAB), pursuant to Executive Order No. 802, series of 2009;
- k) National Commission of Muslim Filipinos (NCMF), pursuant to Republic Act No. 9997;
- l) National Water Resources Board (NWRB), pursuant to Presidential Decree No. 1067, s. 1976; and
- m) Local Government Units, pursuant to Republic Act No. 7394

SEC. 10. Appropriations. – The amount necessary for the conduct of activities and projects of the Council to effectively perform its mandated functions under this Act, shall be sourced from the budgets of the different government departments tasked to implement the same.

SEC. 11. Implementing Rules and Regulations. – Within sixty (60) working days from the effectivity of this Act, the Department of Trade and Industry (DTI) and Department of Science and Technology (DOST), in consultation with the DBM, DOF, NEDA, and other relevant stakeholders shall issue the implementing rules and regulations of this Act.

SEC. 12. Separability Clause. – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

SEC. 13. Repealing Clause. – All provisions of other laws, presidential decrees, issuances, executive orders, letter of instructions, administrative orders, rules or regulations which are contrary to or inconsistent with the provisions of this Act are hereby deemed repealed, modified, or amended accordingly.

SEC. 14. Effectivity. – This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation in the Philippines, and the filing of three (3) certified copies hereof with the Office of the National Administrative Register (ONAR) of the University of the Philippines (UP) Law Center, Diliman, Quezon City, pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

Approved,