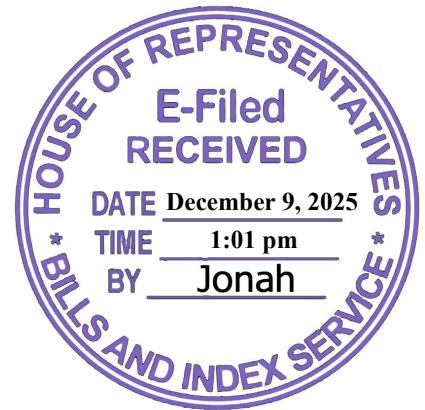


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 6703



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

EXPLANATORY NOTE

The Constitution protects the rights of workers to organize, to bargain, and to act together for their welfare. It also calls on the State to protect labor and to regulate relations between workers and employers. In every labor dispute, the government must hold these two commitments together: protect rights and protect the public.

The Labor Code allows the Secretary of Labor to step into a dispute when a strike or lockout threatens an industry that is truly vital to the national interest. When this power is used, strikes must stop, work must resume, and both sides return to the last agreed conditions. The Supreme Court has upheld this authority as a tool to serve the public good, but it has also recognized that it limits the right to strike and must be exercised with great care. The Court has protected workers from unfair penalties and has required employers to respect return to work orders by paying wages owed during this period.

Over the years, however, the idea of what counts as an industry vital to the national interest has stretched beyond what the law originally envisioned. Sectors far beyond essential services have been placed under assumption of jurisdiction, sometimes without clear or consistent standards. This creates uncertainty for workers and employers, weakens trust, and turns an extraordinary remedy into a common response.

International standards, including those of the International Labour Organization, provide clearer guidance. Restrictions on the right to strike should apply only to services whose interruption would threaten life, safety, or health, or create serious and immediate danger to national security or the economy. Philippine law must be

aligned with this principle so that government intervention is used only when truly necessary.

A similar proposal was introduced in the 19th Congress, reflecting growing recognition that the current framework needs reform. This bill builds on that effort and seeks to adopt an essential services test for the exercise of the assumption of jurisdiction power. It defines with precision when the national interest is at risk, requires a firm factual basis for every order, and demands a clear explanation of the risks involved. It strengthens voluntary settlement of disputes and ensures that any limitation on the right to strike is narrow, justified, and time bound.

The goal is simple. Protect the country in moments of real crisis and protect the rights of workers in all other times. With clearer rules and stronger safeguards, this measure will bring stability to industrial relations, foster trust, and reaffirm that the State stands with both labor and the public in pursuit of justice and peace.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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AN ACT

RATIONALIZING GOVERNMENT INTERVENTIONS IN LABOR DISPUTES BY ADOPTING THE ESSENTIAL SERVICES CRITERIA IN THE EXERCISE OF THE ASSUMPTION OF JURISDICTION OF THE SECRETARY OF LABOR AND EMPLOYMENT, AMENDING FOR THE PURPOSE ARTICLE 278 [263] (G) OF PRESIDENTIAL DECREE NO. 442, AS AMENDED, OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES

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

SECTION 1. Amendment of Article 278 [263](g) of the Labor Code. —

Article 278 [263](g) of Presidential Decree No. 442, as amended, is hereby amended to read as follows:

“ART. 278. Strikes, picketing and lockouts. — x x x

(g) When ~~[in his opinion,]~~ there exists a labor dispute causing or likely to cause a strike or lockout in an industry ~~[indispensable to the national interest]~~ ENGAGED IN ESSENTIAL SERVICES, the Secretary of Labor and Employment may assume jurisdiction over the dispute and decide ~~[it or certify the same to the Commission for compulsory arbitration]~~ THE SAME WITHIN FIFTEEN (15) DAYS FROM DATE OF THE ASSUMPTION ORDER. ~~[Such]~~ THE assumption [or certification] ORDER shall have the effect of automatically enjoining the intended or impending strike or lockout ~~[as specified in the~~

~~assumption or certification order~~. If ~~[one]~~ A STRIKE OR LOCKOUT has already taken place at the time of assumption ~~[or certification]~~, all striking or locked out employees shall immediately return to work and the employer shall immediately resume operations and readmit all workers under the same terms and conditions prevailing before the strike or lockout: ~~[The Secretary of Labor and Employment or the Commission may seek the assistance of law enforcement agencies to ensure compliance with this provision as well as with such orders as he may issue to enforce the same.]~~ PROVIDED, HOWEVER, THAT WHERE THERE IS NO DECISION BY THE SECRETARY OF LABOR AND EMPLOYMENT WITHIN THE SAID FIFTEEN-DAY PERIOD, THE PARTIES MAY EXERCISE THEIR RESPECTIVE RIGHTS UNDER THIS CODE.

ESSENTIAL SERVICES REFER TO FUNCTIONS OR SERVICES RENDERED BY AN ESTABLISHMENT, WHICH IF INTERRUPTED, WOULD ENDANGER THE LIFE, PERSONAL SAFETY OR HEALTH OF WHOLE OR PART OF THE POPULATION. FOR THIS PURPOSE, THE SECRETARY OF LABOR AND EMPLOYMENT, BY APPROPRIATE REGULATIONS, SHALL DETERMINE THE INDUSTRIES ENGAGED IN ESSENTIAL SERVICES IN CONSULTATION WITH THE NATIONAL TRIPARTITE INDUSTRIAL PEACE COUNCIL (NTIPC).

~~[In line with the national concern for and the highest respect accorded to the right of patients to life and health, strikes and lockouts in hospitals, clinics and similar medical institutions shall, to every extent possible, be avoided, and all serious efforts, not only by labor and management but government as well, be exhausted to substantially minimize, if not prevent, their adverse effects on such life and health, through the exercise, however legitimate, by labor of its right to strike and by management to lockout. In labor disputes adversely affecting the continued operation of such hospitals, clinics or medical institutions, it shall be the duty of the striking union or locking out employer to provide and maintain an effective skeletal workforce of medical and other health personnel, whose movement and services shall be unhampered and unrestricted, as are necessary to insure the proper and adequate protection of the life and health of its patients, most especially emergency cases, for the duration of the strike or lockout. In such cases, therefore, the Secretary of Labor and Employment may immediately assume, within twenty-four (24) hours from knowledge of the occurrence of such a strike or lockout, jurisdiction over the same or certify it to the Commission for compulsory arbitration. For this purpose, the contending parties are strictly enjoined to comply with such orders, prohibitions and/or injunctions as are issued by the~~

~~Secretary of Labor and Employment or the Commission, under pain of immediate disciplinary action, including dismissal or loss of employment status or payment by the locking-out employer of backwages, damages and other affirmative relief, even criminal prosecution against either or both of them.]~~

IN LABOR DISPUTES AFFECTING INDUSTRIES ENGAGED IN ESSENTIAL SERVICES, IT SHALL BE THE DUTY OF THE UNION AND EMPLOYER TO PROVIDE AND MAINTAIN THE OPERATION OR DELIVERY OF SERVICES. IN CASE OF HOSPITALS, CLINICS OR MEDICAL INSTITUTIONS, THE UNION AND EMPLOYER SHALL PROVIDE AND MAINTAIN AN EFFECTIVE AND FUNCTIONAL WORKFORCE, WHOSE MOVEMENT AND SERVICES SHALL BE UNHAMPERED AND UNRESTRICTED, AS ARE NECESSARY TO ENSURE THE PROPER AND ADEQUATE PROTECTION OF THE LIFE, PERSONAL SAFETY AND HEALTH OF THEIR PATIENTS, ESPECIALLY IN EMERGENCY CASES, FOR THE DURATION OF THE LABOR DISPUTE.

The foregoing notwithstanding, the President of the Philippines shall not be precluded from ~~[determining the]~~ ISSUING A LIST OF industries ENGAGED IN ESSENTIAL SERVICES ~~[that, in his opinion,]~~ AFTER CONSULTATION WITH THE NTIPC, ~~[are indispensable to the national interest,]~~ and from intervening at any time and assuming jurisdiction over any such labor dispute in order to EXPEDITE SETTLEMENT or terminate the same ON GROUNDS OF DECLARED PUBLIC HEALTH OR ACUTE NATIONAL EMERGENCY."

SECTION 2. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, the Secretary of Labor and Employment shall, in consultation with workers' and employers' organizations, relevant government agencies, and other stakeholders, promulgate the necessary rules and regulations to implement the provisions of this Act, including:

- (a) A non-exhaustive illustrative list of essential services or industries typically covered by Article 278 [263](g), consistent with the criteria in Section 1 hereof;
- (b) Procedures and documentary requirements for the issuance of assumption of jurisdiction or certification orders, including consultation and notice mechanisms whenever practicable; and

- (c) Monitoring and reporting mechanisms on the use of assumption of jurisdiction powers and their outcomes, to promote transparency and continuous policy improvement.

SECTION 3. Separability Clause. — If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 4. Repealing Clause. — All laws, decrees, executive orders, rules, regulations or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly. For this purpose, any prior statutory or regulatory definition or enumeration of “industries indispensable to the national interest” that is inconsistent with the essential services criteria set forth in this Act shall be deemed revised accordingly.

SECTION 5. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,