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

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 0449

Introduced by Representative Manuel Luis T. Lopez

EXPLANATORY NOTE

One of the long-standing problems that our people have been burdened with, are the substandard services and infrastructure developments in the Philippines. The issues of corruption and safety of the people have been at the forefront of these dilemmas. It has been a normal occurrence in the Philippines that huge infrastructure projects are awarded to certain contractors with the promise that a crisis would be solved upon its implementation. However, often, these turn out to be disadvantageous projects that have no benefit for the people and result in only a few people making money at the expense of the people.

One reason for this is that there is a lack of regulatory safeguards that would ensure all materials and processes used are compliant with international standards and that every phase of the project is being implemented according to the terms of reference or memorandum of agreement.

Thus, this representation lauds President Rodrigo Roa Duterte in making the National Quality Infrastructure a part of his Legislative Agenda which is very vital in our country’s economic development.

This bill, being a priority measure of the administration, was first filed in the 17th Congress of this representation as a counterpart measure of Senate Bill No. 707 of Senator Paolo Benigno “Bam” Aquino IV. However, it has been pending in the Committees of both Houses since 2016.

In view of the foregoing, the passage of this bill is earnestly sought.

HON. MANUEL LUIS T. LOPEZ
Representative
1st District, City of Manila
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

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HOUSE BILL NO. 0449

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AN ACT
PREScribing THE PHILippINE NATIONAL QUALITY INFRASTRUCTURE, RATIONALIZING THE NATIONAL QUALITY BODIES, PROVIDING FOR THEIR POWERS AND GRANTING THEM FUNCTIONS, AND FOR OTHER PURPOSES

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

CHAPTER 1
General Provisions

SECTION 1. Short Title. - This Act shall be known as the “National Quality Infrastructure Act”.

SEC. 2. Declaration of Policy. - It is a declared policy under Section 13, Article XII of the Philippine Constitution of 1987 that “the State shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity”.

Further, Section 10, Article XIV provides that “the State shall give priority to research and development, invention and innovation and their utilization; and to science and technology education, training and services.”

The law mandates the Department of Trade and industry (DTI) to as the primary coordinative, promotive, and facilitative arm of the Executive Branch of government in the area of trade, industry, and investments, and the Department of Science and Technology (DOST) to continually review the status and needs of science and technology in the context of the country’s development goals.

The government is committed to elevate a quality culture as a national value that would support the achievement of global competitiveness and raise the quality of life amidst the effects of globalization and challenges faced by enterprises through a National Quality Infrastructure (NQI) based on a National Quality Policy.
SEC. 3. General Objective. – A National Quality Infrastructure (NQI), shall serve to integrate and coordinate policies and programs involving standardization, accreditation and metrology in order to meet quality requirements for products and services of enterprises with the view of promoting a culture of quality, innovation, competitiveness, sustainable development and compliance with international commitments.

SEC. 4. Specific Objectives. –

(a) To set standards based on Philippine laws and international standards;

(b) To accredit conformity assessment bodies (CABs) to ensure technical competence, reliability, credibility, and impartiality;

(c) To ensure appropriate traceability of measurements to international system;

(d) To enhance the quality of goods and services for the domestic and international markets;

(e) To ensure that technical regulations are based on national and international standards, guides, and recommendation or any relevant part thereof;

(f) To promote the use of conformity assessment mechanism for products and services as a means of demonstrating compliance, with voluntary requirements, technical regulations and consumer requirements.

SEC. 5. Scope. – This Act shall apply to activities, processes, and programs relevant to standards, accreditation and metrology and other matters incidental thereto.

SEC. 6. Definition of Terms. – As used in this Act, the following terms shall mean:

(a) **Calibration** – Operation that, under specified conditions, in a first step, established a relation between the quantity values with measurement uncertainties provided by measurement standards and corresponding indications with associated measurement uncertainties (of the calibrated instrument or secondary standard) and, in a second step, uses this information to establish a relation for obtaining a measurement result from an indication;

(b) **Certification** – Procedure by which a certification body as defined in Section 6 (c) herein gives a written assurance that a product, process or service conforms to specified requirements;

(c) **Certification Body** – A third party individual or organization, independent of the organization or person that issues the certification as defined in Section 6 (b) herein;
(d) *Conformity Assessment* – A set or processes ensuring that products, services or systems meet or have the capability to meet the applicable requirements;

(e) *Conformity Assessment Body* – A body that performs conformity assessment services as defined in Section 6 (d) herein;

(f) *Enterprise* – Refers to a sole proprietor or juridical person, such as corporation, partnership including micro, small and medium enterprises (MSMEs);

(g) *Inspection* – 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) *Philippine National Standard (PNS)* – is the national standard of the Philippines promulgated by the national standards body as mandated by law;

(i) *Quality* – The degree to which a set of inherent characteristics of an object fulfills requirements;

(j) *Societal Interests* – These are aspects of interest of the State, which fall within the scope of the National Quality Infrastructure, whether voluntary or mandatory. These include but are not limited to, weights and measures protection; workplace safety, provision of health care, recreational and educational activities, transport and built infrastructure; and public purchasing and supply of goods and services;

(k) *Standard* – 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 or deal inclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method;

(l) *Technical Regulation* – Document which lays down product characteristics or their related processes and their production methods, including the applicable administrative provisions, with which compliance is mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method;

(m) *Testing* – Determination of one or more characteristics of an object of conformity assessment, according to a procedure.
CHAPTER 2
The National Quality Infrastructure

SEC. 7. Components of the National Quality Infrastructure. – For the purposes of this Act, the term National Quality Infrastructure shall be the totality of the institutional framework, public and private, of activities necessary for the development and compliance with quality requirements, which shall cover the following:

(a) Standardization – Activity of establishing provisions for common and repeated use in order to achieve the optimum degree of order in a given context. Said provisions, otherwise known as standard, are developed, adopted and updated, which permits innovation and technical development, compatibility and interchangeability, improved productivity and reduced waste;

(b) Accreditation – is a third-party attestation related to a conformity assessment body conveying a formal demonstration of its competence to carry out specific conformity assessment tasks. It provides a uniform and technical policy and the conditions for mutual recognition at the international level. It is integral in promoting reliability and confidence in conformity assessment and metrology results towards improving the quality, competitiveness and international acceptance of Philippines goods and services;

(c) Metrology – This provides measurement standards that are internationally traceable and consistent with the Metre Convention, which promotes the consistent modernization of units and standard of measurement in the areas of environment, public health and safety, communications, transportation, sound intensity level, and other emerging technologies. The standardization of units and standards is encouraged to adapt to the current national and global developments including compliance with international standards.

SEC. 8. Implementing Agencies. – The Department of Trade and Industry (DTI), by virtue of the scope of its mandate under existing laws, shall be the lead agency to carry out the provisions of this Act.

All other government agencies performing National Quality Infrastructure-related functions shall be involved in the implementation of this Act, such as:

(a) Department of Agriculture (DA);
(b) Department of Energy (DOE);
(c) Department of Environment and Natural Resources (DENR);
(d) Department of Health (DOH);
(e) Department of Public Works and Highways (DPWH); and
(f) Department of Science and Technology (DOST).

SEC. 9. The National Quality Infrastructure Coordination Council. – A Council is hereby created to ensure that the provisions and objectives of this Act are effectively and
efficiently implemented by those concerned, which shall compose of the following:

(a) Chairperson – The Secretary of Trade and Industry;

(b) Vice-Chair – A representative elected by private sector / industry federation / association;

(c) Members –

   c.1 Secretary of DOST;

   c.2 Secretary of DOE;

   c.3 Secretary of DA;

   c.4 Secretary of DENR;

   c.5 Secretary of DOH;

   c.6 Secretary of DPWH;

   c.7 Representative from the National Consumer Affairs Council or a national recognized consumer organization;

   c.8 Representative from the National Competitiveness Council (NCC) or the Chair of the National Quality Infrastructure – Working Group;

   c.9 Representative from the Export Development Council (EDC);

   c.10 Representative from the Micro, Small and Medium Enterprise Development Council (MSMED), and

   c.11 Representative from the Academe.

The Department Secretaries may designate alternates not lower than an Assistant Secretary.

The Philippine Accreditation Office (PAO) Council created pursuant to Executive Order No. 802, Series of 2009, later known as the Philippine Accreditation Bureau (PAB) Council upon rationalization based on Executive Order No. 366, is hereby abolished.

SEC. 10. Function of the National Quality Infrastructure Coordinating Council. – The National Quality Infrastructure Coordinating Council shall have the following functions:

(a) Develop the National Quality Infrastructure medium and long term plans and coordinate, monitor and assess the implementation thereof, and when necessary, institute appropriate adjustments thereto in the light of the changing conditions in the domestic, regional and global environments;
(b) Identify the respective roles of concerned government agencies or private
entities/industries, including advisory groups, technical and support
services necessary to pursue the intent of this Act;

(c) Revisit and review existing policies that would affect the National Quality
Infrastructure;

(d) Coordinate and supervise activities, projects and programs relevant to
National Quality Infrastructure;

(e) Submit an annual report to the President and to both Houses of Congress
through the DTI Secretary on the status of the programs, projects and
measures undertaken by each implementing body to meet the objectives of
this Act;

(f) Formulate the appropriate policies which will support the operation and
administration of programs for business involved in the National Quality
Infrastructure; and

(g) Exercise other powers and functions necessary and/or incidental to the
foregoing.

SEC. 11. Advisory Committees. – There shall be three (3) Advisory Committees to the
Council and the National Quality Infrastructure Offices created in Section 12, as follows:

(a) Advisory Committee on Standardization;
(b) Advisory Committee on Accreditation;
(c) Advisory Committee on Metrology.

The composition and functions of the advisory committee shall be determined and
recommended by the National Quality Infrastructure Offices within sixty (60) days from
their organization for the approval of the National Quality Infrastructure Coordinating
Council.

The National Quality Infrastructure Council and Offices may consult the appropriate
advisory committee in its regular meetings and other activities. However, no voting rights
shall be granted to the members of the advisory committee.

SEC. 12. The National Quality Infrastructure Offices. – The National Quality
Infrastructure shall have three (3) Offices, each to be headed by a Director General with
one Deputy Director General, viz:

(a) Standards Office of the Philippines – Otherwise known as the National
Standards Body (NSB) responsible for developing and maintaining
national standards and coordinating standardization activities. It shall be
attached to the Department of Trade and Industry for administrative
supervision.

(b) Accreditation Office of the Philippines – Otherwise known as the National
Accreditation Body to accredit inspection, testing, calibration and
certifying bodies, and other bodies offering conformity assessment services. It shall be attached to the Department of Trade and Industry for administrative supervision.

(c) Metrology Office of the Philippines – Otherwise known as the National Metrology Laboratory of the Philippines responsible for establishing and maintaining the national measurement standards for physical quantities such as mass, temperature, pressure, voltage, resistance, luminous intensity and time interval and their dissemination to Filipino users. It shall be attached to the Department of Science and Technology for administrative supervision.

SEC. 13. Qualifications of the Director General. – The Director General shall have the following qualifications:

(a) Must be a Filipino Citizen;
(b) At least thirty-five (35) years of age on the day of appointment;
(c) With at least three (3) years of relevant experience;
(d) Or proven competence, integrity, and independence.

SEC. 14. Term of Office of the Director General and the Deputy Director General. – The Director General and the Deputy Director General shall have a term of seven (7) years without reappointment.

CHAPTER 3
Functions of National Quality Infrastructure Officials

SEC. 15. Functions of the Director General. – The Director General shall perform the following functions:

(a) Manage and direct all functions and activities of the respective National Quality Infrastructure Offices;
(b) Formulate and promote relevant policies to implement the objectives, plans, programs, and projects of the Office;
(c) Appoint second (2nd) level personnel of the Office;
(d) Exercise supervision and control over all officials and personnel of the Office;
(e) Represent the Philippines in regional and international quality infrastructure activities;
(f) Promote cooperation and coordination among government agencies, private organizations and industries concerned for the purpose of achieving the objectives and goals of this Act;
(g) Prepare Annual Accomplishment and Budget Reports and submit them to
the Department Secretary;

(h) Prepare on-going and annual accounts for presentation to the Department Secretary;

(i) Support international commitments applicable to the respective offices;

(j) Responsible for duties on decision making and contractual arrangements;

(k) May delegate any or some of the foregoing functions; and

(l) Perform any other functions as may be required to achieve the objectives of the foregoing.

SEC. 16. Functions of the Deputy Director General. – The Deputy Director General shall assist the Deputy General in performing the functions provided in Section 15 hereof.

SEC. 17. Functions of the Bureau Director. –

(a) Responsible for the overall strategic and financial management of the Bureau and its personnel;

(b) Recommend to the Director General or Deputy Director General policies, programs, projects and activities relevant to the Bureau;

(c) Appoint first (1st) level personnel;

(d) Exercise supervision over the Assistant Bureau Director and below;

(e) Prepare annual accomplishment/budget reports for the Bureau and submit them to the Director General;

(f) Attend or participate in regional or international activities that are relevant to the Bureau; and

(g) Perform other functions as may be required to achieve the objectives of the foregoing.

SEC. 18. Functions of the Assistant Bureau Director. – The Assistant Bureau Director shall assist the Director in the performance of the functions provided in Section 17, hereof.

CHAPTER 4
The National Quality Infrastructure Offices

SEC. 19. Organizational Structure. – There is hereby provided the structure of the National Quality Infrastructure Offices:

(A) Standards Office of the Philippines
(a) Office of the Director General
(b) Support Services Bureau
   b.1 Human Resource and Administrative
   b.2 Finance and Management
   b.3 Legal Affairs
(c) Standards Development Bureau
(d) International Affairs Bureau
(e) Promotion, Advocacy, and Documentation Bureau

(B) Accreditation Office of the Philippines
(a) Office of the Director General
(b) Support Service Bureau
   b.1 Human Resource and Administrative
   b.2 Finance and Management
   b.3 Legal Affairs
(c) Bureau of Certification Body Accreditation
(d) Bureau of Testing Calibration Laboratory Accreditation
(e) Bureau of Inspection Body Accreditation
(f) Bureau of Medical Services Accreditation
(g) Bureau of Proficiency Testing Provider Accreditation
(h) Bureau of International Affairs

(C) Metrology Office of the Philippines
(a) Office of the Chief
(b) National Metrology Laboratory Secretariat
(c) Receiving and Releasing Unit
(d) Quality System
(e) Mass Standards Section
(f) Thermometry Standards Section
(g) Pressure Standards Section
(h) Electrical Standards Section
(i) Force Standards Section
(j) Density and Volume Standards Section
(k) Length Standards Section
(l) Big Volume and Flow Standards Section

SEC. 20. Functions of the Standards Office of the Philippines. –

(a) Formulate national standards development policies, in consultation with relevant government agencies and other stakeholders;

(b) Formulate Philippine National Standards (PNS) for trade facilitation and global competitiveness through the conduct of regular review of these standards for possible revision/updating to align them with recent developments in trade and technology;

(c) Coordinate national standardization activities in the country to avoid duplication of work by various government agencies and to harmonize standards with international standards;
(d) Conceptualize, prepare and propose programs, projects and activities for
the mainstreaming and dissemination of new national and international
standards for adoption and standardization and conformity assessment
activities, such as testing, inspection and certification by industries,
manufacturers, traders, regulators and other users;

(e) Sustain membership to international standards-setting organizations;

(f) Maintain and update a Standards Portal;

(g) Operate the Enquiry Point in connection with the country’s obligations to
the World Trade Organization Agreement on Technical Barriers to Trade
(WTO-TBT); and

(h) Monitor developments for forging of strategic alliances with international
and regional aggregations.

SEC. 21. Functions of the Accreditation Office of the Philippines. –

(a) Strengthen the technical infrastructure in the country to make Philippine
Products competitive in both the domestic and international markets;

(b) Accredit testing and calibration laboratories, inspection and certifying
bodies, and other bodies offering conformity assessment services;

(c) Enter into mutual or multilateral recognition arrangements with
recognized regional and international associations of accreditation bodies;

(d) Support industries by attesting the reliability of conformity assessment
results;

(e) Develop new accreditation schemes to respond to emerging needs of
Conformity Assessment Bodies (CABs);

(f) Coordinate national accreditation activities;

(g) Harmonize national accreditation policies with international policies and
practices;

(h) Promote accreditation activities in the country;

(i) Extend technical assistance to trade and industry sector through training
programs and other related activities;

(j) Conduct training for assessors to strengthen their capability to do
assessment;

(k) Make information on accreditation schemes available to institutions,
organizations, businesses and individuals; and

(l) Ensure that all information from all regional and international fora are processed, disseminated and acted upon.

**SEC. 22. Functions of the Metrology Office of the Philippines.** –

(a) Disseminate the national measurement standards in physical quantities such as mass, temperature, pressure, voltage, frequency, length and luminous intensity among others;

(b) Disseminate the basic measurement units to the industry and other private and government institutions through its calibration and measurement services;

(c) Provide calibrations that are traceable to the International System of Units (SI) through the National Measurement Standards; and

(d) Provide link to the world metrology system through the participation of the Philippines in the Metre Convention as an Associate State of the General Conference on Weights and Measures (CGPM).

**CHAPTER 5**

**Funding**

**SEC. 23. Sources of Funding.** – Funds for the National Quality Infrastructure Offices shall be sourced from the following:

(a) Appropriations – The funds needed to carry out the provisions of this Act shall be initially charged to the most recent appropriations under the General Appropriations Act for then Bureau of Philippine Standards (BPS), Philippine Accreditation Office (PAO), both DTI and the National Metrology Laboratory (NML) of the DOST, and to fees, fines and other charges collected by said offices for the calendar year prior to the effectivity of this Act. Thereafter, such sums as may be necessary for the continued implementation hereof shall be included in the annual General Appropriations Act.

(b) Revenues generated from Quality Infrastructure programs and activities – Seventy-Five per centum of all receipts and collections accruing from the implementation of this Act and the rules and regulations on standardization, accreditation, and metrology shall be asset aside and be available for disbursement for salaries, wages, sundry and other expenses, furniture, and equipment of such additional personnel as may be needed and required to intensify or extend the activities and services of the covered National Quality Infrastructure Offices.

Any amount thus set aside, or so much thereof as may be needed for the
intensification or extension of activities and services, shall be itemized in a special budget to be approved by the President upon recommendation of the National Quality Infrastructure Coordinating Council, through its Chairperson, the Secretary of Trade and Industry or his alternate undersecretary; and any such special budget thus approved for the ensuing fiscal year for the consideration of the Congress in its regular or special session. Un-itemized and unexpended balances of amounts thus set aside shall be cumulative from year to year, and shall constitute, a special fund to be called “National Quality Infrastructure Fund (NQI Fund)” to be used for the purposes therein stated, and for such other aims and projects as may render the services of the National Quality Infrastructure effective.

SEC. 24. Use of National Quality Infrastructure Fund. – The National Quality Infrastructure Fund shall be used exclusively for the purpose mentioned in this Act. The retention, use and application of this Fund shall not be delayed, amended, altered or modified by an order or directive from any executive Office, but will be subject only to the general Accounting Rules and Guidelines by the Commission on Audit (COA).

SEC. 25. Legal Fund. – There shall be established a legal fund out of the interest earned from retained income to be utilized for any legal actions for or against the officials and employees of National Quality Infrastructure Operation Offices in the course of the exercise of their official functions and duties.

CHAPTER 6
Final Provisions

SEC. 26. Effect of this Act on the BPS, PAB, and MNL. – This Act in effect rationalizes the functions and structure of BPS, PAB and MNL described herein as National Quality Infrastructure offices. All unexpended funds and fees, fines, and other charges collected for the calendar year prior to the effectivity hereof, properties, equipment and records of the said bureaus, and such personnel are hereby transferred to the newly created National Quality Infrastructure Offices.

Personnel who do not wish to be absorbed or transferred shall be offered the retirement benefits granted under existing laws. Personnel not absorbed or transferred shall be offered a retirement package equivalent to two (2) months basic salary for every year of service, or shall be considered for a co-terminus to the incumbent (CTI) status.

SEC. 27. Creation of the Consumer Products Regulation Bureau (CPRB). – A Consumer Products Regulation Bureau (CPRB) is hereby created under Consumer Protection Group of the Department of Trade and Industry to perform the functions of the then Standards Conformity Division and Product Testing Division of BPS. Accordingly, plantilla positions under the said divisions shall be transferred to or absorbed by the newly created bureau. The Standards Conformity Division shall be renamed as Product Safety Division.

SEC. 28. Implementing Rules and Regulations. – Within one (1) year from the effectivity of this Act, the Department of Trade and Industry shall upon the recommendation of the National Quality Infrastructure Coordinating Council, promulgate the implementing rules and regulations for this Act.
The draft of the implementing rules and regulations shall be published and be subjected
to public consultations with affected sectors or stakeholders.

SEC. 29. Statutory Interpretations. – Unless otherwise expressly provided for, any
provisions of this Act shall be interpreted by balancing the interest of industry and
consumers with due regard for treaty obligations and international commitments giving
 paramount consideration, however, to the impact of the subject on the national economy.

SEC. 30. Repealing Clause. – All laws, decrees, orders, rules, and regulations or other
issuances or parts inconsistent with the provisions of this Act are hereby repealed or
modified accordingly.

SEC. 31. Separability Clause. – Should any provision herein be declared
unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SEC. 32. Transitory Provision. – Within sixty (60) days from the effectivity of this Act,
the Secretary of DTI shall designate two (2) from the DTI Undersecretaries to act as
Interim Director General for the Standards Office of the Philippines and Accreditation
Office of the Philippines, respectively; two (2) from among the DTI Assistant Secretaries
or Bureau Directors to act as Interim Deputy Director General for the aforesaid offices. In
like manner, that the Secretary of DOST shall designate an Undersecretary to as the
Director General for the Metrology Office of the Philippines and an Assistant Secretary or
Bureau Director to as act as the Deputy Director General for said office. The designated
officials shall perform the duties and responsibilities of the give Offices and shall serve as
such until new Director Generals and Deputy Director Generals are appointed by the
President of the Philippines.

Upon the effectivity of this Act, an interim Coordinating Council with the same
composition as provided in this Act shall be automatically established for the purposes of
drafting the implementing rules and regulations hereof. The Interim National Quality
Infrastructure Coordinating Council shall recommend to offices or bureaus of agencies
concerned a systematic action plan to expedite the processing and/or resolution of
pending relevant applications, programs/projects, issues and concerns.

SEC. 33. Effectivity Clause. - This Act shall take effect fifteen (15) days after publication
in the Official Gazette or in any two (2) newspapers of general circulation in the
Philippines.

Approved,