

No. 9435

PHILIPPINES
and
UNITED STATES OF AMERICA

Agreement relating to the employment of Philippine nationals in the United States military bases in the Philippines (with agreed minutes). Signed at Manila on 27 May 1968

Authentic text : English.

Registered by the Philippines on 26 February 1969.

PHILIPPINES
et
ÉTATS-UNIS D'AMÉRIQUE

Accord relatif à l'emploi de ressortissants philippins dans les bases militaires des États-Unis aux Philippines (avec procès-verbal d'accord). Signé à Manille le 27 mai 1968

Texte authentique : anglais.

Enregistré par les Philippines le 26 février 1969.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE GOVERN-
MENT OF THE UNITED STATES OF AMERICA RELAT-
ING TO THE EMPLOYMENT OF PHILIPPINE NATIO-
NALS IN THE UNITED STATES MILITARY BASES IN
THE PHILIPPINES

The Government of the Republic of the Philippines and the Government of the United States of America :

Having agreed in the Military Bases Agreement of 1947,² as amended, to establish United States military bases in the Philippines to serve the common defense of the two countries ;

Noting the absence in that Agreement of provisions concerning labor relations and terms and conditions of employment of Filipino citizens employed by United States Armed Forces in the Philippines ;

Recognizing the need to promote and maintain sound employment practices which will assure equality of treatment of all employees and their right to self-organization and collective bargaining ; the orderly administration and effective operation of the bases ; and continuing favorable employer-employee relations thereon ; and

Believing that an agreement will be mutually beneficial and will strengthen the democratic institutions cherished by both Governments ;

Have agreed as follows :

Article I

EMPLOYMENT STANDARDS

1. *Preferential Employment.* The United States Armed Forces in the Philippines shall fill the needs for civilian employment by employing Filipino citizens, except when the needed skills are found, in consultation with the Philippine Department of Labor, not to be locally available, or when otherwise necessary for reasons of security or special management needs, in which cases United States nationals may be employed. Exception is permitted,

¹ Came into force on 27 May 1968 by signature, in accordance with article VI, paragraph 1.

² United Nations, *Treaty Series*, Vol. 43, p. 271 ; Vol. 68, p. 272 ; Vol. 185, p. 334 ; Vol. 213, p. 370 ; Vol. 229, p. 282 ; Vol. 325, p. 332 ; Vol. 564, p. 208 ; Vol. 591, p. 354, and Vol. 649.

however, in the case of third country nationals already employed on the date of entry into force of this Agreement and in the case of technical personnel of third country nationality as envisaged in paragraphs 1 and 2, Article XI of the Military Bases Agreement of 1947, as amended.

2. *Uniform Standards.* To the extent consistent with the provisions of this Agreement and the national laws of either country and regulations pursuant thereto and in conformity therewith, terms and standards of employment, including wages, working conditions and benefits shall be subject to collective bargaining and, under uniform personnel policies and administration, shall apply equally to all employees, regardless of nationality and sources of funds used.

3. *Overtime Compensation.* Work performed in excess of the regular workday and workweek shall be considered overtime to be paid the corresponding overtime compensation.

4. *Manpower Allocation.* In the event the Philippine Government adopts measures allocating manpower, the two Governments shall work out in the Joint Committee established under Article III measures ensuring fulfillment of the labor needs of the United States Armed Forces.

5. *Social Security Benefits.* The United States Armed Forces in the bases shall implement, as of July 1, 1968 a health insurance program and shall consider the adoption of additional social security benefits to Filipino employees consistent with prevailing industry practices in the Philippines.

6. *Security of Employment.* Consistent with their military requirements, the United States Armed Forces shall endeavor to provide security of employment and, in the event certain activities or services are contracted out, the United States Armed Forces shall require the contractor or concessionaire to give priority consideration to affected employees for employment. The United States Armed Forces shall at the same time give to such employees priority consideration for reemployment by the base. If reemployed by the base, such employment shall be without loss of seniority.

7. *Severance Pay.* Except when separation is for cause, severance pay benefits shall be granted to those employees whose employment is terminated involuntarily, including termination by reduction in force caused by disestablishment or deactivation of a function, activity or command. For purposes of computing severance pay, the basis shall be the employee's total or agree-

gate service, less periods of service for which he had already been paid severance pay.

Article II

RIGHT TO SELF-ORGANIZATION AND COLLECTIVE BARGAINING

1. Filipino employees of the United States Armed Forces in the Philippines shall have the right to self-organization and to collective bargaining in accordance with the provisions of this Agreement. The right to self-organization shall include the right to join or refrain from joining a union or labor organization without interference, coercion, restraint, discrimination or reprisal.

2. Any federated labor organization or individual labor organization duly registered in accordance with Philippine laws and representing the majority of the Philippine employees of the United States military bases in the Philippines shall be entitled to recognition by the United States Armed Forces and shall enjoy exclusive bargaining representation for such employees. The United States Armed Forces will make provision for voluntary checkoff of labor organization dues. In the event a labor organization does not represent a majority of such employees, any duly registered labor organization representing a majority of the employees at a base or group of bases shall be entitled to recognition and enjoy exclusive bargaining representation for such base or group of bases. Nevertheless, any employee shall have the right to present a grievance directly or through a representative under established grievance or labor relations procedures. Questions concerning recognition may be referred to the Joint Committee provided for in Article III of this Agreement.

3. In view of the common security interests of the two Governments as recognized in the Military Bases Agreement of 1947, as amended, the Joint Committee described in Article III, below, at the request of either party to a dispute which threatens the orderly and effective operation of the bases, shall direct measures to promote resolution of that dispute. Any action taken by a recognized labor organization which interrupts or disrupts the orderly and effective operation of the bases before the Joint Committee has taken its final action in such a case may be considered just cause for withdrawal of recognition of that organization. Disciplinary action may be taken against any individual employee or group of employees participating in such action, subject to review, however, by the Joint Committee, which shall proceed in accordance with Article III hereof.

4. The Joint Committee shall not be deemed to have taken final action until the dispute has been resolved between the parties under the procedures provided in Article III of this Agreement. During this period, the parties to the dispute shall observe utmost good faith in collective bargaining and in negotiating their differences without resorting to acts inimical to their mutual interests.

Article III

JOINT COMMITTEE

Any dispute between the United States Armed Forces and Filipino employees or duly recognized union or organization of employees which cannot be settled through grievance or labor relations procedures provided for in Article II of this Agreement may be referred by either party to the dispute to a Joint Committee which shall be composed of not more than three representatives appointed by each Government and shall include labor relations specialists.

2. The Committee shall determine its own procedures and, whenever a dispute has been referred to it, shall :

- (a) Devise means by which the parties themselves can settle their dispute rather than render final decisions ; and
- (b) Satisfy itself that every effort has been fully exerted by the parties to settle the dispute through the grievance or labor relations procedures referred to above. Otherwise, it may refer the dispute back to the parties, indicating what further steps may be taken to reach a settlement.

3. In the event the dispute remains unresolved, and either party resubmits it to the Joint Committee, the latter may refer the matter back to the parties requiring either mediation, conciliation or fact-finding or recommending any other measure.

4. The Governments of the Philippines and of the United States, through their respective authorized agencies or representatives shall, upon request, make available to the Joint Committee or any mediator, conciliator or fact-finder indicated in the preceding paragraph, all pertinent materials, data or information, except those which are classified for security reasons.

5. The Joint Committee, referred to above, shall likewise serve as a channel for continuing consultation between the two Governments and as the principal channel for the implementation of this Agreement.

Article IV

GENERAL PROVISIONS

1. Contractors and concessionaires performing work for the United States Armed Forces in the Philippines shall be required by their contracts or concession agreements to comply with all applicable Philippine labor laws and regulations. For the effective enforcement of these labor laws and regulations, Base authorities shall facilitate access by appropriate Philippine government officials to sites where such contractors work, upon prior request and proper identification.

2. Nothing in this Agreement shall imply any waiver by either of the two Governments of its immunities under international law.

Article V

MID-YEAR ANNUAL BONUS

In view of the concern of both Governments for the general welfare of the employees of the United States Armed Forces in the Philippines and in response to a request from the Philippine Government, the United States Armed Forces will, as an incentive to such employees, pay each Philippine national employed by them for one year or more on July 1, 1968, a mid-year bonus of two hundred pesos and to those employed on July 1 of each subsequent year the same amount. Those employed for less than one year on the date of payment will be paid a pro-rata share of two hundred pesos for each full month of employment.

Article VI

ENTRY INTO FORCE

1. This Agreement shall enter into force upon signature by the two Governments except with respect to any provision which requires further administrative action for its execution. Any such provision shall enter into force as soon as the requisite administrative action has been taken but in no case later than six months from the date of signature by the two Governments.

2. Employment policies, practices and benefits existing at the time this Agreement enters into force shall continue unless modified by collective bargaining in accordance with this Agreement or by subsequent agreement between the two Governments.

3. Either Government may at any time request the revision of any provision of this Agreement, in which case the two Governments shall enter into negotiations through diplomatic channels.

4. This Agreement, and agreed revisions thereof, shall remain in force for the duration of the Military Bases Agreement of 1947, as amended,¹ unless terminated earlier by agreement between the two Governments.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement, incorporating the attached Agreed Minutes.

DONE at Manila, in duplicate, this 27th day of May, 1968.

<p>For the Government of the Republic of the Philippines :</p> <p>Blas F. OPLE Secretary of Labor</p>	<p>For the Government of the United States of America :</p> <p>James M. WILSON, Jr. Chargé d'Affaires, a.i.</p>
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Members
of the Philippine Panel :

Raoul M. INOCENTES
Chairman

Gauttier F. BISNAR
Vice-Chairman

Ruben F. SANTOS

Apolonio V. CASTILLO

Paciano C. VILLAVIEJA

Francisco A. FUENTES

Cristeta A. FERIA

S. Tomas DE LA CRUZ

Members
of the United States Panel :

Hugh G. APPLING
Chairman

William PAZ

Robert M. FISK

¹ United Nations, *Treaty Series*, Vol. 43, p. 271, as well as Annex A in volumes 68, 185, 213, 229, 325, 564, 591 and 649.

AGREED MINUTES TO AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA RELATING TO THE EMPLOYMENT OF PHILIPPINE NATIONALS IN THE UNITED STATES MILITARY BASES IN THE PHILIPPINES

1. *Article I, Paragraph 1.* The term “special management needs” applies to situations, not all definable in advance, in which the employer, exceptionally, needs, for example :

- (a) an employee who is known to be not subject to any personal bias or pressures, for instance in some personnel management functions ;
- (b) an employee who, perhaps for reasons of long association or experience with a given problem, has the employer’s special confidence and who will be known to represent him personally ;
- (c) employees whose work requires them to know and serve American culture and customs ; an example might be in some aspects of education of American children.

2. *Article I, Paragraph 2.* The Philippine representatives expressed the hope, noted by the United States representatives, that future steps toward uniformity in the terms of employment of all base employees will be considered. The United States representative stated, and the Philippine representatives noted, that existing United States laws and regulations now establish terms of employment for all employees, both United States and local nationals, and as to the latter require that their conditions of employment as they relate to wages and compensation shall be based upon prevailing standards and practices of representative progressive employers in the locality which shall be determined by means of periodic technical surveys to be conducted by the United States Armed Forces. The employees, through their recognized labor organizations, shall participate in determining the frequency of and in developing the principles and procedures for such technical surveys, and shall be duly informed of survey results. These principles and procedures shall include the selection of employing firms and comparable positions to be included in the surveys.

3. *Article I, Paragraph 3.* The term “regular workday” shall be understood to mean a workday not in excess of the maximum number of hours allowed without additional compensation under Philippine laws and regulations.

4. *Article I, Paragraph 6.* The United States Armed Forces shall not have responsibility for the enforcement of this provision or the hearing of possible disputes between affected employees and the contractor or concessionaire under this provision.

5. *Article I, Paragraph 7.* The United States Armed Forces may separate an employee at such time as the continuation of his employment is inconsistent with their military requirements, in which case the employee shall be entitled to severance pay unless separation is for cause in accordance with established procedures.

6. *Article II, Paragraph 2.* Should more than one labor organization be recognized as bargaining representative for all the United States military bases such labor organization shall, in order to facilitate implementation of this Agreement, particularly the uniform and equal application of terms and conditions of employment and personnel policies and administration, undertake joint collective bargaining with the United States Armed Forces. However, collective bargaining on questions unique to one base by the labor organization representing the majority of the employees in such base is not precluded.

7. *Article II, Paragraph 3.* The term “disciplinary action” does not exclude the suspension or discharge of an employee.

8. *Article IV, Paragraph 1.* It shall be responsibility of Philippine authorities to determine whether contractors and concessionaires performing work for the United States Armed Forces in the Philippines comply with Philippine labor laws and regulations and to enforce compliance with such laws and regulations.

The United States Armed Forces will submit to the Philippine Government periodically a list of all contractors and concessionaires in the bases.

9. *Article VI, Paragraph 1.* The representatives of both Governments stated their intention to take the necessary administrative steps to implement the Agreement at once, in any case not later than six months from the date of signature of the Agreement, and insofar as possible to have effect not later than July 1, 1968.

10. *Article VI, Paragraph 2.* The United States Armed Forces are not precluded from introducing unilaterally future measures to enhance existing working conditions and benefits to employees.