

May 27, 1968

**AGREEMENT BETWEEN THE GOVERNMENTS 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**

UNITED STATES OF AMERICA

EMPLOYMENT OF PHILIPPINE NATIONALS IN US MILITARY

Agreement signed at Manila 27 May 1960; With agreed minute; Entered into force 27 May 1968

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,^[1] 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, 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 employment 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 aggregate 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 check off 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 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.