



LEGISLATIVE INTENT
OF THE
BOOK PUBLISHING INDUSTRY
DEVELOPMENT ACT
(ANNOTATED)
AND OTHER BOOK PUBLISHING ISSUANCES



RA No. 8047

Rules and Regulations Implementing RA 8047

Rules and Regulations on the Registration with and Accreditation by the NBDB

Rules and Regulations on Importation, Availment of Tax Holidays
and Employment of Foreign Nationals, etc.

National Book Policy

Presidential Recognition of National Book Policy
Under Executive Order No. 119

National Book Development Plan

Executive Order No. 528

Executive Order No. 885

CHRONOLOGICAL EVENTS

RA 8047 or the Book Publishing Industry Development Act was passed into law in June 1995 after the stakeholders have lobbied for ten years or more. Notwithstanding its passage, its major provisions like the democratization of the supply of educational materials to public schools and non-imposition of tariffs and taxes have remained unimplemented after fifteen years now.

The monopolistic tendencies of virtually one or two publishers under separate corporate fronts continue to prevail. The continued imposition of tariffs and other taxes on book importations and transactions is due to the failure of the Bureau of Internal Revenue and the Bureau of Customs to come up with revenue regulations consistent with the mandate of the law.

The private school market is characterized by "cutthroat" competition because of the failure of the National Book Development Board (NBDB) to enforce the agreement presented by the private sector to limit the discount to 20% thus causing the proliferation of under-the-table considerations which could bring about increases in the prices of books and deterioration of quality.

The private sector continues to appeal to government to allow the law to take its course under the principle of "*dura lex sed lex*" but nothing was forthcoming.

The quality of books could not be attained with bureaucratic controls (which seem to cause delay and opportunity for graft) like the payment of exorbitant evaluation fees but through unfettered competition wherein the best book would evolve based on market forces and certain parameters like uniformity of discounts and fixed prices similar to practices in other progressive countries with robust publishing industry like Japan, Korea, Germany, etc.

Another issue is the virtual monopoly of one or two publishers in securing government transactions notwithstanding the presence of World Bank's participation.

Allow me to quote Mr. Herman P. Spruijt, President of the International Publishers Association in his speech in Beirut last February 16, 2010 during the Beirut World Book Capital City as it seems to corroborate with the earlier pronouncements on freedom of enterprise :
"Such policies that promote state publishing or single adoption are misguided in many ways: firstly in most cases state publishing produces low quality at high costs.

Government publishers seldom innovate. They certainly do not take risks. They have no time to select and train skilled writers. They operate by committee and consensus. All these problems are not resolved by creating public tenders of single books for national adoption. The greatest asset of a decentralized private educational publishing industry is the diversity that competition creates. Publishers take risks and innovate. Not seldom such innovations fails. But sometimes they actually become a success and raise the standard of educational material for everybody. Competing publishers will seek to identify niches. Maybe boys and girls want different kinds of reading material? Maybe some children and teachers prefer one pedagogical method to another? Education is not a monolithic block, it is a concept with numerous methodologies, approaches, learning targets and routes. Allowing government to decide how everybody has to learn lowers the children's ability to maximize their potential.

Private, competing, educational publishers provide a great service to society and governments must give them space to do so. IPA has published a policy paper on effective educational textbook policy that has been welcomed and used by many national publishers associations to lobby their government towards better educational publishers involvement. "

We therefore deemed it proper to collate all pertinent materials related to the law in chronological order. The first material is the Legislative Intent which explains the rationale for the passage of the law. Brief annotations are likewise provided by the Compiler.

It was followed by the law itself which was passed on June 2, 1995 under the term of President Fidel V. Ramos.

On April 23, 1997 the Rules and Regulations Implementing RA 8047 was formulated under the Compiler's leadership as the NBDB's First Chairman.

On January 8, 1998 the NBDB Board approved the Rules and Regulations on the Registration with and Accreditation by the NBDB of Persons and Enterprises Engaged in Book Publishing and Its Related Activities.

Several other rules like the Rules and Regulations on the Importation of Tax and Duty-Free Books; Availment of Income Tax Holidays; Availment of Employment of Foreign Nationals; Availment of Additional Deduction for Labor Expenses; Availment of Tax and Duty-Exempt Importation of Spare Parts and Supplies followed.

Thereafter, on April 28, 1999 the NBDB which was then under the chairmanship of Dr. Angel C. Alcala approved the National Book Policy.

On July 4, 1999 His Excellency President Joseph Ejercito Estrada through Executive Secretary Ronaldo B. Zamora issued Executive Order No. 119 which officially adopts the above National Book Policy.

On December 20, 2004 the NBDB Board under the chairmanship of Dr. Dennis Gonzalez approved the National Book Development Plan.

Finally on May 12, 2006 Executive Order No. 528 entitled Reducing the Rates of Duty on Capital Equipment, Spare Parts and Accessories Imported by the Board of Investments (BOI) Registered New and Expanding Enterprises was signed by President Gloria Macapagal Arroyo.

The stakeholders through the Philippine Book Publishing Development Federation (Philbook) and other associations contested Department of Finance Order 17-09 (DO 17-09) dated March 24, 2009 which imposes custom duties on imported books. The imposition of custom duties is an add on which would increase the price of books thus violating affordability mandate of RA 8047.

On May 25, 2009 the Department of Finance in compliance with President Arroyo's order issued Department Order 27-09 suspending immediately DO 17-09.

The stakeholders through the Philippine Educational Publishers Association (PEPA) and other associations contested the proposal of the Department of Education and Commission on Higher Education to centrally evaluate textbooks for the elementary and secondary private schools.

For decades, it has been the school principal and/or owner who are/ is empowered to determine what material is appropriate for them as long as it is not contrary to law, moral and public policy. It is consistent with the freedom of the press, free flow of information and the Florence Agreement doctrines.

The above proposition therefore is violative of the legislative intent of the law.

On July 20, 2009, Philbook again contested the circular issued by NBDB which would recommend books to be used for the private schools. Again, it is a circumvention of the legislative intent of the law.

On June 10, 2010 Executive Order No. 885 was signed by Her Excellency President Gloria Macapagal Arroyo . Finally various books, etc. (as enumerated thereto) are exempt from custom duties and other incidental import charges after the lapse of fifteen years from the signing of the law.

The stakeholders are optimistic that in the light of the pronouncement made by President Benigno Aquino III in his inaugural address on June 30, 2010 that there would be leveling of the playing field (as contradistinguished from monopolistic practices) and enhancement of the role of the private sector with government as the enabling body.

At the outset, this publication provides in question and answer form the spirit or legislative intent of Congress in passing the law.

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