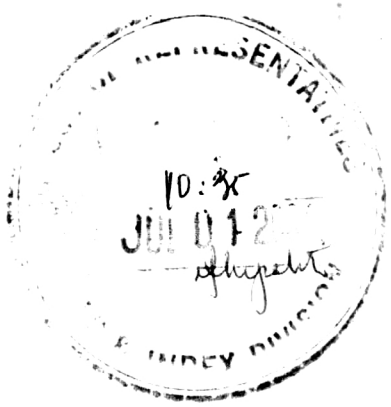


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 883

Introduced by Honorable Roque R. Ablan, Jr.

EXPLANATORY NOTE

History has shown that the wealth and destinies of the world's greatest nations have been determined and charted by the manner in which they conducted their maritime affairs. Our country is now at the crossroads of development and our maritime sector can rightfully claim that it has made a significant contribution towards achieving this feat. The Philippines is, after all, a maritime country. It is an archipelago of 7,108 islands with a territorial sea that is both a sea chest of vast marine wealth and natural highway for the carriage of trade and commerce.

With the coming into force of the United Nations Convention on the Law of the Sea in November 16, 1994, the Philippines has thereby gained an Exclusive Economic Zone totaling as much as 652,800 square nautical miles in area, with sovereign rights over the xploration and exploitation of all living and non-living resources found in the water column as well as in the seabed. Our fisheries sector, already the 11th biggest in the world, employs around one million Filipinos and contributes as much as 4.4% to GNP. Properly explored and exploited, our vast waters and continental shelf promise to provide even greater opportunities for livelihood foor our people.

The Filipino people, scattered around these numerous islands, have since time immemorial depended on the sea for transportation. Even in this age of great progress in air and land transportation, shipping remains the most economical, most efficient, and most important means of interisland

transport of passengers and cargo . A vibrant and thriving maritime industry has evolved around the sea as a transport medium. 90% of our domestic trade is carried by maritime transport , which amounted to 71 million metric tons in 1994. Scores of thousands of land and sea-based personnel are employed directly by the domestic shipping industry which contributes about Php200 million annually to the national treasury by various forms of taxes, licenses and fees.

In the international maritime trade, the Philippines ranks as the No. 1 supplier of labor. A 200,000-strong force of Filipino seafarers are employed as officers and crew aboard international vessels of trade and they contribute as much as $2 billion annually to our economy in inward remittances. The Philippines, likewise, has become a global leader in the registry of ships. With almost 12.3 million gross registered tons , our country now ranks thirteenth in the world's ship registries.

In spite of its importance as a commercial activity and as a medium of transport, the maritime secotr of this country has long been neglected. There is no coherent nor established direction in government policy in the administration of maritime affairs. What exists is rather a patchwork of several agencies scattered among at least five cabinet departments mandated with overlapping functions passing off as the vehicle for the administration of maritime affairs, and which has created confusion instead of order and harmony. Verily this state of affairs, if allowed to remain will continue top threaten safety at sea, the very future and employability of our seafarers, the preservation and protection of our marine resources, and unhampered growth of our maritime industry, as a whole. Desperate for solutions to the situation, different sector of the industry have therefore resorted to lobbying for separate pieces of legislation to solve their own particular or individual predicaments.

To do away with piecemeal measures, this bill proposes a synthesis of all these other bills. It creates a separate and distinct **Department of Maritime Affairs** which will absorb existing bureaus, offices and agencies of government presently involved in the management and development of the country's shipping, shipbuilding, and seafaring industries and in the exploration, exploitation, and protection of our marine resources. This department will coordinate the implementation of a national policy of the new Law of the Sea and focus on the development of our Merchant Marine, our seafaring manpower resources, and our vast marine wealth. It will consolidate national efforts in that direction and will maximize the benefits to be derived therefrom, by eliminating duplication of functions and conflicts of interests among the en government agencies presently belonging to five departments, namely, DOTC, DND, DENR, DA, and DOLE.

Considering the relevance of a **Department of Maritime Affairs** to the development of the national patrimony and to the achievement of the country's long-term goal of self-reliance and economic self-sufficiency, the sponsor believes that approval of this bill is of urgent priority.

ROQUE R. ABLAN, JR.
Representative
First District of Ilocos Norte

REPUBLIC OF THE PHILIPPINES
House of Representatives
Quezon City, Metro Manila

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AN ACT
CREATING THE DEPARTMENT OF MARITIME AFFAIRS
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

CHAPTER I

INTRODUCTORY PROVISIONS

SECTION 1. Title.- This Act shall be known as the " Department of Maritime Affairs Act ".

SECTION 2. Declaration of Policy. - In keeping with Article XII, paragraph 2 of the Philippine Constitution which provides that, " the State shall protect the nation's marine wealth in its archipelagic waters, territorial sea, and exclusive economic zone and reserve its use and enjoyment exclusively for Filipino citizens ", it is hereby declared to be the policy of the State to achieve a marine – based economy; It shall further be the policy of the State to promote, ensure, and coordinate the economic viability, protection, safety, and development of ports, shipping, shipbuilding, seafaring, and other industries or activities which resolve around the sea as a medium of transport.

CHAPTER II

SECTION 3. Creation of a Department of Maritime Affairs. - Pursuant to the above – mentioned national policy, there is hereby created a Department of Maritime Affairs, hereinafter referred to as the Department, which shall, among others, recommend and implement the Government's policies, plans, and programs for the promotion of safety and development of ports, shipping, shipbuilding, seafaring, and other activities in the maritime industry.

SECTION 4. Powers and Functions. - The Department shall perform the following powers and functions :

a) Encourage, promote, guide, and when necessary, regulate such business activities relative to the exploration, exploitation, development, management, trade and utilization of marine resources including marine transportation, port system and other related activities;

b) Assess, review and, in coordination with relevant government agencies, provide direction to research and development programs including identification of sources of marine resources and determination of their commercial feasibility for development and utilization;

c) Give full and complete effect to all International Maritime Organization Conventions to which the Republic of the Philippines at present is, or in the future shall be, a Party;

d) Conduct in-depth studies on all policy areas and options with respect to the country's implementation of IMO Conventions, the United Nations Convention on the Law of the Sea, and other pertinent international conventions and national laws;

e) Monitor foreign and domestic developments relative to the formulation and implementation of the country's strategy in implementing the provisions of the United Nations Convention on the Law of the Sea and other international conventions including the determination of the maritime area of the country and to protect the integrity of the said area;

f) Recommend measures to provide assistance to the private sector for the improvement and upgrading of maritime transportation and infrastructure like ports, lighthouses, shipyards, fishports, refrigeration facilities, processing plants and other related facilities; and

g) Promote, develop and monitor the continuing education, training and qualification, availability and deployment of seafarers and other maritime manpower aboard local and foreign vessels consistent with international standards and conventions; and

h) Generally exercise all powers and duties necessary to implement the national policy on maritime affairs pursuant to the objectives of this Act.

Sec. 5. ***Organization.*** - The Department shall consist of the following offices and agencies:

a) Department Proper

b) Maritime Industry Development Authority.

c) Philippine Ports Authority

d) National Seafarers Administration.

e) Philippine Merchant Marine Academy.

f) National Maritime Polytechnic.

g) Maritime Research Institute

h) Philippine Coast Guard.

Sec. 6. ***Department Proper.*** - The Department Proper shall consist of the following offices:

a) Office of the Secretary. – The Office of the Secretary shall consist of the Secretary and his immediate staff.

b) Undersecretaries. - The Secretary shall be assisted by three (3) Undersecretaries, appointed by the President upon the recommendation of the Secretary. Each Undersecretary shall have control and supervision over the respective offices and services assigned to him by the Secretary.

c) Assistant Secretaries. - The Secretary shall also be assisted by four (4) Assistant Secretaries, appointed by the President upon the recommendation of the Secretary. These will be one each for Merchant Marine Administration, Maritime Industry Development, Ports and Harbors, and the Coast Guard.

Sec. 7. ***Head of the Department.*** - The head of the Department, hereinafter referred to as the Secretary, shall be appointed by the President subject to confirmation of the Commission on Appointments.

Sec. 8. ***General Powers, Terms of Office and Compensation of the Secretary.*** - The authority and responsibility for the exercise of the Department's power and functions shall be vested in the Secretary, who shall hold office at the pleasure of the President and shall receive the compensation, allowances, and other emoluments to which heads of departments are entitled.

Sec. 9. ***Specific Power and Functions of the Secretary.*** - The powers and functions of the Department shall be exercised by and through the Secretary, who shall:

a) exercise control and supervision over all offices and bureaus under the Department;

b) coordinate all policies and programs relating to maritime and marine affairs as provided in this Act;

c) undertake consultations with other members of the Cabinet and other members of Government officialdom relating to maritime and marine matters and recommend policies and programs to the President relative thereto;

d) advise the President of the activities, programs, plans and all information necessary or relevant to maritime or marine affairs.

Sec. 10. ***Offices in the Department.*** - The Department shall have under the supervision and control of the Secretary, an Administrative Service, a Financial and Management Service, and a Planning Service with the following functions:

a) The Administrative Service shall be responsible for providing the Department with services relating to personnel, legal assistance, information, records, supplies, equipment and custodial work;

b) The Financial and Management Service shall be responsible for providing the Department with staff advice and assistance on budgetary, financial and management improvement matters;

c) The Planning Services shall be responsible for providing the Department with services relating to planning, programming, project development, including development policies and programs and priorities as may be warranted by domestic and international development.

Sec. 11. ***Transfer of Bureaus, Offices and Agencies.*** – The following bureaus, offices and agencies will be transferred from their respective departments (as shown in parenthesis) to the Department of Maritime Affairs.

a) Maritime Industry Authority. (DOTC)
b) Philippine Ports Authority. (DOTC)
c) Phil. Merchant Marine Academy. (DOTC)
d) Philippine Coast Guard (DND)
e) Seafarers Section of the Philippine Overseas Employment Administration. (DOLE)
f) Seafarers Section of the Overseas Workers Welfare Administration. (DOLE)
g) National Maritime Polytechnic. (DOLE)
h) Maritime Training Council (DOLE)

CHAPTER III

THE MARITIME INDUSTRY DEVELOPMENT AUTHORITY

Sec. 12. ***The Maritime Industry Development Authority.*** To carry out the policies and purposes of promoting the growth and developing, the economic viability of the maritime industry, the Maritime Industry Authority together with its capital assets, equipment, and existing budget is hereby transferred from the Department of Transportation and Communications to the Department of Maritime Affairs and is hereby renamed the Maritime Industry Development Authority.

Sec. 13. ***Composition and Organization.*** – The Maritime Industry Development Authority is hereby created initially consisting of the existing officials and employees of the Maritime Industry Authority, headed by an Administrator.

Sec. 14. ***Powers and Functions.*** - The Maritime Industry Development Authority shall have the following powers and functions;

a) Develop and formulate plans, policies, programs, projects, standards, specifications and guidelines geared toward the promotion and development of the commercial and economic viability of the maritime industry, the growth and effective regulation of shipping enterprises;

b) Establish, prescribe and regulate routes, zones and/or areas of operation of particular operators of public water services;

c) Issue Certificates of Public Convenience for the operation of domestic and overseas water carriers;

d) Determine fix and/or prescribe charges and/or rates pertinent to the operation of public water transport utilities, facilities and services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies or associations recognized by the Philippine Government as the proper arbiter of such charges or rates;

e) Accredit maritime enterprises engaged in shipbuilding, shiprepair, ship breaking, domestic and overseas shipping, ship management and agency;

f) Establish and prescribe rules and regulations, standards and procedures for the efficient and effective discharge of the above functions, and

g) Perform such other functions as may now or hereafter be provided by law.

CHAPTER IV

THE PHILIPPINE PORTS AUTHORITY

Sec. 15. ***The Philippine Ports Authority.*** - To carry out the policies and purposes of integrating and coordinating port planning, development, control, and operations at the national level, and at the same time promote the growth of regional port bodies responsive to the needs of their individual localities, the Philippine Ports Authority, including all its capital assets, equipment, and existing budget, is hereby transferred from the Department of Transportation and Communications to the Department of Maritime Affairs.

Sec. 16. ***Composition and Organization.*** - The Philippine Ports Authority is hereby transferred consisting of its existing officials and employees, headed by the General Manager.

CHAPTER V

THE NATIONAL SEAFARERS ADMINISTRATION

Sec. 17. ***The National Seafarers Administration.*** - In order to carry out the policies and purposes of promoting, developing and monitoring the continuing education, training, welfare and deployment of Filipino seafarers and other maritime workers aboard local as well as foreign vessels, consistent with international practices, standards and conventions the National Seafarers Administration is hereby created. The officials and personnel of the Philippine Overseas Employment Administration involved in the administration of Filipino seafarers are hereby transferred to the National Seafarers Administration. Likewise all equipment, records and the existing budget appertaining to such functions and duties, will be transferred to the National Seafarers Administration.

Sec. 18. ***Powers and Functions.*** - The National Seafarers Administration shall have the following powers and functions:

a) Develop and formulate plans, policies, programs and procedures for the education, training and qualification, welfare, employment, and protection of the rights of Filipino seafarers;

b) Maintain a complete registry of Filipino seafarers;

c) Provide free placement services for seafarers;

d) Secure the best possible terms and conditions of employment for seafarers, and to ensure compliance thereof;

e) Regulate the activities of manning agents or representatives of shipowner in the hiring of seafarers for overseas employment;

f) Ensure that the requirements of pertinent international organizations and maritime conventions on the standards of training and qualifications of Filipino seafarers are fully complied with;

g) Accredit and certify maritime training centers to ensure proper compliance with the provisions enumerated in paragraph f) above;

h) Provide the necessary technical expertise on the supervision of nautical and marine engineering schools and colleges;

i) Have original and exclusive jurisdiction over all matters or cases, including money claims, involving employer-employee relations arising out of any law or employment contracts involving Filipino seafarers for overseas employment. In such cases the decision of the National Seafarers Administration shall be final and unappealable;

j) Establish a proper and legal forum for the disciplining of errant seafarers in order to protect the reputation and excellent image of the good Filipino seaman; and

k) Performs such other functions as may now or hereafter be provided by law.

CHAPTER VI

THE PHILIPPINE MERCHANT MARINE ACADEMY

Sec. 19. ***The Philippine Merchant Marine Academy.*** - To serve as the primary source of highly-trained merchant marine officers, the Philippine Merchant Marine Academy (PMMA) including all its capital assets, equipment, and existing budget, is hereby transferred from the Commission on Higher Education to the Department of Maritime Affairs.

Sec. 20. ***Composition and Organization.*** - The Philippine Merchant Marine Academy is hereby transferred consisting of its existing officials and employees, headed by the President and shall continue to perform all its powers, rights, and prerogatives as mandated by its charter.

CHAPTER VII

THE NATIONAL MARITIME POLYTECHNIC

Sec. 21. ***The National Maritime Polytechnic.*** - To serve as the primary institution for the upgrading of skills of the merchant marine, the National Maritime Polytechnic (NMP) including all its capital assets, equipment, and existing budget, is hereby transferred from the Department of Labor and Employment to the Department of Maritime Affairs.

Sec. 22. ***Composition and Organization.*** - The National Maritime Polytechnic is hereby transferred consisting of its existing officials and employees, headed by the Executive Director and shall continue to perform all its functions and retain all its powers, rights, and prerogatives as mandated by its charter. Provided, however, that the chair of the NMP Board of Trustees shall be transferred from the DOLE Secretary to the DMA Secretary.

CHAPTER VIII

THE MARITIME RESEACH INSTITUTE

SEC. 23. ***The Maritime Research Institute.*** – The Maritime Research Institute is hereby created as an attached agency under the Department of Maritime Affairs.

SEC. 24. ***Organization.*** – It shall be composed of:

a) Maritime Research Institute Board of Governors which shall serves the governing board; and

b) The "Administration" which, as the executive arm, shall run the Institute's day-to-day activities and shall be headed by the executive director.

Sec. 25. ***Functions.*** - The Maritime Research Institute shall have the following functions.

a) To spearhead and encourage the development of a maritime research program to aid the formulation of policies on all aspects of maritime affairs;

b) To harness and propagate the latest development in maritime technology in the fields of shipbuilding, marine engineering, ships propulsion, cargo handling, ship management and other such developments and to utilize and adopt the latest in information technology to serve National Maritime Policy goals;

c) Develop, propagate, and enhance national awareness of maritime issues through a comprehensive information program;

d) Publish information, books, monographs, and other literature in connection with the above functions; and

e) Perform such other functions as may now or hereafter be provided by law.

CHAPTER IX

THE PHILIPPINE COAST GUARD

Sec. 26. ***Establishment and Transfer.*** - The Philippine Coast Guard, hereinafter referred to as the PCG, is hereby established as a major service separate and distinct from the Philippine Navy. It shall henceforth be transferred from the Department of National Defense to the Department of Maritime Affairs as a bureau thereof.

Sec. 27. ***General Power and Functions of the PCG.*** - The PCG shall be the agency primarily responsible for safety of life and property at sea, the protection of the marine environment and, together with the Philippine Navy, the security of all marine resources found within the Exclusive Economic Zone and within all other waters and seabed's subject to the jurisdiction of the Republic of the Philippines. It shall likewise perform such other functions as it is authorized to perform at the time of the effectivity of this Act.

Sec. 28. ***Specific Functions.*** - The Philippine Coast Guard shall perform the following specific functions:

a) Promulgate and enforce maritime rules and regulations for the promotion of safety of life and property at sea;

b) Render aid to distressed persons and vessels on the high seas and waters subject to the jurisdiction of the Philippines, to furnish clothing, food, lodging, medicines and necessary supplies and services to persons succored; and to take appropriate actions on remains of those who have perished;

c) Register all Philippine merchant vessels; To issue safety certificates of Philippine vessels, To approve plans for the construction, repair, or alternation, of vessels; To administer load line requirements for the promotion of the safety of life and property at sea; Conduct annual or periodic surveys and inspections of all Philippine-registered vessels and issue certificates prescribed in the regulations consistent with international standards; Collect tonnage and other fees directly related to vessel safety inspection, documentation and compliance with international standards; To assist in the development of a single Philippine Classification Society;

d) Formulate, issue, administer, and enforce the Code of Maritime Regulations for the design, construction, equipment, manning, operation, repair, alteration, and maintenance of all Philippine-registered vessels and all off-shore facilities employed in the exploration and exploitation of marine and seabed resources within the waters subject to Philippine jurisdiction;

e) Conduct inquiries, visits, examination, and inspection on vessels in waters subject to the jurisdiction of the Philippines for the promotion of safety of live and property at sea and for the protection of the marine environment;

f) Promulgate and enforce rules and regulations in the construction, outfitting, manning, documentation and operation of motor boats, fishing vessels, and pleasure craft not required to be issued a Certificate of Philippine Registry;

g) Promulgate and enforce rules and regulations on maritime communications to promote safety of life and property at sea;

h) Regulate salvage operations and destroy or remove hazards to navigation in order to promote safety of life and property at sea and to preserve the marine environment;

i) Investigate marine accidents, including all marine protests relative to the responsibility and liability of shipowner and officers and to impose administrative sanctions appertaining thereto;

j) Qualify and issue licenses to harbor pilots and bay and river patrons through proper examinations;

k) Conduct the proper examinations and carry out such other tasks of the Board of Marine Examiners for the issuance and upgrading of Merchant Marine officers licenses;

l) Develop, establish, operate and maintain aids to navigation facilities and collect aids to navigation dues for this purpose from users thereof;

m) Develop, establish, operate, and maintain marine environmental protection facilities;

n) Enforce laws and to promulgate and enforce rules and regulations for the prevention of marine pollution within the territorial waters and Exclusive Economic Zone of the Philippines and determine and impose penalties for violations thereof;

o) Impose administrative penalties for maritime violations and offenses incurred by vessels within the territorial waters of the Philippines as well as violations by Philippine-flagged vessels in foreign and international waters without prejudice to the civil liabilities of the offender in accordance with existing laws;

p) Conduct port State control inspections on foreign-flagged vessels calling at Philippine ports in accordance with national laws and regional and international agreements;

q) Detain ships found to be with deficiencies that may pose a grave threat to the safety of the passengers and crew and to the vessel and her cargo, or to the marine environment until such time that the deficiencies are rectified in accordance with established rules and regulations;

r) Promulgate, administer and enforce rules and regulations giving effect to the provisions of International Treaties, Conventions, Protocols and Municipal Laws for the safety of life and property at sea;

s) Represent the Philippine government in international and regional fora concerning IMO and other maritime matters;

t) Collect international tonnage fees for Philippine-registered vessels in the international trade to take care of Philippine obligations with the International Maritime Organization;

u) Assist other governmental agencies in the performance of their law enforcement functions against seajacking, piracy, illegal entry, illegal fishing, illegal gathering of corals and other marine products, smuggling and other frauds and violations that may be committed within the waters of the Philippines; For this purpose, surveillance, boarding and inspection by the Philippine Coast Guard may be made on vessels entering or leaving Philippine waters. In the performance of these functions, members of the Philippine Coast Guard shall act as a law enforcement officers of such agencies;

v) Organize, train and supervise the Philippine Coast Guard Auxiliary for the purpose of assisting in conducting search and rescue, marine environmental protection, maintaining aids to navigation and such other activities that enhance civil relations to include civic action, youth development and related activities;

w) Maintain and operate all government vessels above 50 gross tons not otherwise assigned to the Philippine Navy, except tug boats and dredges used by the Philippine Ports Authority; in such case, the operations shall solely be for the mission of the agency concerned except that the PCG

may utilize the vessels for search and rescue purposes when not on actual mission; and

x) Perform such other functions as may now or hereafter be provided by law.

Sec. 29. ***National Emergencies.*** - In time of war or national emergency, the President may direct the PCG to operate under the Armed Forces of the Philippines. Such authority shall continue until the President revokes the same.

Sec. 30. ***Organization.*** - The PCG shall be headed by a Flag Officer equivalent in rank to the Flag-Officer-in-Command, Philippine Navy. It shall consist of uniformed and non-uniformed personnel with defined Coast Guard Table of Organization specialties, ranks, and ratings. It shall also have an independent administrative and logistics system. The Commandant, Philippine Coast Guard may modify its present organizational structure to effectively and efficiently carry out PCG-defined functions.

Sec. 31. ***Personnel.*** - PCG personnel shall be governed by the following rules:

a) All personnel assigned to the Philippine Coast Guard shall be transferred out of the Philippine Navy (PN) upon effectivity of this Act provided that the transfer may be allowed in and out of the Navy and the AFP within the transition period provided herein; and

b) The PCG shall continue to source its commissioned officers from the same fields as that of the PN; it also shall, until such time that a Philippine Coast Guard Academy shall have been organized, be authorized to recruit graduates from the Philippine Merchant Marine Academy under terms and conditions to be determined by the Secretary of Maritime Affairs; Provided that the PCG may accept graduates with baccalaureate degrees to be commissioned in the PCG service from other merchant marine institutions and other schools recognized by the Government.

Sec. 32. ***Relations with Other Agencies.*** –

a) The Philippine National Police shall primarily perform law enforcement activities in the maritime environment in pursuance of the provisions of the Revised Penal Code, provided that nothing in this Act shall prevent the appropriate PNP unit from being deputized by the appropriate agency to perform the respective maritime law enforcement function in coastal areas; and

b) Consistent with the objectives of the National Defense Act, in the pursuit of reserve training, and in the interest of keeping abreast of current developments in maritime transportation, the Commandant, Philippine Coast Guard may allow the periodic service of duly qualified and licensed Philippine Coast Guard personnel on board Philippine-registered merchant vessels under such rules and regulations as the Commandant may prescribe.

Sec. 33. ***Transitory Provisions.*** - The PCG shall be governed by the following provisions:

a) Officers in the grade of PN Flag and Captain who have had considerable tours of duty with the PCG may opt to join the PCG and likewise those already with the PCG may opt to leave within the initial year upon the effectivity of this Act after which they shall no longer be allowed to transfer.

b) Other Philippine Navy and AFP personnel below the grade of Captain PN or equivalent who have qualified for Coat Guard eligibility may also join the PCG subject to the vacancies of the prescribed organizational rank structure within the transition period of one (1) year.

Sec. 34. ***PCG Funds and Expenditures.*** – The accrued income of the PCG from its operation and exercise of various regulatory functions shall be declared as PCG Trust Receipts and shall be made available to the PCG for the improvement and maintenance of basic services in the same manner prescribed in Executive Order No. 1002. These funds shall be utilized only for the following expenditures in an appropriate budget as prescribed in Executive Order No. 1002, subject to approval of the Secretary of Maritime Affairs;

a) Printing of forms and certificates directly related to the services for which they were collected;

b) Provision for other supplies and services for which the fees were collected;

c) Participation in international organizations and commitments to include payment of annual assessment and dues to the International Maritime Organization (IMO) and International Association of Lighthouse Authorities (IALA) and for other international agreements, when the fees for the same cannot be fully covered in the annual appropriations;

d) Maintenance of the International Maritime Organization (IMO) attaché post as prescribed under Executive Order No. 612, when funds for the same cannot be fully covered in the annual appropriations.

Sec. 35. ***Assets.*** All assets of the PCG including all its vessels, armaments, vehicle and their accessories, buildings, real estates, lighthouses and other properties and records are hereby vested in the newly established PCG; Provided that a Transfer and Liquidation Committee shall be created to undertake the disposition and appropriate inventory of all these properties.

CHAPTER XI

FINAL PROVISIONS

Sec. 36. ***Appropriation.*** - To carry out the purposes of this Act, there is hereby appropriated out of any funds of the National Treasury not otherwise appropriated, the sum of Fifty million pesos (P50,000,000.00) for the operation and maintenance of the Department; Thereafter, the appropriation for the Department, its bureaus, offices and agencies shall be included in the annual General Appropriations Act.

Sec. 37. ***Appropriations of Offices and Agencies to be transferred.*** - All offices, bureaus, and agencies being transferred to the Department of Maritime Affairs shall

continue to operate using all funds already appropriated to them for the rest of the fiscal year in which this Act was approved.

Sec. 38. ***Repealing and Modifying Clause.*** - PD 857, RA 3680, RA 5173, PD 601, LOI 1404, EO 493, PD 474, EO 125, EO 125-A, and all other laws, executive orders, rules and regulations inconsistent herewith are hereby repealed, amended or modified accordingly.

Sec. 39. ***Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Approved,