

Republic of the Philippines
House of Representatives
Quezon City

First Regular Session
THIRTEENTH CONGRESS

House Bill No. 2197



Introduced by Congressman JOSE G. SOLIS

EXPLANATORY NOTE

Since time immemorial, the Philippines carry the distinction of being a maritime nation and this covers a time span which dates back to pre-hispanic days to the present. 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. And the Philippines, which are at the crossroads of development in the maritime industry, have made significant inroads towards achieving such feat.

Because of our country's geographic configuration, a substantial part of our trade and commerce is moved by sea, even in this day of modern aviation, with the shipping industry accounting for over 90% share in the transport of inter-island cargo. This figure is even much higher in our country's foreign trade. As a recognized archipelagic state under the United Nations Convention on the Law of the Sea, the Philippines together with its 200-mile Exclusive Economic Zone, will have a maritime area of about 57,800 square nautical miles. With its claim on the Kalayaan Island Group, our total maritime area will come up to a total of 61,852 square nautical miles.

The Philippines is also known as the single biggest supplying country of seafarers. It is in fact the manpower capital of the world; one out of every four ships in the world has a Filipino. In the year 2000 alone, a total of 200,000 Filipino seamen were dispatched by the POEA for employment aboard vessels

belonging to the various fleets of the world. The total number of Filipino seamen registered with the POEA as of December 20, 2000 was 451,562. The Philippines has the distinct honor of having the world's greatest number of international seamen for many years now. These seamen have been consistently bringing in the much-needed foreign exchange into the country and stabilizing our dollar reserves for the past twenty-five years. For the year 2000 alone, the total amount brought in by our seamen amounted to Two Billion U.S. Dollars.

However, the Philippine merchant marines, both domestic and international are in a sad and sorry state. A very low priority has been given for maritime development by past administrations and our maritime potential has never been fully exploited.

There is therefore, the most urgent need to create a comprehensive, sound, and up-to-date policy that would govern a specific maritime field of interest for the government to immediately focus on the growth and development requirements of our maritime industry. These requirements can only be effectively addressed through the creation of the Department of Maritime Affairs.

With the entire maritime area more that seven times larger that the land area of the country, the Philippines should have an intrinsically marine-based economy. The vastness of the Philippine maritime zone and its perceived rich resources, both living and non-living, is a new frontier for the Philippines which can provide food, petroleum, hydrocarbon, land minerals, energy produced by tides, medicine and animal feeds. The marine resources, if properly explored and exploited, will provide great opportunities of livelihood for the people.

With the tremendous marine resources now within the jurisdiction and control of the Philippines, the exploration, exploitation, development and management thereof would require coordinated and mutually supportive effort of all relevant bureaus, offices and agencies of the government under a fixed national policy.

The problem of vague or similar policy objectives among different organizations, which lead to repetitive activities, should be addressed.

This bill therefore creates a separate and distinct Department of Maritime Affairs which will absorb existing bureaus, offices and agencies of government at present 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 consolidate efforts to protect the maritime environment and regulate activities related to marine transportation and port system, and focus on the development of our seafarers and merchant marines, our seafaring manpower resources, and our vast marine wealth.

A separate department for maritime affairs will finally focus on the sorry state of marine vehicles which give rise to catastrophe and result to the loss of lives.

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



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AN ACT
CREATING A 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 on congress assembled:

CHAPTER I

INTRODUCTORY PROVISIONS

SECTION 1. *Title.* - This Act shall be known as the "Department of Maritime Affairs Act of 2002.

SEC. 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 promote, ensure, and coordinate the economic viability, protection, and safety of ports, shipping, shipbuilding, seafaring, and other industries or activities which revolve around the sea as a medium of transport. It shall further be the policy of the State to develop the Philippines into a maritime economic power in the global arena.

CHAPTER II

THE DEPARTMENT OF MARITIME AFFAIRS

SEC. 3. *Creation of the 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.

SEC. 4. *Powers and functions.* - The Department shall perform the following powers and functions:

a) Establish and administer a comprehensive and integrated program relative to the promotion and development of ports, shipping, shipbuilding, seafaring, and other activities in the maritime industry.

b) Coordinate and implement all activities of the Government relative to the promotion of maritime safety and the protection of the marine environment;

c) Encourage, promote, guide, and when necessary, regulate such business activities relative to marine transportation, port system and other related activities;

d) Give full and complete effect to all International Maritime Organization Conventions to which the Republic of the Philippines is a Party;

e) Conduct in-depth studies on all policy areas and options with respect to the country's implementation of IMO Conventions and other pertinent international maritime conventions and national laws;

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

g) Promote, develop and monitor the continuing education, training, 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) Bureau of Marine Resources Management
- f) Philippine Merchant Marine Academy
- g) National Maritime Polytechnic;
- h) Maritime Research Institute.
- i) Philippine Coast Guard;

SEC. 6. *Department Proper.* - The Department Proper shall consists 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 five (5) Assistant Secretaries, appointed by the President upon the recommendation of the Secretary. These will be one each for the Merchant Marine Administration; Maritime Industry Development; Ports and Harbors; Coast Guard; and Maritime Education, Training, and Research.

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, Term 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 to.

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 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 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 parentheses) to the Department of Maritime Affairs:

- a) Maritime Industry Authority. (DOTC)
- b) Philippine Ports Authority. (DOTC)
- c) Philippine Merchant Marine Academy. (DOTC)
- d) Seafarers Section of the Philippine Overseas Employment Administration. (DOLE)
- e) National Maritime Polytechnic. (DOLE)
- f) 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 consists 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 all activities in the maritime industry, the growth and effective regulation of shipping enterprises, and the development of the Philippines as a globally-competitive ship services center;
- 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 by the Philippine Government as the proper arbiter of such charges or rates;
- e) Accredite maritime enterprises engaged in shipbuilding, ship repair, 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 function; 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.* - 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.* - The National Seafarers Administration is hereby created 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. 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, qualification, welfare, employment, and protection of the rights of Filipino seafarers;
- b) Issue the Seafarer's Service and Record Book and 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 thereto;
- e) Regulate the activities of manning agents or representatives of shipowners 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) Accredite and certify maritime conventions 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 seamen; and
- k) Perform 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 Department of Transportation and Communications 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 President 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 and Provided further that the total number of members of the said Board shall be five (5) and shall comprise of the following members, namely:

1. Secretary of Maritime Affairs as Chairman
2. Chairman of the Commission on Higher Education
3. President of the National Maritime Polytechnic
4. Representative from the National Economic Development Administration
5. Representative from the maritime industry private sector

CHAPTER VIII

THE MARITIME RESEARCH 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 serve as 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 developments 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, in connection with the above functions; and other literature in

circulation.

Approved.

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

SEC. 26. *Initial 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 One Hundred Million Pesos (P100,000,000.00) for the operation and maintenance of the Department. Thereafter, the appropriation for the Department, its bureaus, offices and agencies shall be fiscal year in which this Act was approved.

SEC. 27. *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 funds already appropriated to them for the rest of the fiscal year in which this Act was approved.

SEC. 28. *Repealing and Modifying Clause.*- RA 5173, PD 601, LO1 1404, EO493, PD 474, EO 125, EO 125-s, PD 97, and all other laws, executive orders, rules and regulations inconsistent herewith are hereby repealed, amended or modified accordingly.

SEC. 29. *Effectively.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.