

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

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 1204

INTRODUCED BY CONGRESSMAN PEDRO P. ROMUALDO

EXPLANATORY NOTE

The Philippines, being an archipelago, is home to a good number of ports. The frequency of inter-island travel necessitates the presence of ports and adequate harbor services. Due to the different terrain of our islands, our ports have diverse needs and require skills in the maneuver of vessels into and out of its area.

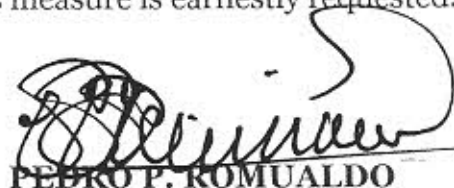
Harbor pilotage is defined as the act of directing, guiding or maneuvering vessels into and out of a port, or harbor, or through tight channels. This service ensures not only the proper landing and setting sail of a vessel but also the safe embarkation and disembarkation of both passengers and cargo.

Considering the significance of the service being rendered by harbor pilots and harbor pilotage organizations, there is a need for legislation that would mandate the regulation and supervision of harbor pilotage services and the conduct of harbor pilots in the Philippines. This measure proposes the accreditation of harbor pilots and harbor pilotage organizations, as well as identifies the institutions that would exercise the supervision and regulation over the sector.

Furthermore, this measure seeks to repeal Executive Order No. 1088 issued in 1986. I believe that it is about time that our antiquated laws in marine transportation be updated so as to fit the present conditions of the industry.

Harbor pilots have long been fixtures in our ports. Without them, the safety of our ports, vessels, cargoes and the lives of millions of commuters depending on marine transportation may be placed in peril.

With the foregoing, the immediate passage of this measure is earnestly requested.


PEDRO P. ROMUALDO

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**AN ACT
REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF
HARBOR PILOTS IN PHILIPPINE PORTS AND FOR OTHER PURPOSES**

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

SECTION 1. Title. This Act shall be known as the "Pilotage Services Act".

SEC. 2. Scope. This Act shall apply to all harbor pilots and pilotage organizations providing services in all ports in the country, whether government-owned or privately-owned. Other ports which are under the control and supervision of other agencies or specialized government entities shall also be covered by this Act.

SEC. 3. Policy and Objectives. It is hereby declared the policy of the State to ensure and hasten the continuing growth and development of our ports whether directly administered and maintained by the government or other private entities to enable to meet the increasing demand of water-borne commerce and to effectively serve as a vital link in the transport system of the country. Thus, one of the inherent functions of the Philippine Ports Authority (PPA) is to supervise, monitor and regulate harbor pilots and harbor pilotage services in all ports in order to achieve the following objectives:

- a) To ensure safety at all times of port facilities, vessels, passengers, cargoes and other port users;
- b) To ensure effective and efficient delivery of pilotage services through rationalization of pilotage fees and charges, and upgrading the skills and qualifications of harbor pilots; and
- c) To encourage a healthy and friendly competitive environment among entities engaged in pilotage services.

SEC. 4. Definition of Terms. For purposes of this Act, the following terms are defined as follows:

- a) "Authority" – refers to the Philippine Ports Authority (PPA)
- b) "MARINA" – refers to the Maritime Industry Authority, which is the government agency authorized by law to administer general and technical examinations to interested persons and issue licenses to harbor pilots;

- c) "Pilotage Service" – is the act of directing, guiding or maneuvering a vessel into and out of a port, or harbor, or through tight channels and other related services which are necessary to the rendition and completion to such service;
- d) "Harbor Pilot" – is a duly licensed master mariner tasked to efficiently and effectively perform pilotage service within a specific area defined by MARINA and duly accredited by the PPA;
- e) "Pilotage Organization" – is an entity duly registered with either the Securities and Exchange Commission or Cooperative Development Authority, the members of which are authorized to engage in providing or rendering pilotage services;
- f) "Accreditation" – an official recognition, approval or permission granted by PPA to a harbor pilot or pilot organization to practice or provide harbor pilotage services in a particular area for a prescribed period.

SEC. 5. *Provision of Pilotage Services.* Pilotage service shall be provided either directly by the Authority or on a non-exclusive basis through accredited pilotage organizations in government maintained or privately-managed ports in the country.

Every vessel engaged in foreign trade shall be under compulsory pilotage, except in specified ports or areas declared by the Authority to be under optional pilotage while domestic vessels shall be under compulsory pilotage.

Provided, That, the Authority shall conduct appropriate consultation with pilotage organizations or harbor pilots, ship owners or its agents and other concerned government agencies in the subject area prior to declaring said port to be under either optional or compulsory pilotage.

Provided, Further, that, the Authority shall consider the following factors in determining the type of appropriate coverage for each port:

- a) size and type of vessels;
- b) physical and technical configuration of ports including mooring and berthing capabilities;
- c) hydrographic situation of the harbor including its channels and passageways;
- d) navigational capabilities of each port, safety and traffic devices and other related navigational aids;
- e) volume of vessel traffic or average frequency of vessel arrivals and departures; and
- f) such other factors which may affect the risk of vessel movements

SEC. 6. *Role and Powers of the Philippine Ports Authority.* The Authority shall have the jurisdiction to define the nature and extent of harbor pilotage services in every port of the country. As such, the Authority shall exercise the following powers:

- a) establish, determine and adjust rates and fees for harbor pilotage services by taking into account the current rate structure, tonnage of vessels, peculiarity and intrinsic characteristic of each port and harbor and such other important factors;
- b) conduct regular consultative meetings with duly accredited pilotage organizations and duly licensed harbor pilots in relation to improvement of services, upgrading of pilot facilities, rate restructuring and such other related concerns;
- c) establish pilotage districts depending on the harbor size and range;
- d) determine the number of harbor pilots needed throughout the country;
- e) ensure the efficient and fair handling of accreditation of harbor pilots;
- f) cancel or suspend accreditation of harbor pilots for just cause, giving due notice to affected parties and after proper hearing;
- g) accredit harbor pilot organizations; and

h) cancel suspend accreditation of harbor pilot organizations for causes mentioned in Section 10 of this Act.

Provided, That, rate adjustments shall be subject to the approval of the Board of the Authority and shall take effect only 15 days after publication in two (2) newspapers of general circulation.

The Authority shall also notify all concerned parties and invite them to participate in the regional and district consultations and hearings on rate adjustments.

SEC. 7. *Qualification of Harbor Pilots.* Duly accredited Harbor Pilots shall have the following basic qualifications:

- a) a Filipino citizen;
- b) of sound physical and mental condition;
- c) of good moral character;
- d) duly licensed by the MARINA to practice his/her profession within a specified port or district; and
- e) must not be more than 55 years old at the time of taking the MARINA examination for Harbor Pilotage for a particular district or port; and
- f) must be duly accredited by PPA.

SEC. 8. *Accreditation of Harbor Pilots.* All harbor pilots must get an accreditation from the Authority before it can practice its profession. The Authority shall accredit only a limited number of harbor pilots per district or port for efficiency purposes. The accreditation will not result to an employer-employee relationship between the Authority and the harbor pilot-applicant.

Provided, That, the accreditation shall be valid for a period of not less than one (1) year but not more than five (5) years subject to the terms and conditions that may be imposed by the Authority. The renewal of the accreditation must be based on merit and fitness and such other conditions that may be imposed by the Authority. However, it shall no longer accept or renew accreditation of those already beyond the civil service compulsory retirement age.

As provided in Section 6 (f) of this Act, the Authority shall have the sole discretion to cancel or suspend the accreditation of any harbor pilot for just cause and only after proper hearing.

Provided, Further, That, the Authority may appoint a duly accredited harbor pilot for a particular port or district on a temporary basis in the absence of a qualified applicant for said area. The appointee must be in the list of duly licensed harbor pilots of MARINA and is familiar with the area concerned. The temporary appointment shall be valid only for a year and shall be limited only to two (2) renewals.

SEC. 9. *Establishment and Accreditation of a Pilotage Organization.* The MARINA and Authority shall encourage harbor pilots to organize themselves into a corporation, partnership or cooperative. Said organizations must be duly registered with either the Securities and Exchange Commission or Cooperative Development Authority.

Provided, That, the Authority shall only issue accreditation certificates to qualified harbor pilot organizations. The certificates shall be valid for a period of not less than two (2) years but not exceeding five (5) years. The accreditation of pilotage organizations may be subject to renewal, suspension and cancellation by the Authority on the basis of merit, fitness and compliance of mandatory safety, technical and financial requirements. The authority may renew the accreditation certificates for a

specified period as may be prescribed in the implementing rules and regulations of this Act.

Provided, Further, That, duly accredited pilot organizations may apply from the authority a Permit to Operate (PTO) a harbor pilotage district or districts. The Authority shall prescribe the terms and conditions for the issuance of the permit to operate, which may include the following requirements:

- a) proof of financial capacity;
- b) proof of technical capability; and
- c) proof of administrative and operational capability.

The PTO shall be valid up to a period of not less than two (2) years but not exceeding five (5) years subject to the discretion of the Authority.

Provided, Furthermore, That, failure or refusal of a particular, accredited harbor pilotage organization to perform its functions and render pilotage service within its service area, the Authority may hire other duly accredited harbor pilotage organizations to temporarily take-over the services of the suspended pilotage organization.

SEC. 10. *Grounds for suspension or cancellation of Accreditation.* The Authority may cancel or suspend the accreditation of harbor pilots and pilotage organizations on the following grounds:

- a) refusal or failure to render effective and efficient pilotage service;
- b) failure or refusal to observe and comply with safety standards and port policies;
- c) gross incompetence which resulted to loss of cargoes, loss of lives and destruction of vessel and harbor properties;
- d) implementation of rates and fees without the approval of the Authority;
- e) involvement or participation in illegal activities such as smuggling and trafficking passengers;
- f) refusal to cooperate and submit to an audit called for by the Authority or other government agency;
- g) failure or refusal to post the required performance bond and other related fees;
- h) failure or refusal to remit the government share of the Authority;
- i) failure to maintain the required capitalization requirement, equipment and facilities that may be required in connection with its accreditation;
- j) failure to comply with the substantive requirements of the Authority;
- k) failure or refusal to post the required indemnity insurance; and
- l) failure to comply with any of the provisions of this Act and its implementing rules and regulations.

SEC. 11. *Extent of Liability.* Officers and employees of harbor pilot organizations shall be jointly responsible for the damage sustained on vessels and port facilities, loss of cargo, and for death or injury to persons as a result of its negligence and gross incompetence. The case shall be tried administratively by a hearing committee of the Authority without prejudice to filing by the aggrieved parties of a case in the regular courts. The Hearing Committee of the Authority shall be composed of the :

- a) PPA General Manager – Chairman;
- b) Head, Legal Division – Vice-Chairman;
- c) Head, Port Operations – Member;
- d) Port Manager – Member; and
- e) President, Association of Harbor Pilot Organizations of the Philippines – Member

SEC. 12. *Penalties.* Any person who willfully violates any provisions of this Act and its implementing rules and regulations, shall be penalized by imprisonment of not less than one (1) year and not more than six (6) years, and a fine of not less than fifty thousand pesos (P 50,000.00) but not more than five hundred thousand pesos (P 500,000.00) subject to the following qualifications:

- a) if the offender is a juridical entity – the penalty of imprisonment and fine shall be imposed upon its officers and employees responsible for the violation/s;
- b) if the offender is not a Filipino national, the penalty shall be deportation to his country of origin after serving his sentence and payment of appropriate fine.

SEC. 13. *Transitory Provision.* Harbor pilots duly authorized by the Authority to render pilotage services prior to the effectivity and implementation of this Act, shall be given a period of two (2) years to comply with Section 8 of this Act. They shall be given preference over new applicants as long as they have the substantially complied with the requirements stated in this Act.

SEC. 14. *Implementing Rules and Regulations.* The Department of Transportation and Communications (DOTC) as lead agency, with the coordination of the Maritime Industry Authority and Philippine Ports Authority, shall promulgate the implementing rules and regulations of this Act within a period of three (3) months from the date of publication of this Act.

The concerned agencies shall conduct at least three (3) consultation meetings with existing harbor pilot organizations to hear their comments and concerns on this Act within a period of three (3) months from the date of publication of this Act.

SEC. 15. *Repealing Clause.* Executive Order No. 1088 is hereby expressly repealed. Other existing laws, decrees and regulations, which are inconsistent with or contrary to the provisions of this Act, are hereby repealed and modified accordingly.

SEC. 16. *Separability Clause.* If any part or provision of this Act is declared as unconstitutional or invalid by a court of competent Authority, the remaining provisions which are not affected shall continue to be in full force and effect.

SEC. 17. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,