

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20 JAN 2013
6:30 PM
M. Angeles

Fifteenth Congress
Third Regular Session

COMMITTEE REPORT NO. **2648**

Submitted by the Committee on Transportation and the Committee on Appropriations on
20 JAN 2013

Re House Bill No. **6870**

Recommending its approval in substitution of House Bill Nos. 296, 1204, 4652 and 4742

Sponsors: Representatives Roger G. Mercado, Jocelyn S. Limkaichong, Roilo S. Golez,
Pedro P. Romualdo, Lorenzo R. Tanada III and Mel Senen S. Sarmiento

Mr. Speaker,

The Committee on Transportation and the Committee on Appropriations to which
were referred House Bill No. 296 introduced by Representative Roilo S. Golez, entitled

**"AN ACT REGULATING THE HARBOR PILOTAGE SERVICES AND THE
CONDUCT OF HARBOR PILOTS IN ALL PORTS IN THE PHILIPPINES
AND FOR RELATED PURPOSES"**

House Bill No. 1204 introduced by Representative Pedro P. Romualdo, entitled,

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

House Bill No. 4652 introduced by Representative Roger G. Mercado, entitled:

**"AN ACT CREATING A HARBOR PILOTAGE COMMISSION,
REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF
HARBOR PILOTS IN ALL PORTS IN THE PHILIPPINES AND FOR
RELATED PURPOSES"**

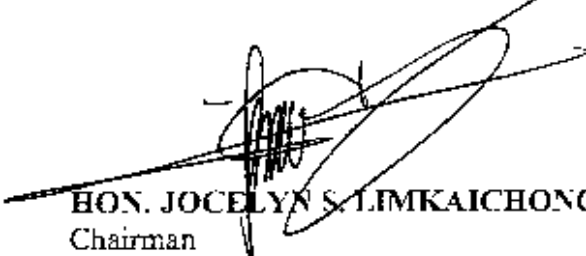
and House Bill No. 4743 introduced by Representative Lorenzo R. Tañada III, entitled

**"AN ACT CREATING A HARBOR PILOTAGE COMMISSION,
REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF
HARBOR PILOTS IN ALL PORTS IN THE PHILIPPINES AND FOR
RELATED PURPOSES"**

have considered the same and recommend that the attached House Bill No. 6870
entitled.

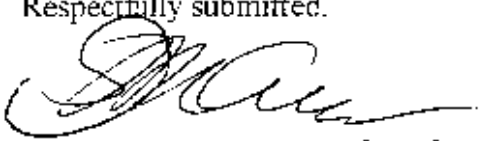
**"AN ACT REGULATING HARBOR PILOTAGE SERVICES AND THE
CONDUCT OF HARBOR PILOTS IN ALL PORTS IN THE PHILIPPINES,
REORGANIZING PORT AUTHORITIES AND FOR OTHER PURPOSES"**

be approved in substitution of House Bill Nos. 296, 1204, 4652 and 4753 with
Representatives Roilo S. Golez, Pedro P. Romualdo, Roger G. Mercado, Lorenzo R. Tañada
III, Mel Senen Sarmiento, Alfredo B. Benitez and Carlos Padilla as authors thereof



HON. JOCELYN S. LIMKAICHONG
Chairman
Committee on Appropriations

Respectfully submitted.



HON. ROGER G. MERCADO
Chairman
Committee on Transportation

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
Third Regular Session

HOUSE BILL NO. **6870**

(In substitution of HB No. 296, HB No. 1204, HB No. 4652 and HB No. 4743)

Introduced by Representatives Roilo S. Golez, Pedro P. Romualdo, Roger G. Mercado, Lorenzo R. Tañada III, Mel Senen S. Sarmiento, Victorino Dennis M. Socrares, Philip A. Pichay, Alfredo B. Benitez and Carlos M. Padilla

AN ACT

**REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF
HARBOR PILOTS IN ALL PORTS IN THE PHILIPPINES, REORGANIZING PORT
AUTHORITIES AND FOR OTHER PURPOSES**

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

1 **Section 1. Short Title.** – This Act shall be known as the “Pilotage Services Act of
2 2013”

3 **Sec. 2. Scope.** – This Act shall apply to all harbor pilots and pilotage organizations
4 providing pilotage services in all ports in the country, whether owned by the government or
5 by private persons

6 **Sec. 3. Policy and Objectives.** – It is hereby recognized by the State that pilotage
7 service plays a vital and complementary role in the efficient operation of ports and the
8 protection of marine environment. It is therefore the policy of the State to regulate, and
9 supervise pilotage services and the conduct of pilots in all ports in the country to attain the
10 following objectives:

11 (a) To ensure safety at all times of port facilities, vessels, passengers, cargoes and
12 other port users;

13 (b) To ensure effective and efficient delivery of pilotage services through

1 rationalization of pilotage fees and charges;

2 (c) To encourage a healthy and friendly competitive environment among entities
3 engaged in pilotage services.

4 (d) To ensure the safety of life and property at sea, and protection of marine
5 environment.

6 (e) To upgrade the skills and qualifications of harbor pilots and to promote and
7 develop professionalism among their ranks; and

8 (f) To improve the traffic management system in ports.

9 **Sec. 4. Definition of Terms.** – For the purpose of this Act, the words and phrases
10 used herein shall be defined as follows.

11 (a) **Accreditation** refers to an official recognition, approval or permission granted by
12 the Authority to a harbor pilot or pilot organization to practice or provide harbor pilotage
13 services in a particular area for a prescribed period;

14 (b) **Appointment** refers to a designation by the Pilotage Committee granted to a
15 harbor pilot to exercise his profession and render pilotage service in a particular pilotage
16 district;

17 (c) **Authority** refers to the Philippine Ports Authority (PPA) and other port
18 authorities created under a special charter, including the ports within the economic zones and
19 autonomous regions, having exclusive jurisdiction, supervision and control over port
20 operation and management in a specific port in the Philippines;

21 (d) **Gross Income** refers to the total gross billing assessed against the ship
22 owner agents for pilotage and related services rendered, whether collected or not.

23 (e) **Harbor Pilot** refers to a duly licensed Master Mariner, who is not part of the
24 regular complement of the vessel, taken on board at a particular place, and tasked to
25 efficiently and effectively perform pilotage service within a specific pilotage district;

26 (f) **Non-Governmental Organization (NGO)** refers to non-stock, non-profit private
27 organizations with proven track record or experience in the conservation, management and
28 protection of marine environment;

29 (g) **Permit to Operate** refers to the authority granted by the Port Authority to any
30 accredited pilots organization to render pilotage service in a particular pilotage district;

31 (h) **Pilotage License** refers to the permit or license granted by the Pilotage
32 Committee to a Master Mariner to exercise his profession and to render pilotage services in a
33 particular pilotage district;

34 (i) **Pilotage Organization** refers to an association of Harbor Pilots duly licensed and

1 appointed by the Pilotage Committee for a particular Harbor Pilotage District as defined in
2 this Act.

3 (j) *Pilotage Service* refers to the act of conducting, navigating or maneuvering a
4 vessel to/from berth or anchorage, along rivers, channels and estuaries, including all related
5 activities thereof.

6 (k) *Recognized Umbrella Organization of Harbor Pilots* refers to a national
7 federation or association of harbor pilots, the membership of which comprises the majority of
8 the duly licensed harbor pilots in the Philippines as certified by the Securities and Exchange
9 Commission, Cooperative Development Authority or the concerned regulatory body;

10 (l) *Recognized Umbrella Organization of Shipagents* refers to a national federation
11 or association of shipagents the membership of which comprises the majority of the
12 shipagents in the Philippines as certified by the Securities and Exchange Commission,
13 Cooperative Development Authority or the concerned regulatory body.

14 **Sec. 5. The Pilotage Committee.** – Each Authority, under the supervision of the
15 Secretary of the Department of Transportation and Communications (DOTC), is mandated to
16 create a Pilotage Committee. Subject to the approval of the Secretary of the DOTC, the
17 Pilotage Committee shall define the nature and extent of harbor pilotage services, including
18 the establishment of rates in ports under its jurisdiction.

19 **Sec. 6. Composition of the Pilotage Committee.** – The Pilotage Committee, which
20 shall exercise jurisdiction over the regulation of pilotage profession and conduct of pilotage
21 services outside the jurisdiction of chartered ports, autonomous regions and economic zones,
22 shall be composed of five (5) members namely: the General Manager of the PPA, the
23 Commandant of the Philippine Coast Guard (PCG); the incumbent President of the
24 Recognized Umbrella Organization of Harbor Pilots, the incumbent president of the
25 Recognized Umbrella Organization of Shipagents, a representative from the recognized
26 national association of Philippine shipowners; and a representative of a recognized NGO
27 herein defined. *Provided*, That, the last two (2) members shall be appointed by the President
28 of the Philippines for a term of two (2) years from among the list of recommendees submitted
29 by the sector concerned. The PPA General Manager shall act as Chairperson of the Pilotage
30 Committee.

31 In the case of Authority in chartered ports, the Pilotage Committee shall be composed

32 of _____

33 1. General Manager of the Authority having jurisdiction over the chartered port
34 concerned who shall also act as Committee Chairperson _____

- 2 Commander of Coast Guard District where the Authority is located.
- 3 A representative from the recognized umbrella organization of harbor pilots.
- 4 A representative from the recognized umbrella organization of shipagents.
- 5 A representative from the recognized national association of Philippine shipowners, and
- 6 A representative of a recognized local NGO.

In the case of Authority of ports within the exclusive jurisdiction of the autonomous regions, the Pilotage Committee shall be composed of:

1. General Manager of the Authority having exclusive jurisdiction over the ports of the autonomous region concerned who shall also act as Committee Chairperson;
- 2 Commander of the Coast Guard District where the Authority is located.
- 3 A representative from the recognized umbrella organization of harbor pilots.
- 4 A representative from the recognized umbrella organization of shipagents.
- 5 A representative from the recognized national association of Philippine shipowners; and
- 6 A representative of a recognized local NGO.

In the case of Authority of ports within the exclusive jurisdiction of the economic zones, the Pilotage Committee shall be composed of:

1. General Manager of the Authority having exclusive jurisdiction over the port of the economic zone concerned who shall also act as Committee Chairperson;
2. Commander of the Coast Guard District where the Authority is located.
- 3 A representative from the recognized umbrella organization of harbor pilots;
- 4 A representative from the recognized umbrella organization of shipagents.
- 5 A representative from the recognized national association of Philippine shipowners, and
- 6 A representative of a recognized local NGO.

The Pilotage Committee herein created shall be under the control and supervision of the Secretary of the DOIC.

The presence of four (4) members of the committee shall constitute a quorum for the exercise of its functions and the affirmative vote of the majority of the members present shall be a valid and binding act of the Committee. In the absence of the Chairperson during any meeting, the members present shall elect a temporary presiding officer from among themselves.

1 The Chairperson and members of the Committee shall receive *per diem* for every
2 meeting actually attended at rates approved by the Department of Budget and Management
3 pursuant to existing laws and regulations. The Committee shall hold regular meetings once a
4 month and in no case shall it hold more than one (1) special meeting in any month.

5 The *per diem* of the Chairperson and members of the Board shall be chargeable
6 against the Pilotage Safety Development Trust Fund provided under this Act.

7 **Sec. 7. Powers and Functions of the Pilotage Committee.** – The Pilotage
8 Committee shall have the following powers and functions:

9 (a) Establish, determine and adjust rates and fees for harbor pilotage services by
10 taking into account the current rate structure, tonnage of vessels, peculiarity and intrinsic
11 characteristic of each port and harbor and such other important factors: *Provided*, That no
12 imposition or adjustment shall be made without prior consultation with the stakeholders in a
13 public hearing called for the purpose. *Provided, further*, That the rates and adjustments
14 thereof shall be subject to the approval of the Secretary of the DOTC and shall take effect
15 only fifteen (15) days after its publication in two (2) newspapers of general circulation.

16 (b) Conduct regular consultative meetings with duly accredited pilotage organizations
17 and duly licensed harbor pilots in relation to improvement of services, upgrading of pilot
18 facilities, rate restructuring and such other related concerns.

19 (c) Determine and appoint the number of harbor pilots needed in a particular pilotage
20 district in the case of PPA and in a particular port in the case of independent port authorities:

21 (d) Ensure the efficient and fair handling of accreditation of harbor pilots, cancel or
22 suspend accreditation of harbor pilots for just cause, giving due notice to affected parties and
23 after proper hearing.

24 (e) Grant and issue pilotage license to harbor pilots;

25 (f) Cancel or suspend the license of harbor pilots for any act in violation of the
26 provisions of this Act;

27 (g)Accredit harbor pilot organizations;

28 (h)Cancel or suspend the accreditation of harbor pilot organizations for
29 causes mentioned in Section 18 of this Act:

30 (i)Prescribe fines for other acts which penalties are not otherwise
31 provided in this Act; and

(j) Determine and appoint such number of support personnel as may be necessary to carry out its administrative functions subject to the provisions of the Civil Service Rules and Regulations

Sec. 8. Establishment of Harbor Pilotage District. – The Authority concerned, subject to the approval of the Secretary of the DOTC, may opt to adopt the existing port districts within its jurisdiction. However, it shall have the authority to establish additional pilotage districts or reorganize the existing ones under its jurisdiction as the need arises for purposes of public interest.

Sec. 9. 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 while navigating in any pilotage district or any part thereof shall be under pilotage and the owner, agent or master of the vessel shall comply with that requirement. A vessel while being moved within any area of the port that is or forms part of a pilotage district shall be deemed a vessel navigating in a pilotage district.

Pilotage services shall be compulsory in government and private wharves, berths, piers or anchorage except as otherwise provided in this paragraph. Every vessel engaged in foreign trade shall always be under compulsory pilotage. Pilotage for vessels engaged in domestic trade shall be optional unless a port is declared under compulsory pilotage by the appropriate port authority.

However, the Authority may, if it appears to be necessary, exempt any vessel or class of vessels engaged in domestic trade while navigating in any pilotage district, from being under pilotage service subject to such conditions as it may deem appropriate.

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.

1 **Sec. 10. Qualifications of Harbor Pilots.** – A person shall be accredited as a harbor
2 pilot if one possesses the following:

- 3 (a) Filipino citizenship.
- 4 (b) Sound physical and mental condition.
- 5 (c) Good moral character;
- 6 (d)Duly licensed by the Pilotage Committee to practice one's profession within a
7 specified port or district;
- 8 (e) Not more than fifty-five (55) years old; and
- 9 (f) Must have been a Master Mariner on board sea going vessels of not less than five
10 thousand (5,000) gross tons for at least five (5) years,

11 **Sec. 11. Compulsory Retirement of Pilots.** – Upon the effectivity of this Act, a
12 harbor pilot shall be considered retired upon reaching the age of seventy (70) *Provided,*
13 *However,* That all harbor pilots shall undergo annual medical and physical examinations as a
14 requirement for the continued exercise of pilotage service profession.

15 **Sec. 12. Accreditation of Harbor Pilots.** – All harbor pilots, before practicing the
16 profession, must get an accreditation from the Pilotage Committee. The Pilotage Committee
17 shall accredit only a limited number of harbor pilots per district or port for efficiency
18 purposes. The accreditation will not result to an employer-employee relationship between the
19 Authority and the harbor pilot-applicant.

20 The Pilotage Committee may appoint a duly accredited harbor pilot for a particular
21 port or district on a temporary basis in the absence of a qualified applicant for said area. The
22 appointee must be in the list of duly licensed harbor pilots of the Pilotage Committee and
23 familiar with the area concerned. The temporary appointments shall be valid while the
24 exigency subsists and shall be automatically terminated upon the accreditation of a qualified
25 harbor pilot.

26 **Sec. 13. Establishment and Accreditation of a Pilotage Organization.** – The
27 Pilotage Committee shall encourage harbor pilots to organize themselves into a corporation,
28 partnership or cooperative. Said organizations must be duly registered with either the
29 Securities and Exchange Commission or Cooperative Development Authority.

30 The Pilotage Committee shall only issue accreditation certificates to qualified harbor
31 pilot organizations. The permit to operate a particular pilotage district may only be granted
32 upon proof of financial, technical and administrative capabilities of the applicant pilotage
33 organization.

1 The Authority may appoint other duly accredited harbor pilotage organizations to
2 temporarily take-over the services of a suspended pilotage organization in the event of the
3 latter's failure or refusal to perform its functions and render pilotage service within its service
4 area. Such temporary appointment shall continue until upon the resumption of the pilotage
5 services following the lifting of the suspension of the pilotage organization concerned.

6 **Sec. 14. Record.** – Harbor pilots or harbor pilots organizations shall keep a record of
7 his or its operations and financial transactions and such other records or reports pertaining to
8 pilotage services operations. Such records shall be made open to member-pilots and
9 concerned government agencies for inspection and examination.

10 **Sec. 15. Operating Capital, Equipment and Facilities.** To effectively and
11 efficiently render pilotage services, individual pilots and pilots organizations shall make
12 available such operating capital equipment or facilities as may be required by the Pilotage
13 Committee.

14 **Sec. 16. Pilotage Safety Development Trust Fund.** – There is hereby established a
15 Trust Fund to be known as the Pilotage Safety Development Trust Fund (PSDTF), to be
16 administered by the Pilotage Committee concerned in accordance with existing government
17 accounting and auditing rules and regulations.

18 An amount equivalent to five percent (5%) of the gross amount of pilotage fees paid
19 to the harbor pilots for rendering pilotage services shall be collected to establish the PSDTF.
20 The fund shall be deposited as trust receipts in the National Treasury and shall be disbursed
21 and utilized for the following purposes:

22 a) Installation and/or upgrading of pilotage equipment and facilities to conform
23 with international safety standards for navigation.

24 b) Developmental loans for the acquisition of capital equipment necessary to
25 render pilotage services in the respective harbor pilotage districts;

26 c) Such other projects for the promotion and development of maritime safety
27 involving pilotage services as well as for the protection of marine environment; and

28 d) Administrative expenses of the Pilotage Committee.

29 Except for the payment of per diems, the Trust Fund shall not be used to fund other
30 personal services expenditures and acquisition of motor vehicles.

31 The pilotage committees shall render a quarterly report to the Secretary of the DOHC
32 of the status of the PSDTF, including the detailed disbursements therefrom.

33 No disbursements from the PSDTF shall be made unless in accordance with the
34 program of work and expenditures duly approved by the Pilotage Committee concerned.

1 Except as provided in the immediately succeeding section, no other charges or
2 imposition by way of government share shall be levied on the gross income of harbor pilots
3 derived from rendering pilotage services and in the exercise of their profession as harbor
4 pilots.

5 **Sec. 17. Government Share in Pilotage Service.** – The Secretary of the DOTC, in
6 consultation with the pilotage committees established under this Act, shall fix the rate of
7 government share on the gross income of harbor pilots derived from rendering pilotage
8 services. Such amount shall be levied by the Authority concerned on such terms and
9 conditions as the Secretary may impose. The rate herein stated shall be reviewed once every
10 five (5) years or earlier when economic circumstances require.

11 **Sec. 18. Grounds for Suspension or Cancellation of Accreditation.** – The Pilotage
12 Committee may cancel or suspend the accreditation of harbor pilots and pilotage
13 organizations on the following grounds:

14 (a) Refusal or failure to render effective and efficient pilotage service;
15 (b) Failure or refusal to observe and comply with safety standards and port policies;
16 (c) Gross incompetence which resulted to loss of cargoes, loss of lives and
17 destruction of vessel and harbor properties.

18 (d) Implementation of rates and fees without the approval of the Committee.

19 (e) Involvement or participation in illegal activities such as smuggling and
20 trafficking passengers;

21 (f) Refusal to cooperate and submit to an audit called for by the Authority or other
22 government agency in relation to his or its pilotage operations, as the case may be,

23 (g) Failure or refusal to post the required performance bond and other related fees.

24 (h) Failure or refusal to remit the government share in the pilotage fees;

25 (i) Failure to maintain the required capitalization requirement, equipment and
26 facilities that may be required in connection with its accreditation;

27 (j) Failure to comply with the substantive requirements of the Pilotage Committee.

28 (k) Failure or refusal to post the required indemnity insurance;

29 (l) Intoxication and use of prohibited drugs during the performance of one's duties
30 as a harbor pilot;

31 (m) Use and submission of any false or forged documents for the purpose of
32 obtaining the Harbor Pilot License or appointment; -----

33 (n) Acts prejudicial to the Professional Code of Conduct for harbor pilots.

(c) Physical or mental impediment to render pilotage services as may be determined by a physician accredited by the Department of Health; or

(p) Failure to comply with any of the provisions of this Act and its implementing rules and regulations.

Sec. 19. Responsibility of Owner, Agent or Master of a Vessel. – The owner, agent or master of a vessel shall only employ duly licensed and accredited harbor pilots to render pilotage services in a particular district or port. A person acting in violation of this Section shall be fined in such amount as may be prescribed by the Pilotage Committee. For this purpose, the Pilotage Committee shall publish the list of accredited harbor pilots and their respective jurisdictions in such manner as to ensure that every owner, agent or master of a vessel is properly informed.

Sec. 20. – Limitation of Pilot's Liability. – A harbor pilot licensed to act as such by the Pilotage Committee and authorized to provide pilotage services in the different harbor pilotage districts shall not be liable for damages in excess of the amount of Five Hundred Thousand Pesos (P500,000.00) for damages or loss occasioned by a pilot's errors, omissions, fault, or neglect in the performance of pilotage services, except as may arise by reason of one's willful misconduct or gross negligence.

Each harbor pilot shall post an indemnity insurance bond from the Government Service Insurance System (GSIS) or from such reputable insurance company acceptable to the Pilotage Committee, to cover the limit of the liability or for such amount as may be required by the Pilotage Committee.

The harbor pilot shall be free from responsibility for damage, injury or death arising from the negligence of the master and crew of the vessel under pilotage, unseaworthiness of the vessel, breakdown of its machineries and equipment, force majeure or fortuitous event.

Upon actual boarding a vessel to provide pilotage services, that pilot becomes a servant of the vessel and its owner and operator. Nothing in this Section exempts the vessel, its owner, or its operator from liability for damage or loss occasioned by that ship to a person or property on the ground that (a) the ship was piloted by a duly licensed pilot, or (b) the damage or loss was occasioned by the error, omission, fault, or neglect of a pilot duly licensed by the Pilotage Committee.

The harbor pilot on board a vessel under pilotage service shall serve as adviser of the master during and at the time of his engagement in the conduct and maneuver of the vessel. ---
The master of the vessel, its owners and agents are not relieved of responsibility for any loss or damage caused by or to the vessel even while the vessel is under compulsory pilotage.

1 **Sec. 21. Penal Provision.** - A fine of not less than Twenty Thousand Pesos
2 (P20,000.00) nor more than Two Hundred Thousand Pesos (P200,000.00) or imprisonment
3 for a period of not less than one (1) year nor more than six (6) years or both such fine and
4 imprisonment, at the discretion of the court, shall be imposed upon.

5 a) Any person who shall render pilotage services without license and appointment by
6 the Pilotage Committee;

7 b) Any person who represents one's self as a harbor pilot for a particular pilotage
8 district without being a member of the pilotage organization for the said particular harbor
9 pilotage district;

10 c) Any person who shall give any false or forged documents for the purpose of
11 obtaining the harbor pilot license or appointment;

12 d) Any person who shall use an expired, revoked or suspended harbor pilot license or
13 appointment to perform pilotage services; and

14 e) Any person who shall assume, use or advertise the title of a harbor pilot under
15 one's name, or any description to convey the impression that he is an active and duly licensed
16 harbor pilot without holding a valid harbor pilot license and appointment issued by the
17 Pilotage Committee.

18 **Sec. 22. Issuance of New Accreditation to Incumbent Harbor Pilots.** - Incumbent
19 pilots in all pilotage districts shall be issued new accreditations in accordance with the
20 provisions of this Act. In no case shall said new accreditations exceed the compulsory
21 retirement age for harbor pilots as provided for in this Act.

22 **Sec. 23. Transitory Provisions.** - Harbor pilots duly authorized by the Authority to
23 render pilotage services prior to the effectivity and implementation of this Act shall continue
24 to exercise their profession and be given a period of two (2) years to comply with the
25 qualification requirements under this Act. They shall be given preference over new applicants
26 as long as they have substantially complied with the requirements stated in this Act.

27 The prevailing rates upon the approval of this Act shall be charged for pilotage
28 services until a new set of rates are imposed by the pilotage committees following the
29 effectivity of this Act.

30 **Sec. 24. Implementing Rules and Regulations.** - The DOTC as lead agency, in
31 coordination with the Maritime Industry Authority, the PPA, the port authorities of economic
32 zones, the port authorities of autonomous regions and other chartered port authorities, shall
33 promulgate the implementing rules and regulations of this Act within a period of three (3)
34 months from the date of effectivity of this Act.

1 **Sec. 25. Separability Clause.** If any part or provision of this Act is declared as
2 unconstitutional or invalid by a court of competent authority, the remaining provisions which
3 are not affected thereby shall continue to be in full force and effect.

4 **Sec. 26. Repealing Clause.** – Executive Order No. 1088 dated February 3, 1986 is
5 hereby repealed. Other laws, decrees, issuances, rules and regulations, or any part thereof,
6 which are inconsistent with or contrary to the provisions of this Act, are hereby repealed or
7 modified accordingly.

8 **Sec. 27. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
9 complete publication in the Official Gazette or in two (2) newspapers of general circulation

10 Approved,

FACT SHEET

House Bill No. 6870

**AN ACT REGULATING HARBOR PILOTAGE SERVICES AND
THE CONDUCT OF HARBOR PILOTS IN ALL PORTS IN THE
PHILIPPINES, REORGANIZING PORT AUTHORITIES AND
FOR OTHER PURPOSES**

*Introduced by: HONS. ROILO GOLEZ, PEDRO P. ROMUALDO, ROGER
MERCADO, LORENZO TAÑADA III AND MEL SENEN SARMIENTO*

*Committee Referral: **TRANSPORTATION***

*Committee Chairperson: **HON. ROGER G. MERCADO***

OBJECTIVES:

- To hasten the growth and development of Philippine ports whether owned and maintained by the government or private entities;
- To improve traffic management system in Philippine ports and ensure the safety of passengers, port facilities, vessels, cargoes and other port users;
- To provide for an effective and efficient delivery of pilotage services through rationalization of pilotage fees and charges, upgrading the skills and qualifications and develop professionalism of harbour pilots; and
- To promote a healthy, friendly and competitive environment among entities involved in rendering pilotage services in the country.

KEY PROVISIONS:

- Authorizes the creation of the Pilotage Committees which will have the power to regulate the pilotage profession and the conduct of pilotage services in all Philippine ports, including chartered ports, autonomous regions and economic zones;
 - Provides for the composition of the Pilotage Committee and authorizes the Secretary of the Department of Transportation and Communications (DOTC) to fix the compensation, allowances and per diems of the members of the Pilotage committee;
-
- Defines the jurisdiction, powers and functions of the Pilotage Committee to include the following: determination and adjustment of rates and fees for harbour pilotage services; conduct of consultative

meetings with accredited pilotage organizations to improve pilotage services; determine and appoint the number of harbour pilots needed in pilotage districts in the country; regulate the accreditation of pilotage organizations; issue harbour pilot licenses; appoint personnel necessary to carry out its administrative functions subject to the provisions of the Civil Service Rules and Regulations;

- Vests with the PPA the power to establish additional pilotage districts and reorganize the existing ones under its jurisdiction;
- Classifies ports categorized as compulsory or optional pilotage service based on the following factors: size and type of vessels; physical and technical configuration of ports including mooring and berthing capabilities; hydrographic situation of the harbour including its channels and passageways; navigational capabilities of each port, safety and traffic devices and other related navigational aids; volume of vessel traffic or average frequency of vessel arrivals and departures; and other factors which may put the vessel at risk;
- Provides Pilotage Committee with other regulatory functions such as: setting the qualifications of harbour pilots; accreditation of pilots based on the demand in a particular district or port; setting the compulsory retirement age of pilots to seventy (70) years of age; examination of records or reports pertaining to pilotage services operations; and provide for the grounds for suspension or cancellation of accreditation of harbour pilots and pilotage organizations;
- Establishes the Pilotage Safety Development Trust Fund to be used for the upgrading and installation of pilotage equipment and facilities to enhance safety standards for navigation, developmental loan for pilotage organizations, cover the administrative expenses of the Pilotage Committee; fund projects that will promote and develop harbour pilotage services;
- Provides that the government share in pilotage service shall be fixed by the DOTC Secretary in consultation with the pilotage committees.
- Sets the responsibility of vessel owner, agent or master of the ship to only employ duly accredited and licensed harbour pilots;
- Provides the limitation of pilot's liability for damages or loss due to pilot's errors, omissions, fault or neglect, wilful misconduct or gross negligence;
- Provides penalties of imprisonment and fine for the violation of its provisions;
- Requires the Department of Transportation and Communications (DOTC), in coordination with the Philippine Ports Authority (PPA) and Maritime Industry Authority (MARINA), port authorities of economic

zones and autonomous regions and chartered port authorities, to promulgate the necessary IRR within three (3) months from its effectivity; and

- Seeks to repeal Executive Order No. 1088 issued in 1986.

RELATED LAWS:

- Executive Order No. 1088 Series of 1986
- Presidential Decree No. 857, Revised Charter of the Philippine Ports Authority (PPA)

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

15th Congress
3rd Regular Session

COMMITTEE ON TRANSPORTATION

**MINUTES OF THE MEETING OF THE COMMITTEE ON TRANSPORTATION HELD ON AUGUST 15, 2012,
1:30 PM AT CONFERENCE ROOMS 14 & 15, RAMON V. MITRA BUILDING, HOUSE OF
REPRESENTATIVES, QUEZON CITY**

RESOURCE PERSONS:

Mr. Alex Yague, Jr.	-	President, Provincial Bus Operators Association of the Philippines (PBOAP)
Dir. Shalimar Tamano	-	Department of Tourism (DOT)
Dr. Leticia Z. Gorospe	-	Chairperson, Office of Transportation Cooperatives
Mr. Rico Villaluna	-	Philfranco
Consuelo Beltran	-	Department of Budget and Management (DBM)
Atty. Queen Inguito	-	STCW Officer, Maritime Industry Authority (MARINA)
Atty. Pedro Aguilar	-	Philippine Interisland Shipping Association (PISA)
Nelia O. Cable	-	Philippine Ports Authority (PPA)
Migelfio Saquisame	-	Subic Bay Metropolitan Authority (SBMA)
Mr. Inocencio Malapitat	-	Cooperative Development Authority (CDA)
Mr. Rogelio Salonga	-	Director, Philippine Ship Agents Association (PSAA)

I. CALL TO ORDER

Following the termination of the joint hearing with the Committee on Government Reorganization as the lead committee by which the substitute bill calling for the creation of the National Transportation Safety Board was approved, the meeting of the Committee on Transportation was called to order with the Honorable Senior Vice Chairman Eleandro Jesus Madrona presiding.

II. ROLL CALL AND APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The calling of the roll was dispensed with on the motion of Rep. Juliet Cortuna duly seconded by Rep. Maximo Dalog. A subsequent motion of the latter dispensed with the reading of the minutes of the previous meeting and the same was considered approved.

III. ACKNOWLEDGMENT OF GUESTS

The Chair proceeded by acknowledging the House members and the resource persons who were in attendance.

IV. PRELIMINARY REMARKS BY THE PRESIDING OFFICER

Before going into the proper discussion, the Chair informed the Body about the importance of the measures under consideration.

V. MEETING PROPER

Part 1: Initial deliberations on HB No. 6034 re: An Act Prohibiting the Collection of Fees from Passengers for the Use of the Comfort Rooms and Service Facilities Located in the Bus Terminal/Bus Stations, Bus Stops and Rest Areas for Motor Vehicles authored by Rep. Maximo Dalog

When recognized to sponsor his measure, Rep. Dalog elaborated that HB No. 6034 penalizes operators of bus terminals, bus stations, bus stops and rest areas who will charge/collect fees from passengers for using the service and sanitary facilities such as comfort rooms in terminal/station premises. According to the author, it is an unfair practice for bus terminal/station operators to collect fees from passengers for the use of comfort rooms or other service and sanitary facilities as under Presidential Decree No. 856 (Sanitation Code), the provision of these facilities form part of the obligations of the service provider.

In support of the argument of the author, Rep. Cortuna claimed that if the operators of these terminals and stations insist on the charges upon the use of these facilities, the same should be reported in their financial statements and must be subjected to tax.

Mr. Alex Yague, Jr. of the Provincial Bus Operators Association of the Philippines (PBOAP), when recognized, explained that the collection of fees, which he claimed a normal practice in terminals, is in the form of voluntary contribution for the maintenance of the sanitation facilities pointing out that the same is being practiced by mall operators and jeepney terminals nationwide. He told the Body that they will submit their position on the issue.

The representative of Philtranco, meanwhile, informed the body that they do not collect fees on the use of comfort rooms the same they considered as part of the contract of carriage. He said that they support the passage of the bill.

When ask for comment, Director Tamano of the Department of Tourism said that they welcome the measure and will submit their position to the Committee.

Before suspending the deliberation on the measure, the Chair directed the Committee Secretariat to request the position of the local government units for reference in future discussion of the bill. He likewise directed the Secretariat to look into the related provisions of PD 856 that might be useful to the Committee upon the recommendation of the author.

Part 2: Continuation of the deliberations on the proposed substitute bill re: An Act Regulating Harbor Pilotage and the Practice of Pilotage Services and for Other Purposes (HB Nos. 296, 1204, 4652 and 4743 authored by Reps. Roilo Golez, Romualdo, Roger Mercado and Tanada, respectively)

The Chair called on Rep. Mel Senen Sarmiento, the Chairman of the TWG who crafted the draft of the measure calling for the regulation of harbor pilotage services to present to the Committee the proposed substitute bill.

Rep. Sarmiento told the Body that consonant with the rationalization program of the government, the original plan to create a Pilotage Commission was set aside and the TWG decided to instead create a

Pilotage Committee which main task is to regulate harbour pilotage and the practice of pilotage services in Philippine ports. After his presentation he asked the resource persons to share their positions on the draft substitute bill.

For the representative of the DBM, the utilization of the Trust Fund under Section 18 of the draft bill should be specified. She recommended that amendment to the effect that the same shall be treated as a revolving fund must be clearly stated to avoid confusion. The recommendation was carried and the Chair instructed the Secretariat to note the necessary amendment.

When recognized, Atty. Aguilar of PISA said that the proposed measure is acceptable except for two issues. He suggested that pilotage services in domestic trade should be optional considering the fact that local ships operate frequently between points within the Philippines. Another issue that he pointed out is the share of the PPA in pilotage services. He said that objectivity cannot be expected from the PPA who will act as a regulator and member of a body fixing the rates as proposed in the bill.

While the PPA representative agreed that domestic shipping be put under optional pilotage, she is opposed to the suggestion removing the agency's 10% share in pilotage services.

At this juncture, the Chair directed the Secretariat to make the necessary amendment on Section 9 to the effect that domestic shipping be put under optional pilotage.

The representative of SBMA, when recognized, asked the Committee to give them a week to submit their official comment on the measure. On the other hand, the representative of CDA expressed their full support for the passage of the measure.

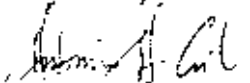
When asked for comment, Mr. Salonga of PSAA requested that their group be included as member of the Pilotage Committee to represent their principal foreign shipowners. He also reiterated the position of PISA to remove the 10% share of the PPA in pilotage services considering that they are also paying other charges. He said that PSAA will be submitting its position on Monday the following week.

After hearing the position of the resource persons, there being no objection, it was moved and seconded to approve the proposed substitute bill subject to the amendments agreed upon by the body. The Secretariat was directed to finalize the substitute bill for Committee Report preparation upon receipt of the comments/positions from the concerned sectors. The motion was unanimously carried.

VI. ADJOURNMENT

The meeting was adjourned at around 2:40 p.m.

Prepared by:



ANTONIA A. GIL

Committee Secretary

Approved by:



ROGER G. MERCADO

Committee Chairman

Republic of the Philippines

HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 4652

Introduced by Honorable Roger Gaviola Mercado

EXPLANATORY NOTE

Pilotage has been a recognized profession of seasoned Master Mariners after they have opted to retire from active service in merchant ships just so that they may be near their family and at the same time practice their profession. In the process these Harbor Pilots have provided efficient and safe pilotage services in the berthing of vessels, and in conducting vessels along channels and bays unfamiliar to foreign Master on board ocean going vessels calling on Philippine Ports. Their contribution in the development of the country's economy by way of safe navigation within Philippine territorial waters can not be underestimated.

The Philippines has yet to pass a Pilotage Act which provides for an integrated and comprehensive legislation on pilotage in accordance with the generally accepted international principles of pilotage, and which is highly responsive to changing needs and requirements affecting the Harbor Pilots and their pilotage services.

Presidential Decree 857 which granted the Philippine Ports Authority (PPA) regulatory powers over Pilotage has already become unresponsive to the declared national policy of uniformity on the regulatory control of pilotage matters by the establishment of various Port Authorities under Special Charter/s separate and distinct from the PPA, and when these Port Authorities have assumed upon themselves regulatory control over Pilots in their respective territorial areas even without express legislative mandate in their respective Special Charter/s. It is thus the purpose of this Act to place regulatory control and supervision of pilotage and the conduct of Harbor Pilots under a Pilotage Commission to rationalize regulatory policies on pilotage services in the interest of uniformity and general application of all pilotage administrative policies in all ports of the Philippines.

It is also the purpose of this proposed legislation to institutionalize prevailing jurisprudence on pilotage services, to rationalize the Pilotage fees and other charges related to pilotage services such as tug assistance and overtime work during nighttime and Sundays and Holidays, to define Harbor Pilot's liability in the event of damage to property or death and injury to persons caused by a vessel under pilotage, and to streamline the legal relations and regulatory control on Harbor Pilots and pilotage organizations in all ports of the country under the Pilotage Commission.

Foregoing considered, the passage of this Bill is earnestly requested.

ROGER GAVIOLA MERCADO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 4652

**AN ACT CREATING A HARBOR PILOTAGE COMMISSION,
REGULATING HARBOR PILOTAGE SERVICES AND THE
CONDUCT OF HARBOR PILOTS IN ALL PORTS IN THE
PHILIPPINES AND FOR RELATED PURPOSES**

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

SECTION 1. Title- This Act shall be known as the **"Pilotage Service Act of
2011"**.

SECTION 2. Scope- This Act shall apply to all harbor pilots and pilotage
organizations providing pilotage services in all ports in the country, whether owned by
the government or private persons.

SECTION 3. Policy and Objectives- It is hereby recognized by the State that
pilotage service plays a vital and complementary role in the efficient operation of ports
and the protection of marine environment. It is, therefore, the policy of the state
through the Pilotage Commission to regulate, and supervise pilotage services and the
conduct of pilots in all ports in the country to attain the following objectives:

To ensure the safety of life at sea, port facilities, vessels, and their
passengers and cargoes;

To ensure safe and efficient pilotage service at all times, the protection of
marine environment, and rationalize charges based on the provisions of
Executive Order 1088.

To promote and develop professionalism of Harbor Pilots.

SECTION 4. Definition of Terms For purpose of this Act, the words and phrases used herein shall, unless the context indicates otherwise, mean or be understood as follows:

"Authority" refers to the Philippine Ports Authority in general and to such other Port Authority, under a Special Charter, and granted with jurisdiction, supervision and control over port operation and management at a specific port in the Philippines.

"Pilotage Commission" refers to the Pilotage Commission created under this Act.

"Pilotage Service" is the act of conducting, navigating or maneuvering a vessel to/from berth or anchorage, along rivers, channels and estuaries, including all related activities thereof.

"Harbor Pilot" is a Master Mariner, who is not part of the regular complement of the vessel, taken on board at a particular place, is in charge of its conduct and navigation, and is duly licensed and appointed to act as such by the Pilotage Commission to render pilotage service within a specific pilotage district.

"Pilotage Organization" is an association of Harbor Pilots duly licensed and appointed by the Pilotage Commission for a particular Harbor Pilotage District as defined in this Act.

"Pilotage License" is the permit or license granted by Pilotage Commission to a Master Mariner to exercise his profession and to render pilotage services in a particular pilotage district.

"Appointment" is a designation by the Pilotage Commission granted to a harbor pilot to exercise his profession and render pilotage service in a particular pilotage district.

"Non-Governmental Organization" (NGO) includes non-stock, non-profit private organizations with proven track record or experience in the conservation, management and protection of marine environment.

"United Harbor Pilots Association of the Philippines, Inc." (UHPAP) is the umbrella national organization of all harbor pilots of the country, duly licensed and appointed to render pilotage services in their particular pilotage district.

SECTION 5. The Pilotage Commission - A Pilotage Commission is hereby created consisting of five (5) members, namely: the General Manager of the Philippine Ports Authority, the Commandant of the Philippine Coast Guard, the incumbent President of the United Harbor Pilots Association, Inc., a representative of a National Association of Philippine registered Shipowners who shall be appointed by the President of the Philippines and a representative of a recognized non-governmental organization (NGO) likewise to be appointed by the President of the Philippines from among a list of recommendees to be submitted by the aforesaid last two Sectors.

The PPA General Manager shall act as Chairman of the Pilotage Commission. The members of the Commission shall be appointed by the President of the Philippines. The Secretary of the Department of Transportation and Communications shall fix the compensation of the members of the Pilotage Commissioners upon the recommendation of the Pilotage Commission. The Pilotage Commission is hereby placed under the administrative control and supervision of the Secretary of the Department of Transportation and Communications.

The presence of three members of the Commission shall constitute a quorum for the exercise of its functions and the affirmative vote of at least three members shall be a valid and a binding act of the Commission. In case the chairman is absent in any meeting, the members present shall elect a temporary chairman to preside over the meeting.

Any provision of law to the contrary notwithstanding, the chairman and members of the Commission shall receive a per diem for every meeting actually attended. The Commission shall hold regular meetings once a month and in no case shall it hold more than one special meeting in any month.

The per diem of the chairman and members of the Board shall be chargeable to the Pilotage Safety Development Trust Fund provided in Section 18 of this Act.

Powers and Duties- The Pilotage Commission shall have the following powers and functions :

- (a) To exercise administrative control, regulation, and supervision on pilotage and the conduct of pilots in any Port District;
- (b) To Adopt rules and regulations necessary for the enforcement and administration of pilotage and the conduct of pilots;
- (c) To Issue Harbor Pilot licenses to pilot applicants meeting the qualifications herein set forth and such additional qualifications as may be determined from time to time by the Pilotage Commission;
- (d) To Appoint duly licensed Harbor Pilots to conduct pilotage service.
- (e) To Establish a comprehensive training program to assist in the training and evaluation of pilot applicants before final licensing, and formulate such other additional training requirements for Harbor Pilots, including but not limited to a program of continuing education on pilotage services;
- (f) To Maintain a register of pilots, records of pilot accidents, and other history pertinent to pilotage;
- (g) To Determine from time to time the number of pilots necessary to be licensed in each Harbor Pilotage District in order ensure the operation of a safe, efficient, and competent pilotage service in each district;
- (h) To Determine and fix uniform pilotage fees for pilotage services, and review the same every five (5) years thereafter.
- (i) To Conduct investigations and render a report involving any marine

casualty of vessels under pilotage, and to submit recommendations to the Secretary of Transportation and Communications and to Congress any measure to ensure the safety of life at sea, property and the protection of environment;

The Chairman or any member of the Pilotage Commission in his absence, shall have power to administer oaths in any matter before the Commission for consideration or inquiry and to issue subpoenas requiring witnesses to appear before the Commission. Such subpoenas shall be signed by a member of the Commission. A witness willfully disobeying such subpoena served upon the witness shall be liable for contempt to be filed with the appropriate court of law.

SECTION 6. Power to Define Pilotage services and Prescribe Rates- The Pilotage Commission shall have the power to define pilotage services, necessary tug assistance and other related requirements subject to appropriate consultations with the representatives of the United Harbor Pilots' Association of the Philippines and the ship agents or ship owners of vessels calling at ports. It shall also have the power to determine, establish and adjust the prevailing rates upward for said services based on the present individual fees and charges provided under Executive Order No. 1088 as well as the generally accepted international rates on pilotage services. The factors to be considered in the adjustment of rates shall include, among others tonnage, draft or length of vessels, peculiarity and characteristics of the harbor, port and distance covered by the service as well as pilotage services at nighttime, and during Sundays and holidays. The rates thus determined shall take effect fifteen (15) days after publication in any newspaper of general circulation.

Unpaid Pilotage Fees shall be considered a maritime lien on the vessel in which pilotage services as defined under this Act are rendered.

SECTION 7. Compulsory Pilotage- Pilotage services shall be compulsory in government and private wharves, berths, piers or anchorage. Every vessel engaged in foreign trade shall be always under compulsory pilotage. Pilotage for vessels engaged in domestic trade shall also be compulsory except those engaged in domestic regular ferry services, including fast craft ferry vessels, not over 500 gross tons.

SECTION 3. Establishment of Harbor Pilotage district - There shall be Twenty Six (26) Harbor Pilotage Districts for the entire Country; namely-

FOR LUZON-

Manila, Aparri, Batangas, San Fernando, Masinloc-Sta.Cruz-Sual,
Sain-Hondagua & Casiguran, Subic, Bicol Region, Puerto Princesa

VISAYAS

Cebu, Iloilo, North Panay, Pulupandan, Tacloban, Catbalogan, Tagbilaran,
Dumaguete, Maasin-Surigao

MINDANAO

Davao, Zamboanga, Jolo, Masao, Iligan, Cagayan De Oro,
General Santos (Dadiangas), Polloc

The Pilotage Commission may from time to time increase or decrease the number of Pilotage Districts as well as the number of Harbor Pilots thereof upon prior consultation and with the conformity of the United Harbor Pilot Association and the concerned Harbor Pilotage District. The number of pilots for each pilotage district shall depend on economic viability and the need of the service.

The prevailing territorial jurisdiction of each Harbor Pilotage District and the number of existing Harbor Pilots per District shall remain unless otherwise changed by the Pilotage Commission pursuant to this Act.

SECTION 9. *Qualification of a Harbor Pilot*- No person shall be appointed as Harbor Pilot unless he is a Filipino citizen, of sound physical and mental condition, good moral character and has been a Master Mariner on board sea-going vessels of not less than 5,000 gross tons for at least 5 years.

No person who is above fifty-five (55) years of age shall be appointed as Harbor Pilot.

SECTION 10. *Appointment of Harbor Pilots*- The Pilotage Commission in consultation and coordination with the Philippine Ports Authority, the United Harbor Pilots' Association of the Philippines and the pilot association concerned shall appoint the harbor pilot in each particular pilotage district.

Upon certification of the Chief Pilot of a vacancy in his Harbor Pilotage District, the Pilotage Commission shall cause the publication of the vacancy for the said Harbor Pilotage District at least once in a newspaper of general circulation.

Master Mariners who are qualified for evaluation and licensing as Harbor Pilot shall submit their applications at the Harbor Pilotage District concerned. After proper evaluation and assessment, the Chief Pilot and the Harbor Pilotage District concerned shall have the full discretion to choose whom to undergo on the job training from among the most qualified candidates for Harbor Pilot.

Every Harbor pilot must undergo actual and on the job training for at least ninety (90) days under the direct supervision of regular pilots of the Harbor Pilotage District and shall only be appointed by the Pilotage Commission upon certification of the chief pilot of the district of his competency.

The Pilotage Commission shall simultaneously issue the corresponding Harbor Pilotage License upon his appointment as the Harbor Pilot in a particular Harbor Pilotage District.

The appointed pilot shall serve until he reaches the age of seventy (70) years unless he becomes incapacitated to perform his duties and responsibilities by reason of illness or injury. Each Pilot shall undergo an annual physical and medical examination by any physician duly accredited by the Department of Health to determine his fitness to

continue discharging his duties as Harbor Pilot.

The appointment of harbor pilots shall not create an employer-employee relationship between the harbor pilot and the Pilotage Commission or the Authority. Any Harbor Pilot in a particular pilotage district shall be subject to cancellation or suspension for cause by the Pilotage Commission, as provided in Section 14 hereof, upon the recommendation of the Chief Pilot of the said Pilotage District and the United Harbor Pilots' Association of the Philippines, and after due process.

The Pilotage Commission shall automatically issue a Pilot License and Appointment to all existing, incumbent and active Harbor Pilots to perform pilotage services at their respective individual Harbor Pilotage District wherein he belongs at the time of the passage of this Act.

SECTION 11. Compulsory Retirement of Pilots- Harbor pilots appointed under this Act shall be considered retired at the age of seventy (70) years.

SECTION 12. Establishment of a Pilotage Organization- Appointed harbor pilots in a pilotage district shall register and organize themselves into a Pilotage Organization, and must be members in good standing of the said Pilotage Organization for the pilotage District as well as with the United Harbor Pilot Association of the Philippines, Inc.

SECTION 13. Harbor Pilotage District Organization. There shall only be one Harbor Pilotage District Organization for every Harbor Pilotage District. Each Harbor Pilotage District Organization shall submit to the Pilotage Commission its Articles of Incorporation and By Laws as well as the list of its officers and members, all of whom are duly appointed Harbor Pilots for the particular pilotage District.

The Pilotage Organizations presently organized and constituted for the specific pilotage District shall continue to act as a pilotage organization under this Act. It is the obligation of each pilotage organization to elect and submit to the Pilotage Commission the name of one of its member to act as the Chief Pilot for the pilotage district.

All Harbor Pilotage District Organization and their active and practicing Licensed Harbor Pilot members must be a member of the Umbrella Organization for Harbor Pilots, which for purposes of this Act shall be the United Harbor Pilots' Association of the Philippines, Inc.

SECTION 14. Suspension or Cancellation of Appointment- The appointment of a harbor pilot, after due process and investigation, may be suspended or cancelled by the Pilotage Commission for the following causes:

- (1) Refusal or failure to render pilotage service without just or reasonable cause;
- (2) Gross *negligence*, incompetence or inefficiency which compromises the safety of port facilities, vessels and their passengers and cargoes;

- (3) Charging rates not agreed by the parties or authorized or prescribed by the Pilotage Commission;
- (4) Involvement or participation in smuggling or related activities through its harbor pilots, members or officers;
- (5) Failure to post the required performance bond or indemnity insurance;
- (6) Refusal to submit to the authority of the Pilotage Commission without justifiable cause.
- (7) Intoxication and use of prohibited drugs at the time and during the performance of his duties as Harbor Pilot.
- (8) Use and submission of any false or forged documents for the purpose of obtaining the Harbor Pilot License and/or Appointment.
- (9) Acts prejudicial to the professional Code of Conduct for Harbor Pilots.
- (10) Physical or mental impediment to render pilotage services as may be determined by a physician accredited by the Department of Health.

SECTION 15. *Administrative Sanctions*- Upon deliberate and unjustified refusal or failure of a harbor pilot of the pilotage organization to perform services, the Pilotage Commission upon recommendation of the Chief Pilot may order other duly appointed harbor pilots of the same pilotage organization to render such required services without prejudice to suspension or removal of such pilot as provided in this Act, after observance of due process.

SECTION 16. - Limitation of Pilot's Liability. A Harbor pilot licensed to act as such by the Pilotage Commission and authorized to provide pilotage services in the different Harbor Pilotage Districts shall not be liable for damages in excess of the amount of Five Hundred Thousand Pesos (P500,000.00) for damages or loss occasioned by a pilot's errors, omissions, fault, or neglect in the *performance of pilotage services*, except as may arise by reason of his willful misconduct or gross negligence.

Each Harbor Pilots shall post an Indemnity Insurance Bond from the Government Service Insurance System (GSIS) or from such reputable Insurance Company acceptable to the Pilotage Commission, to cover the limit of his liability or for such amount as may be required by the Commission after consultation with the United Harbor Pilot Association of the Philippines.

The Harbor Pilot shall be free from responsibility for damage, injury or death arising from the negligence of the Master and crew of the vessel under pilotage, unseaworthiness of the vessel, breakdown of its machineries and equipment, force majeure or fortuitous event.

Upon actual boarding a vessel to provide pilotage services, that pilot becomes a servant of the vessel and its owner and operator. Nothing in this section exempts the vessel, its owner, or its operator from liability for damage or loss occasioned by that ship to a person or property on the ground that (a) the ship was piloted by a duly licensed Pilot, or (b) the damage or loss was occasioned by the error, omission, fault, or neglect of a pilot duly licensed by the Commission.

The safety and protection of human life and property in maritime commerce under compulsory pilotage is declared to be in the public interest, and the limitation and regulation of the liability of Harbor pilots licensed and authorized under this Act to provide harbor pilotage services, is necessary to such safety and protection and is deemed to be in the public interest.

The Harbor Pilot on board a vessel under pilotage service shall serve as adviser of the Master during and at the time of his engagement in the conduct and maneuver of the vessel. The Master of the vessel, its owners and agents are not relieved of responsibility for any loss or damage caused by or to the vessel even while the vessel is under compulsory pilotage.

SECTION 17. *Marine Accident and Casualty.* In the event of a marine accident and casualty in which a vessel under pilotage is involved, the Pilotage Commission shall immediately conduct its own enquiry and investigation of the incident, and shall secure the necessary data, information and documents, needed in the further proceedings of the investigation including depositions of witnesses, before a vessel involved in the incident is cleared for departure from port or place of incident.

SECTION 18. *Pilotage Safety Development Trust Fund.* - There shall be an independent and separate trust fund established under this Act, to be administered by the Pilotage Commission in accordance with existing government auditing rules and regulations.

An amount equivalent to Five (5%) of the gross amount of Pilotage Fees paid to the Harbor Pilots for rendering pilotage services shall be collected to establish the Pilotage Safety Development Trust Fund, which shall be exclusively and solely be disbursed and utilized for the following purposes:

(1) Installation and/or upgrading of Pilotage equipment and facilities to conform with international safety standards for navigation.

(2) Developmental Loans by way of Financial Assistance to the needs of the different Harbor Pilotage Organizations in the several Harbor Pilotage Districts for the acquisition of capital equipment necessary to render pilotage services in their respective Harbor Pilotage Districts.

(3) Such other projects for the promotion and development of maritime safety involving pilotage services as well as for the protection of marine environment

(4) Per Diems and administrative expenses of the Pilotage Commission.

The Trust Fund shall be deposited at all times in only one authorized government depository bank as determined by the Pilotage Commission. Any and all interests that shall accrue therefrom shall form part of the same fund.

The Pilotage Commission shall render a quarterly report to the Secretary of Transportation and Communications of the status of the Trust Fund, including detailed disbursements therefrom.

There shall be no disbursement from the Trust Fund unless they are made pursuant to the program of expenditures duly approved by the Pilotage Commission.

No other charges or imposition by way of government share shall be levied on the gross income of Harbor Pilots derived from rendering pilotage services and in the exercise of their profession as Harbor Pilots.

SECTION 19. Penal Provision. A fine of not less than Twenty thousand pesos (P20,000.00) nor more than Two Hundred Thousand Pesos (P200,000.00) or imprisonment for a period of not less than one (1) year nor more than six (6) years or both such fine and imprisonment, at the discretion of the court, shall be imposed upon:

(a) Any person who shall render pilotage services without license and appointment by the Pilotage Commission;

(b) Any person who represents himself as a Harbor Pilot for a particular Pilotage District without being a member of the Pilotage Organization for the said particular Harbor Pilotage District

(c) Any person who shall give any false or forged documents for the purpose of obtaining the Harbor Pilot License and/or Appointment.

(d) Any person who shall use an expired, revoked and/or suspended Harbor Pilot License or Appointment to perform pilotage services;

(e) Any person who shall assume, use or advertise the title of a Harbor Pilot under his name, or any description to convey the impression that he is an active and duly Licensed Harbor Pilot without holding a valid Harbor Pilot License and Appointment issued by the Pilotage Commission.

SECTION 20. Implementing Rules and regulations- The Pilotage Commission is hereby authorized to promulgate the appropriate rules and regulation based on admiralty laws and practices for the proper implementation of this Act, in consultation with the United Harbor Pilots' Association of the Philippines, and with the representatives of the Philippine Registered shipping companies.

SECTION 21. Repealing Clause- All other laws, decrees, orders, rules and

regulations or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 22. *Transitory Provision.* - The existing Port Authority granted by law to exercise supervision and regulation of Pilotage and the conduct of Harbor Pilots shall continue to function in the interim until such time that the Pilotage Commission shall be constituted pursuant to this Act.

SECTION 23. *Appropriations.* - To carry out the provisions of this Act, there is hereby appropriated for the initial year of operation of the Pilotage Commission, the sum of two million pesos out of the funds in the National Treasury not otherwise appropriated. Thereafter, the Pilotage Safety Development Trust Fund shall finance the cost of the administrative operations of the Pilotage Commission as well as defray such projects that the Pilotage Commission shall undertake pursuant to this Act.

SECTION 24. *Separability Clause.* - If any part or provision of this Act is declared as unconstitutional or invalid by a court of competent jurisdiction, the other parts or provisions, which are not affected thereby, shall continue to be in full force and effect.

SECTION 25. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspaper of general circulation.

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.

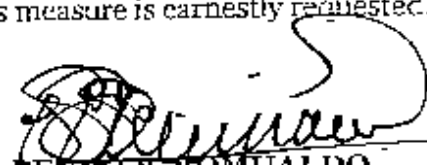
Harbor pilotage is defined as the act of directing, guiding or maneuvering vessels into and out of a port, or harbor, or through tight channels. This service ensures not only the proper landing and setting sail of a vessel but also the safe embarkation and disembarkation of both passengers and cargo.

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

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

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

to cancel or 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 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,

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

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 296



Introduced by Honorable Rolio Golez

EXPLANATORY NOTE

Pilotage Services is one of the important complementary services to vessels in port.

The Philippine Ports Authority (PPA) by its charter, Presidential Decree No. 25 Section 6 (a) (viii) is vested with the broad power to control, regulate and supervise pilotage and the conduct of pilots in any Port District. Pursuant to that power, PPA has promulgated several regulations on Pilotage in order to implement the mandate and/or to respond to the complaints filed by both foreign and coastwise shipping lines/operators.

Some of the complaints aired by foreign and coastwise shipping lines / operators are the unsatisfactory / delayed services rendered by some pilots (lack of proper equipment/gears, overcharging of pilotage fees and the collection of unauthorized fees for services claimed to have been rendered).

At the present pilotage services are solely provided by the members of the Harbor Pilots Association - a pilotage district. This association is under the national umbrella organization of the United Harbor Pilots Association of the Philippines (UHPAP).

On 3 February 1986, then President Marcos signed Executive Order No. 1685 without prior consultation with the maritime sector and the PPA. The order made pilotage services in all ports in the country compulsory, whether in government or private ports. Further, it increased pilotage fees by as much as 4 000% for the benefit of pilots who are exclusive members of the UHPAP.

In spite of the general mandate of the PPA, there is a need to provide and clearly define pilotage services. Thus, this bill which seeks to provide a mechanism for determining all pilotage rates and of extent of maritime sector of harbor pilots. There is likewise a need to establish in clear and unequivocal manner the basis for the imposition of not less than 10% government share from gross receipts from harbor pilotage operations or services.

Passage of this bill earnestly requested.


ROLIO GOLEZ

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

FIFTEENTH CONGRESS
First Regular Session

House Bill No. _____

Introduced by Honorable Rolito Golez

AN ACT
REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF HARBOR PILOTS IN ALL
PORTS IN THE PHILIPPINES AND FOR RELATED PURPOSES

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

SECTION 1. *Title.* - This Act shall be known as the "Pilotage Service Act of 2010."

SEC. 2. *Policy and Objectives.* - It is hereby declared the policy of the State to regulate, control, supervise pilotage services and the conduct of pilots in all ports of the country to attain the following objectives:

- a) To ensure the safe conduct in ports of vessels and seaborne commerce/passengers;
- b) To protect port structure and facilities;
- c) To establish reasonable charges for pilotage services to enable harbor pilots to share in the burden of developing and maintaining harbor facilities;
- d) To foster fair competition among harbor pilots in the delivery of pilotage services;
- e) To ensure efficient pilotage service at all times; and
- f) To professionalize harbor pilotage services.

SEC. 3. *Definition of Terms.* - For purposes of this Act, the words and phrases used herein shall, unless the context indicates otherwise, mean or be understood to mean as follows:

- a) Pilotage service is the act of conducting/maneuvering a vessel to/from berth to anchorage.
- b) Harbor pilot is a licensed master mariner duly accredited by the Philippine Ports Authority to render pilotage in a pilotage district.

- a. Authority refers to the Philippine Ports Authority
- b. Accreditation is the authority granted by PPA to any harbor pilot to render pilotage services in a particular pilotage district.
- c. Permit to operate is the authority granted by the PPA to any pilots organization to render pilotage service in a particular pilotage district.
- d. Gross income from pilotage services is total gross billing assessed against the ship owner/agents for pilotage and related services, whether collected or not.

SEC. 4. *Establishment of Pilotage District.* - The Philippine Ports Authority, hereinafter referred to as Authority, is hereby authorized to establish, through longitude and latitude, the pilotage districts throughout the country including the number of pilots for each pilotage district.

SEC. 5. *Provision of Pilotage Services.* - Pilotage services in all pilotage districts shall be provided directly by the Authority either by contract or through accredited pilotage organizations.

SEC. 6. *Compulsory or Optional Pilotage.* - For entering a harbor and anchoring thereat, or passing through rivers or straits within a pilotage district, as well as docking and undocking at any pier/wharf, or shifting from one berth to another, every vessel engaged in foreign trade shall be under compulsory pilotage, except specific port/areas/cases declared as optional per the regulations promulgated by the Authority.

Pilotage for vessels engaged in domestic trade shall be optional, except in specific ports/areas/cases declared as compulsory pilotage pursuant to regulations promulgated by the Authority.

SEC. 7. *Accreditation of Harbor Pilots.* - Harbor pilots shall be accredited by the Authority for a term of not less than one (1) year but not exceeding five (5) years on the basis of merit and fitness.

The term of accreditation may be renewed for another period under such terms and conditions as the Authority may adopt, but in no case shall the renewal exceed the compulsory retirement age as provided for in Section 8 hereof.

The accreditation, transfer, suspension and cancellation of a harbor pilots' accreditation shall be governed by the rules and regulations promulgated by the Authority.

Nothing contained herein shall be construed to mean that an employer-employee relationship between the harbor Pilot and the Authority is created.

SEC. 8. *Qualification of a Harbor Pilot.* - No person shall be accredited as Harbor Pilot unless he is a Filipino citizen, and, on the day of accreditation is not more than fifty-five (55) years old, of sound physical and mental condition of good moral character, and a holder of a license as Harbor Pilot for the pilotage district applied for.

SEC. 9. *Compulsory Retirement of Pilots.* - Upon the effectivity of this Act harbor pilots shall be considered retired at the age of sixty (60) years.

SEC. 10. **Establishment of a Pilot's Organization.** - Pilots in a pilotage district may form themselves into a Pilot's Organization which shall be registered with the Securities and Exchange Commission and accredited with the Authority. The organization shall be headed by a Chief Pilot to be elected from the member-pilots.

SEC. 11. **Permit to Operate.** - Every Pilot's organization shall be duly accredited to render pilotage services by securing from the Authority a permit to operate (PTO) for such services, under terms/conditions the Authority may prescribe.

SEC. 12. **Cancellation of PTO.** - The PTO may be canceled by the Authority only for cause and after due process.

SEC. 13. **Record.** - Harbor Pilots/Pilots' Organizations shall keep a record of his/its operations and financial transactions and such other records or reports as may be required by this Act. All records shall be made open to member-pilots and concerned government agencies for inspection and examination.

SEC. 14. **Indemnity Insurance.** - Every pilots' organization shall collectively insure with the Government Service Insurance System (GSIS) its membership at an amount to be determined by the Authority to cover in whole or in part any liability arising from any accident resulting in damage to vessel(s), port facilities, and other properties and/or death or injury to persons which any member may have caused in the performance of pilotage service.

SEC. 15. **Operating Capital, Equipment and Facilities.** - To effectively and efficiently render pilotage services, individual pilots and/or pilots' organizations shall make available such operating capital equipment or facilities as may be required by the Authority.

SEC. 16. **Power to Define Pilotage Services and Prescribe Rates.** - The Authority shall define pilotage services, including tug assistance and other related services, and shall determine, establish and adjust the rates therefore in coordination with relevant government agencies and concerned private sectors taking into consideration factors such as, but not limited to, tonnage of vessels and distance covered by the service.

The rates thus determined shall be subject to Board's approval and shall take effect fifteen (15) days after publication in any newspaper of general circulation.

SEC. 17. **Government Share for Pilotage Services.** - In consideration of the privilege granted to pilots/pilots' organizations to undertake pilotage services and the use of port facilities, there shall be collected a government share of not less than ten (10%) percent from the pilots' gross income from pilotage and related services.

SEC. 18. **Extent of Liability.** - Harbor Pilot/Pilotage Organization providing pilotage service to a vessel shall be responsible for the damage sustained by the vessel and other facilities, and for death or injury to persons resulting from his/its fault or negligence, but may only be absolved from liability if the accident is caused by *force majeure* or natural calamities, or when his/its order is countermanded by the master of the vessel. Provided, however, that he/it exercised extra-ordinary diligence in the performance of his/its duties to prevent or minimize damage.

SEC. 19. Penalties. - Any person who violates the provisions of this Act and the rules and regulations promulgated to implement it shall be punished by imprisonment of not less than ten (10) days but not more than six (6) months, as may be determined by the court.

If the offender is a duly accredited harbor pilot, his accreditation shall, in addition to imprisonment, be suspended, canceled or revoked.

The Authority shall have the power to suspend, cancel or revoke the accreditation of a harbor pilot and to exact reasonable administrative fines in an amount not less than Twenty Thousand Pesos (P20,000.00) but not more than Two Hundred Thousand Pesos (P200,000.00) for such specific violations as shall be prescribed by the Authority.

SEC. 20. Issuance of New Accreditation to Incumbent Harbor Pilots. - Incumbent pilots in all pilotage districts shall be issued new accreditations in accordance with the provisions of this Act. In no case shall said new accreditations exceed the compulsory retirement age for harbor pilots as provided for in Section 9.

SEC. 21. Repealing Clause. - Executive Order No. 1088 and all other laws, decrees, orders, rules and regulations or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SEC. 22. Separability Clause. - If any part or provision of this Act is held unconstitutional or invalid, other parts or provisions of this Act which are not affected thereby shall continue to be in full force and effect.

SEC. 23. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved.

HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 4743

Introduced by Representative Lorenzo R. Tañada III

EXPLANATORY NOTE

Retired master mariners who have a breadth of knowledge and experience are those who are tasked to become harbor pilots. This profession has been recognized as an integral part of efficiency and safety of the securing and wharfing of vessels in our harbors. Pilotage responds to the need of foreign master mariners in steering their ships in Philippine ports, which they are not familiar with. Undoubtedly, their role has ensured the safe navigation of ships within our territorial waters, which, in turn, contributes to our economy.

At present, we have no existing laws that cover pilotage services in congruence with international standards and principles of the said occupation. Such is why Congress needs to enact a comprehensive and integrated statute that aims to respond to the needs of our harbor pilots. Furthermore, the Philippine Ports Authority (PPA), mandated with regulatory powers over pilotage, has become partially irrelevant with the current context of having various port authorities with their respective charters. These port authorities distinct from the PPA also exercise regulatory control over harbor pilots. This is so, even amidst the fact that they do not have the explicit legislative mandate to do such based on their respective charters.

The main purpose of this proposed measure is to set the parameters of regulatory control and the supervision of the pilotage profession. Moreover, this seeks to professionalize the conduct of harbor pilots. All these shall be governed by the proposed Pilotage Commission which shall rationalize policies and programs in relation to pilotage services in order to not only streamline regulations, but also to ensure that uniformity will be applied in accordance to the rights and welfare of harbor pilots and the safety and security of our ports and territorial waters.

It is also the purpose of this proposed legislation to institutionalize prevailing jurisprudence on pilotage services, to rationalize the Pilotage fees and other charges related to pilotage services such as tug assistance and overtime work during night-time and Sundays and Holidays, to define Harbor Pilot's liability in the event of damage to

property or death and injury to persons caused by a vessel under pilotage, and to streamline the legal relations and regulatory control on Harbor Pilots and pilotage organizations in all ports of the country under the Pilotage Commission.

Foregoing considered , the passage of this Bill is earnestly requested.


LORENZO R. TAÑADA III
Representative
4th District, Quezon

HOUSE OF REPRESENTATIVES
HOUSE BILL NO. 4743

Introduced by Representative Lorenzo R. Tañada III

AN ACT
CREATING A HARBOR PILOTAGE COMMISSION, REGULATING HARBOR
PILOTAGE SERVICES AND THE CONDUCT OF HARBOR PILOTS IN ALL
PORTS IN THE PHILIPPINES AND FOR RELATED PURPOSES

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

SECTION 1. *Title.* - This Act shall be known as the *Pilotage Service Act of 2011*.

SECTION 2. *Scope.* - This Act shall apply to all harbor pilots and pilotage organizations providing pilotage services in all ports in the country, whether owned by the government or private persons.

SECTION 3. *Policy and Objectives.* - It is hereby recognized by the State that pilotage service plays a vital and complementary role in the efficient operation of ports and the protection of marine environment. It is, therefore, the policy of the state through the Pilotage Commission to regulate, and supervise pilotage services and the conduct of pilots in all ports in the country to attain the following objectives:

- (a) To ensure the safety of life at sea, port facilities, vessels, and their passengers and cargoes;
- (b) To ensure safe and efficient pilotage service at all times, the protection of marine environment, and rationalize charges based on the provisions of Executive Order 1088.
- (c) To promote and develop professionalism of Harbor Pilots.

SECTION 4. *Definition of Terms.* - For purpose of this Act, the words and phrases used herein shall, unless the context indicates otherwise, mean or be understood as follows:

- (a) **"Appointment"** is a designation by the Pilotage Commission granted to a harbor pilot to exercise his profession and render pilotage service in a particular pilotage district.
- (b) **"Authority"** refers to the Philippine Ports Authority in general and to such other Port Authority, under a Special Charter, and granted with jurisdiction, supervision and control over port operation and management at a specific port in the Philippines.
- (c) **"Harbor Pilot"** is a Master Mariner, who is not part of the regular complement of the vessel, taken on board at a particular place, is in charge of its conduct and navigation, and is duly licensed and appointed to act as such by the Pilotage Commission to render pilotage service within a specific pilotage district.
- (d) **"Non-Governmental Organization" (NGO)** includes non-stock, non-profit private organizations with proven track record or experience in the conservation, management and protection of marine environment.
- (e) **"Pilotage Commission"** refers to the Pilotage Commission created under this Act.
- (f) **"Pilotage License"** is the permit or license granted by Pilotage Commission to a Master Mariner to exercise his profession and to render pilotage services in a particular pilotage district.
- (g) **"Pilotage Organization"** is an association of Harbor Pilots duly licensed and appointed by the Pilotage Commission for a particular Harbor Pilotage District as defined in this Act.
- (h) **"Pilotage Service"** is the act of conducting, navigating or maneuvering a vessel to, from berth or anchorage, along rivers, channels and estuaries, including all related activities thereof.
- (i) **"United Harbor Pilots Association of the Philippines, Inc." (UHPAP)** is the umbrella national organization of all harbor pilots of the country, duly licensed and appointed to render pilotage services in their particular pilotage district.

SECTION 5. *The Pilotage Commission.* - A Pilotage Commission is hereby created consisting of Five (5) members, namely: the General Manager of the Philippine Ports

Authority, the Commandant of the Philippine Coast Guard, the incumbent President of the United Harbor Pilots Association, Inc., a representative of a National Association of Philippine registered Shipowners who shall be appointed by the President of the Philippines and a representative of a recognized non-governmental organization (NGO) likewise to be appointed by the President of the Philippines from among a list of recommendees to be submitted by the aforesaid last two Sectors.

The PPA General Manager shall act as Chairman of the Pilotage Commission. The members of the Commission shall be appointed by the President of the Philippines. The Secretary of the Department of Transportation and Communications shall fix the compensation of the members of the Pilotage Commissioners upon the recommendation of the Pilotage Commission. The Pilotage Commission is hereby placed under the administrative control and supervision of the Secretary of the Department of Transportation and Communications.

The presence of three members of the Commission shall constitute a quorum for the exercise of its functions and the affirmative vote of at least three members shall be a valid and a binding act of the Commission. In case the chairman is absent in any meeting, the members present shall elect a temporary chairman to preside over the meeting.

Any provision of law to the contrary notwithstanding, the chairman and members of the Commission shall receive a per diem for every meeting actually attended. The Commission shall hold regular meetings once a month and in no case shall it hold more than one special meeting in any month.

The per diem of the chairman and members of the Board shall be chargeable to the Pilotage Safety Development Trust Fund provided in Section 18 of this Act.

SECTION 6. Powers and Duties of the Pilotage Commission. - The Pilotage Commission shall have the following powers and functions:

- (a) To exercise administrative control, regulation, and supervision on pilotage and the conduct of pilots in any Port District;
- (b) To adopt rules and regulations necessary for the enforcement and administration of pilotage and the conduct of pilots;
- (c) To issue Harbor Pilot licenses to pilot applicants meeting the qualifications herein set forth and such additional qualifications as may be determined from time to time by the Pilotage Commission;
- (d) To appoint duly licensed Harbor Pilots to conduct pilotage service;
- (e) To establish a comprehensive training program to assist in the training and

evaluation of pilot applicants before final licensing, and formulate such other additional training requirements for Harbor Pilots, including but not limited to a program of continuing education on pilotage services;

- (f) To maintain a register of pilots, records of pilot accidents, and other history pertinent to pilotage;
- (g) To determine from time to time the number of pilots necessary to be licensed in each Harbor Pilotage District in order ensure the operation of a safe, efficient, and competent pilotage service in each district;
- (h) To determine and fix uniform pilotage fees for pilotage services, and review the same every five (5) years thereafter; and
- (i) To conduct investigations and render a report involving any marine casualty of vessels under pilotage, and to submit recommendations to the Secretary of Transportation and Communications and to Congress any measure to ensure the safety of life at sea, property and the protection of environment.

The Chairman or any member of the Pilotage Commission in his absence, shall have power to administer oaths in any matter before the Commission for consideration or inquiry and to issue subpoenas requiring witnesses to appear before the Commission. Such subpoenas shall be signed by a member of the Commission. A witness willfully disobeying such subpoena served upon the witness shall be liable for contempt to be filed with the appropriate court of law.

SECTION 7. Power to Define Pilotage Services and Prescribe Rates. - The Pilotage Commission shall have the power to define pilotage services, necessary tug assistance and other related requirements subject to appropriate consultations with the representatives of the United Harbor Pilots' Association of the Philippines and the ship agents or ship owners of vessels calling at ports. It shall also have the power to determine, establish and adjust the prevailing rates upward for said services based on the present individual fees and charges provided under Executive Order No. 1088 as well as the generally accepted international rates on pilotage services. The factors to be considered in the adjustment of rates shall include, among others tonnage, draft or length of vessels, peculiarity and characteristics of the harbor, port and distance covered by the service as well as pilotage services at nighttime, and during Sundays and holidays. The rates thus determined shall take effect fifteen (15) days after publication in any newspaper of general circulation.

Unpaid Pilotage Fees shall be considered a maritime lien on the vessel in which pilotage services as defined under this Act are rendered.

SECTION 8. Compulsory Pilotage. - Pilotage services shall be compulsory in government and private wharves, berths, piers or anchorage. Every vessel engaged in

foreign trade shall be always under compulsory pilotage. Pilotage for vessels engaged in domestic trade shall also be compulsory except those engaged in domestic regular ferry services, including fast craft ferry vessels, not over 500 gross tons.

SECTION 9. *Establishment of Harbor Pilotage District.* - There shall be Twenty-Six (26) Harbor Pilotage Districts for the entire Country, namely-

- (a) For Luzon: Manila, Aparri, Batangas, San Fernando, Masinloc-Sta.Cruz-Sual, Sain-Hondagua & Casiguran, Subic, Bicol Region, Puerto Princesa;
- (b) For Visayas: Cebu, Iloilo, North Panay, Pulupandan, Tacloban, Catbalogan, Tagbilaran, Dumaguete, Maasin-Surigao;
- (c) For Mindanao: Davao, Zamboanga, Jolo, Masao, Iligan, Cagayan De Oro, General Santos (Dadiangas), Polloc.

The Pilotage Commission may from to time increase or decrease the number Pilotage Districts as well as the number of Harbor Pilots thereof upon prior consultation and with the conformity of the United Harbor Pilot Association and the concerned Harbor Pilotage District. The number of pilots for each pilotage district shall depend on economic viability and the need of the service.

The prevailing territorial jurisdiction of each Harbor Pilotage District and the number of existing Harbor Pilots per District shall remain unless otherwise changed by the Pilotage Commission pursuant to this Act.

SECTION 10. *Qualification of a Harbor Pilot.* - No person shall be appointed as Harbor Pilot unless he is a Filipino citizen, of sound physical and mental condition, good moral character and has been a Master Mariner on board sea-going vessels of not less than 5,000 gross tons for at least 5 years.

No person who is above fifty-five (55) years of age shall be appointed as Harbor Pilot.

SECTION 11. *Appointment of Harbor Pilots.* - The Pilotage Commission in consultation and coordination with the Philippine Ports Authority, the United Harbor Pilots' Association of the Philippines and the pilot association concerned shall appoint the harbor pilot in each particular pilotage district.

Upon certification of the Chief Pilot of a vacancy in his Harbor Pilotage District, the Pilotage Commission shall cause the publication of the vacancy for the said Harbor Pilotage District at least once in a newspaper of general circulation.

Master Mariners who are qualified for evaluation and licensing as Harbor Pilot shall submit their applications at the Harbor Pilotage District concerned. After proper evaluation and assessment, the Chief Pilot and the Harbor Pilotage District concerned shall have the full discretion to choose whom to undergo on the job training from among

the most qualified candidates for Harbor Pilot.

Every Harbor pilot must undergo actual and on the job training for at least ninety (90) days under the direct supervision of regular pilots of the Harbor Pilotage District and shall only be appointed by the Pilotage Commission upon certification of the chief pilot of the district of his competency.

The Pilotage Commission shall simultaneously issue the corresponding Harbor Pilotage License upon his appointment as the Harbor Pilot in a particular Harbor Pilotage District.

The appointed pilot shall serve until he reaches the age of seventy (70) years unless he becomes incapacitated to perform his duties and responsibilities by reason of illness or injury. Each Pilot shall undergo an annual physical and medical examination by any physician duly accredited by the Department of Health to determine his fitness to continue discharging his duties as Harbor Pilot.

The appointment of harbor pilots shall not create an employer-employee relationship between the harbor pilot and the Pilotage Commission or the Authority. Any Harbor Pilot in a particular pilotage district shall be subject to cancellation or suspension for cause by the Pilotage Commission, as provided in Section 14 hereof, upon the recommendation of the Chief Pilot of the said Pilotage District and the United Harbor Pilots' Association of the Philippines, and after due process.

The Pilotage Commission shall automatically issue a Pilot License and Appointment to all existing, incumbent and active Harbor Pilots to perform pilotage services at their respective individual Harbor Pilotage District wherein he belongs at the time of the passage of this Act.

SECTION 12. *Compulsory Retirement of Pilots.* - Harbor pilots appointed under this Act shall be considered retired at the age of seventy (70) years.

SECTION 13. *Establishment of a Pilotage Organization.* - Appointed harbor pilots in a pilotage district shall register and organize themselves into a Pilotage Organization, and must be members in good standing of the said Pilotage Organization for the pilotage District as well as with the United Harbor Pilot Association of the Philippines, Inc.

SECTION 14. *Harbor Pilotage District Organization.* - There shall only be one Harbor Pilotage District Organization for every Harbor Pilotage District. Each Harbor Pilotage District Organization shall submit to the Pilotage Commission its Articles of Incorporation and By Laws as well as the list of its officers and members, all of whom are duly appointed Harbor Pilots for the particular pilotage District.

The Pilotage Organizations presently organized and constituted for the specific pilotage District shall continue to act as a pilotage organization under this Act. It is the obligation

of each pilotage organization to elect and submit to the Pilotage Commission the name of one of its member to act as the Chief Pilot for the pilotage district.

All Harbor Pilotage District Organization and their active and practicing Licensed Harbor Pilot members must be a member of the Umbrella Organization for Harbor Pilots, which for purposes of this Act shall be the United Harbor Pilots' Association of the Philippines, Inc.

SECTION 15. *Suspension or Cancellation of Appointment.* - The appointment of a harbor pilot, after due process and investigation, may be suspended or cancelled by the Pilotage Commission for the following causes:

- (a) Refusal or failure to render pilotage service without just or reasonable cause;
- (b) Gross negligence, incompetence or inefficiency which compromises the safety of port facilities, vessels and their passengers and cargoes;
- (c) Charging rates not agreed by the parties or authorized or prescribed by the Pilotage Commission;
- (d) Involvement or participation in smuggling or related activities through its harbor pilots, members or officers;
- (e) Failure to post the required performance bond or indemnity insurance;
- (f) Refusal to submit to the authority of the Pilotage Commission without justifiable cause;
- (g) Intoxication and use of prohibited drugs at the time and during the performance of his duties as Harbor Pilot;
- (h) Use and submission of any false or forged documents for the purpose of obtaining the Harbor Pilot License and/or Appointment;
- (i) Acts prejudicial to the professional Code of Conduct for Harbor Pilots; and
- (j) Physical or mental impediment to render pilotage services as may be determined by a physician accredited by the Department of Health.

SECTION 16. *Administrative Sanctions.* - Upon deliberate and unjustified refusal or failure of a harbor pilot of the pilotage organization to perform services, the Pilotage Commission upon recommendation of the Chief Pilot may order other duly appointed harbor pilots of the same pilotage organization to render such required services without prejudice to suspension or removal of such pilot as provided in this Act, after observance of due process.

SECTION 17. Limitation of Pilot's Liability. - A Harbor pilot licensed to act as such by the Pilotage Commission and authorized to provide pilotage services in the different Harbor Pilotage Districts shall not be liable for damages in excess of the amount of Five Hundred Thousand Pesos (P500,000.00) for damages or loss occasioned by a pilot's errors, omissions, fault, or neglect in the *performance of pilotage services*, except as may arise by reason of his willful misconduct or gross negligence.

Each Harbor Pilots shall post an Indemnity Insurance Bond from the Government Service Insurance System (GSIS) or from such reputable Insurance Company acceptable to the Pilotage Commission, to cover the limit of his liability or for such amount as may be required by the Commission after consultation with the United Harbor Pilot Association of the Philippines.

The Harbor Pilot shall be free from responsibility for damage, injury or death arising from the negligence of the Master and crew of the vessel under pilotage, unseaworthiness of the vessel, breakdown of its machineries and equipment, force majeure or fortuitous event.

Upon actual boarding a vessel to provide pilotage services, that pilot becomes a servant of the vessel and its owner and operator. Nothing in this section exempts the vessel, its owner, or its operator from liability for damage or loss occasioned by that ship to a person or property on the ground that (a) the ship was piloted by a duly licensed Pilot, or (b) the damage or loss was occasioned by the error, omission, fault, or neglect of a pilot duly licensed by the Commission.

The safety and protection of human life and property in maritime commerce under compulsory pilotage is declared to be in the public interest, and the limitation and regulation of the liability of Harbor pilots licensed and authorized under this Act to provide harbor pilotage services, is necessary to such safety and protection and is deemed to be in the public interest.

The Harbor Pilot on board a vessel under pilotage service shall serve as adviser of the Master during and at the time of his engagement in the conduct and maneuver of the vessel. The Master of the vessel, its owners and agents are not relieved of responsibility for any loss or damage caused by or to the vessel even while the vessel is under compulsory pilotage.

SECTION 18. Marine Accident and Casualty. - In the event of a marine accident and casualty in which a vessel under pilotage is involved, the Pilotage Commission shall immediately conduct its own enquiry and investigation of the incident, and shall secure the necessary data, information and documents, needed in the further proceedings of the investigation including depositions of witnesses, before a vessel involved in the incident is cleared for departure from port or place of incident.

SECTION 19. *Pilotage Safety Development Trust Fund.* - There shall be an independent and separate trust fund established under this Act, to be administered by the Pilotage Commission in accordance with existing government auditing rules and regulations.

An amount equivalent to Five (5%) of the gross amount of Pilotage Fees paid to the Harbor Pilots for rendering pilotage services shall be collected to establish the Pilotage Safety Development Trust Fund, which shall be exclusively and solely be disbursed and utilized for the following purposes:

- (a) Installation and/or upgrading of Pilotage equipment and facilities to conform with international safety standards for navigation;
- (b) Developmental Loans by way of Financial Assistance to the needs of the different Harbor Pilotage Organizations in the several Harbor Pilotage Districts for the acquisition of capital equipment necessary to render pilotage services in their respective Harbor Pilotage Districts;
- (c) Such other projects for the promotion and development of maritime safety involving pilotage services as well as for the protection of marine environment;
- (d) Per Diems and administrative expenses of the Pilotage Commission.

The Trust Fund shall be deposited at all times in only one authorized government depository bank as determined by the Pilotage Commission. Any and all interests that shall accrue therefrom shall form part of the same fund.

The Pilotage Commission shall render a quarterly report to the Secretary of Transportation and Communications of the status of the Trust Fund, including detailed disbursements therefrom.

There shall be no disbursement from the Trust Fund unless they are made pursuant to the program of expenditures duly approved by the Pilotage Commission.

No other charges or imposition by way of government share shall be levied on the gross income of Harbor Pilots derived from rendering pilotage services and in the exercise of their profession as Harbor Pilots.

SECTION 20. *Operations and Funding.* - To carry out the provisions of this Act, the United Harbor Pilots Association of the Philippines, Inc. shall initially shoulder the amount of two million pesos. Thereafter, the Pilotage Safety Development Trust Fund shall finance the cost of the administrative operations of the Pilotage Commission as well as defray such projects that the Pilotage Commission shall undertake pursuant to this Act.

SECTION 21. Penal Provision. - A fine of not less than Twenty thousand pesos (P20,000.00) nor more than Two Hundred Thousand Pesos (P200,000.00) or imprisonment for a period of not less than one (1) year nor more than six (6) years or both such fine and imprisonment, at the discretion of the court, shall be imposed upon:

- (a) Any person who shall render pilotage services without license and appointment by the Pilotage Commission;
- (b) Any person who represents himself as a Harbor Pilot for a particular Pilotage District without being a member of the Pilotage Organization for the said particular Harbor Pilotage District;
- (c) Any person who shall give any false or forged documents for the purpose of obtaining the Harbor Pilot License and/or Appointment;
- (d) Any person who shall use an expired, revoked and/or suspended Harbor Pilot License or Appointment to perform pilotage services;
- (e) Any person who shall assume, use or advertise the title of a Harbor Pilot under his name, or any description to convey the impression that he is an active and duly Licensed Harbor Pilot without holding a valid Harbor Pilot License and Appointment issued by the Pilotage Commission.

SECTION 22. Implementing Rules and Regulations. - The Pilotage Commission is hereby authorized to promulgate the appropriate rules and regulation based on admiralty laws and practices for the proper implementation of this Act, in consultation with the United Harbor Pilots' Association of the Philippines, and with the representatives of the Philippine Registered shipping companies.

SECTION 23. Repealing Clause. - All other laws, decrees, orders, rules and regulations or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 24. Transitory Provision. - The existing Port Authority granted by law to exercise supervision and regulation of Pilotage and the conduct of Harbor Pilots shall continue to function in the interim until such time that the Pilotage Commission shall be constituted pursuant to this Act.

SECTION 25. Separability Clause. - If any part or provision of this Act is declared as unconstitutional or invalid by a court of competent jurisdiction, the other parts or provisions, which are not affected thereby, shall continue to be in full force and effect.

SECTION 26. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspaper of general circulation.

Approved,



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

HON. JOCELYN S. LIMKAICHONG

Representative, 1st District, Negros Oriental
Chairperson, Committee on Appropriations

January 22, 2013

HON. ROGER G. MERCADO

Chairperson
Committee on Transportation

Dear Chairperson Mercado:

Please be informed that the Committee on Appropriations in its meeting held today at Conference Rooms 14 & 15, Ramon V. Mitra Building, approved to report out the Substitute Bill to House Bill Nos. 296, 1204, 4652 and 4743, titled "**AN ACT REGULATING HARBOR PILOTAGE SERVICES AND THE CONDUCT OF HARBOR PILOTS IN ALL PORTS IN THE PHILIPPINES, REORGANIZING PORT AUTHORITIES AND FOR OTHER PURPOSES**" with the following amendments:

- a. On Section 5, page 3, lines 13 to 16, delete the entire provision and in lieu thereof, substitute the following:

SEC. 5. THE PILOTAGE COMMITTEE. EACH AUTHORITY, UNDER THE SUPERVISION OF THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS (DOTC), IS MANDATED TO CREATE A PILOTAGE COMMITTEE. SUBJECT TO THE APPROVAL OF THE SECRETARY OF DOTC, THE PILOTAGE COMMITTEE SHALL DEFINE THE NATURE AND EXTENT OF HARBOR PILOTAGE SERVICES, INCLUDING THE ESTABLISHMENT OF RATES IN PORTS UNDER ITS JURISDICTION.

- b. On Section 6, page 4, lines 25 to 26, delete the entire sentence starting with article "The" and ending with the word "Committee".
 - c. On the same Section and page, line 33, delete the phrase "Any provision of law to the contrary notwithstanding" and capitalize the first letter of the word "the".
-
-
-

- d. On the same Section and page, line 34, between the word "attended" and the punctuation mark period (.), insert the phrase **AT RATES APPROVED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT PURSUANT TO EXISTING LAWS AND REGULATIONS.**
- e. On the same Section, page 5, line 3, between the article "The" and the phrase "per diem", delete the phrase "compensation, allowances and".
- f. On Section 16, page 8, lines 9 to 34 and page 9, lines 1 to 4, delete the entire Section and in lieu thereof substitute the following:

SEC. 16. PILOTAGE SAFETY DEVELOPMENT TRUST FUND. THERE IS HEREBY ESTABLISHED A TRUST FUND TO BE KNOWN AS THE PILOTAGE SAFETY DEVELOPMENT TRUST FUND (PSDTF), TO BE ADMINISTERED BY THE PILOTAGE COMMITTEE CONCERNED IN ACCORDANCE WITH EXISTING GOVERNMENT ACCOUNTING AND AUDITING RULES AND REGULATIONS.

AN AMOUNT EQUIVALENT TO FIVE (5%) OF THE GROSS AMOUNT OF PILOTAGE FEES PAID TO THE HARBOR PILOTS FOR RENDERING PILOTAGE SERVICES SHALL BE COLLECTED TO ESTABLISH THE PSDTF. THE FUND SHALL BE DEPOSITED AS TRUST RECEIPTS IN THE NATIONAL TREASURY AND SHALL BE DISBURSED AND UTILIZED FOR THE FOLLOWING PURPOSES:

- A) INSTALLATION AND/OR UPGRADING OF PILOTAGE EQUIPMENT AND FACILITIES TO CONFORM WITH INTERNATIONAL SAFETY STANDARDS FOR NAVIGATION;**
 - B) DEVELOPMENTAL LOANS FOR THE ACQUISITION OF CAPITAL EQUIPMENT NECESSARY TO RENDER PILOTAGE SERVICES IN THE RESPECTIVE HARBOR PILOTAGE DISTRICTS;**
 - C) SUCH OTHER PROJECTS FOR THE PROMOTION AND DEVELOPMENT OF MARITIME SAFETY INVOLVING PILOTAGE SERVICES AS WELL AS FOR THE PROTECTION OF MARINE ENVIRONMENT; AND**
 - D) ADMINISTRATIVE EXPENSES OF THE PILOTAGE COMMITTEE.**
-
-

EXCEPT FOR THE PAYMENT OF PER DIEMS, THE TRUST FUND SHALL NOT BE USED TO FUND OTHER PERSONAL SERVICES EXPENDITURES AND ACQUISITION OF MOTOR VEHICLES.

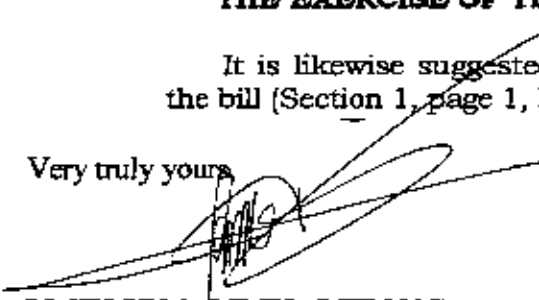
THE PILOTAGE COMMITTEES SHALL RENDER A QUARTERLY REPORT TO THE SECRETARY OF TRANSPORTATION AND COMMUNICATIONS OF THE STATUS OF THE PSDTF, INCLUDING THE DETAILED DISBURSEMENTS THEREFROM.

NO DISBURSEMENTS FROM THE PSDTF SHALL BE MADE UNLESS IN ACCORDANCE WITH THE PROGRAM OF WORK AND EXPENDITURES DULY APPROVED BY THE PILOTAGE COMMITTEE CONCERNED.

EXCEPT AS PROVIDED IN THE IMMEDIATELY SUCCEEDING SECTION, NO OTHER CHARGES OR IMPOSITION BY WAY OF GOVERNMENT SHARE SHALL BE LEVIED ON THE GROSS INCOME OF HARBOR PILOTS DERIVED FROM RENDERING PILOTAGE SERVICES AND IN THE EXERCISE OF THEIR PROFESSION AS HARBOR PILOTS.

It is likewise suggested that the year "2012" in the short title of the bill (Section 1, page 1, line 2) be changed to **2013**.

Very truly yours,



JOCELYN S. LIMKAICHONG

cc: Rep. Roilo S. Golez
Rep. Pedro P. Romualdo
Rep. Lorenzo R. Tañada III
Rep. Philip A. Pichay