



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8043



Introduced by Representative Sharon S. Garin

EXPLANATORY NOTE

As the State recognizes the indispensable role of the private sector, it is also the responsibility of the state to institute fair and transparent trade facilitation and enhance the competitiveness of the government on services that will ultimately lower the price cost of products and services down the stream.

It has been reported that the Philippines has one of the highest logistics costs in Asia. According to Doctor Ruth Banomyong of the World Bank, average logistics cost of firms consists of only 11.11% of the total sales in Thailand, 16.3% in Vietnam, and 21.40% in Indonesia. Apparently, this record hampers the efficiency and competitiveness in doing business in the Philippines resulting to higher costs of products and services in the local market.

The Philippine logistics services sector has lamented high shipping costs, excessive and unnecessary fees, charges and surcharges imposed by shipping lines, management of empty containers, inefficiency in port utilization, and regulatory concerns of the trucking industry as hindering competitiveness of the sector.

The surcharges collected have the following effect:

- (a) increase the cost of importing raw materials and intermediate goods;
- (b) escalate the prices paid by the domestic consumer; and
- (c) impair the government's collection of correct taxes.

The overstaying laden and seized/abandoned containers and lack of container yards for empty containers have impeded the smooth flow of waterborne commerce passing through the ports.

Thus, this representation finds it high time to create a body that regulates all the services rendered by shipping lines. In this measure, the Shipping Lines Bureau and Regulatory Board is being created to address all the concerns and problems in logistics industry in connection with trade facilitation and cargo movements inside and outside the Philippine jurisdiction.

In view of the foregoing, immediate passage of this bill is earnestly sought for.

SHARON S. GARIN
AAMBIS-OWA, Partylist



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AN ACT
CREATING THE SHIPPING LINES BUREAU AND REGULATORY BOARD
UNDER THE DEPARTMENT OF TRANSPORTATION

Be it enacted by the senate and the House of Representatives of the Philippines in congress assembled:

SECTION 1. Short Title. – This Act shall be known as the “**Shipping Lines Bureau and Regulatory Board Act.**”

SEC. 2. Declaration of Policy. - It is the policy of the State to make the economy viable and dynamic through transparent, harmonious and fast trade facilitation. Specifically, the State shall promote efficient, transparent and cost-effective international shipping and logistics and to minimize if not, eliminate congestion or bottlenecks and facilitate the movement and storage of cargoes. Towards this end, the government shall, at all time, perform efficient port utilization, protect the local prices of goods and services through regulated charges and costing by international shipping lines doing business within the Philippines.

SEC. 3. Creation of the Shipping Lines Bureau and Regulatory Board. – There is hereby created in the Department of Transportation (DOTr), the Shipping Lines Bureau and Regulatory Board.

SEC. 4. Composition of the Board – The Board shall be composed of:

- (1) The Secretary of Department of Transportation as a Chairperson;
- (2) The Commissioner of the Bureau of Customs as Co-Chairperson;
- (3) The Secretary of the Department of Trade and Industry as Co-Chairperson;
- (4) Two (2) members with the same rank, salary and privileges of an Assistant Secretary, all of whom shall be appointed by the President of the Philippines upon a unanimous recommendation of the Secretary of Transportation, the Commissioner of Bureau of Customs, and the Secretary of Trade and Industry.

One (1) member of the Board shall be a member of the Bar and shall have engaged in the practice of law in the Philippines for at least five (5) years, another a holder of a degree in customs administration, and/or a holder of a degree in economics, finance or management both with the same number of years of experience and practice.

SEC.5. *Executive Director and Support Staff of the Board.* – The Board shall have an Executive Director who shall also be appointed by the President of the Philippines upon a unanimous recommendation of the Secretary of Transportation, Commissioner of Bureau of Customs, and Secretary of Trade and Industry.

The Executive Director shall have the rank, salary and privileges of a Department Service Chief and shall assist the Board in the performance of its powers and functions.

The Board shall be supported by the Technical Evaluation Division, Legal Division, Management Information and Technology Division, Administrative Division and Finance Division.

SEC.6. *Supervision and Control over the Board.* – The Secretary of Transportations, Commissioner of Bureau of Customs, and Secretary of Trade and Industry, through their duly designated Undersecretary or Deputy Commissioner, as the case maybe, shall exercise administrative supervision and control over the Board of Shipping Lines Bureau.

SEC. 7. *Powers and Functions of the Shipping Lines Bureau and Regulatory Board.* – The Board shall have the following powers and functions:

- a. To prescribe and regulate routes of shipping lines services from the country of origin up to country of destination, economically viable capacities and zones or areas of operation of shipping lines doing business within the Philippine territorial jurisdiction and within its exclusive economic zone (EEZ);
- b. To issue, amend, revise, suspend or cancel Certificates of Public Convenience or permits authorizing the operations of shipping lines services doing business within the Philippines;
- c. To determine, prescribe and approve and periodically review and adjust, reasonable fares, rates and other related charges, relative to the operation of all shipping lines services;
- d. To issue preliminary or permanent injunctions, whether prohibitory or mandatory, in all cases in which it has jurisdiction, and in which cases the pertinent provisions of the Rules of Court shall apply;
- e. To punish for contempt of the Board, both direct and indirect, in accordance with the pertinent provisions of, and the penalties prescribe by, the Rules of Court;

f. To issue subpoena and subpoena duces tecum and to summon witnesses to appear in any proceedings of the Board, to administer oaths and affirmations;

g. To conduct investigations and hearings of complaints for violation of this Act, Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act, the Public Service Act, Maritime Laws and other relevant of the Board's rules and regulations, orders, decisions and/ or ruling and to impose fines and/ or penalties for such violations;

h. To promulgate rules and regulations governing proceedings before the Board: Provided, that except with respect to paragraphs d,e,f, and g hereof, the rules of procedure and evidence prevailing in the courts of law should not be controlling and it is the spirit and intention of said rules that the Board shall use every and all reasonable means to ascertain facts in its case speedily and objectively and without regard to technicalities of law and procedures, all in the interest of due process;

j. To fix, impose and collect, and periodically review and adjust, reasonable fees and other related charges for shipping lines services rendered;

k. To formulate, promulgate, administer, implement and enforce rules and regulations on shipping lines services, standard of measurements and/ or design, and rules and regulations requiring port operators, container facilities and yards to equip, install and provide in their premises such devices, equipment facilities and operating procedures and techniques as may promote fast cargo movement, transparent and harmonious trade facilitation, streamlined procedures and availability at all time of online services within their areas of operations;

l. To coordinate and cooperate with other government agencies and entities concerned with any aspect involving shipping lines services with the end in view of effecting continuing improvement of services; and

m. To perform such other functions and duties as may be provided by law, as may be provided by law, as may be necessary, or proper or incidental to the purposes and objectives of this Executive Order.

SEC. 8. Decision of the Board; Appeals Therefrom and / or Review Thereof. – The Board, in the exercise of its powers and functions, shall sit and render its decision *en banc*. Every such decision, order, or resolution of the Board must bear the concurrence and signature of at least two (2) members thereof.

The decision, order or resolution of the Board shall be appealable to the Office of the President within thirty (30) days from receipt of the decision: Provided, That the President may *motu proprio* review any decision or action of the Board before the same becomes final.

SEC. 9. Appropriations. – Funds needed to carry out the provisions of this Act shall be taken from the funds available in the Department of Transportation, Bureau of Customs, and Department of Trade and Industry. Thereafter, the approved budget of the Board shall be included in the General Appropriations Act.

SEC. 10. Implementing Rules and Regulations. – The Secretary of DOTr, the Secretary of the Department of Finance (DOF), upon the recommendation of the BOC and the Bureau of Internal Revenue (BIR), and the Secretary of DTI shall jointly promulgate the necessary rules and regulations within ninety (90) working days from the affectivity of this Act.

SEC. 11. Separability Clause. – If any portion or provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 12. Repealing Clause. – All other laws, acts, presidential decrees, executive orders, presidential proclamations, issuances, rules and regulations or parts thereof which are contrary to or inconsistent with any of the provisions of this Act are hereby repealed, amended, or modifies accordingly.

SEC. 13. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or on a newspaper of general circulation.

Approved.