

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7031



Introduced by: REPRESENTATIVE ARNULF BRYAN “ARNIE” B. FUENTEBELLA

EXPLANATORY NOTE

The country’s maritime system relies on a regulatory foundation that has not kept pace with the demands of modern shipping. The Philippine Ports Authority (PPA) continues to operate under Presidential Decree No. 857, issued in 1978, which remains the governing charter for its authority over harbor pilots and pilotage services. Executive Order No. 1088, issued in 1986, still provides the framework for uniform and modified pilotage rates in all public and private ports. These instruments remain in force, but they reflect conditions and assumptions from nearly four decades ago. Their longevity underscores the need for Congress to establish a contemporary statutory framework that addresses today’s navigational risks, vessel technologies, and safety expectations.

The PPA’s recent issuance of Administrative Order No. 01-2025 confirms the urgency of updating the pilotage regime. AO 01-2025—described by the PPA and industry groups as the “Omnibus Guidelines Governing Harbor Pilots and Pilotage Services”—aims to standardize pilotage practices across all pilotage districts. It took effect on March 3, 2025 and expressly repeals guidelines that had been in place for almost forty years. This repeal signals that the prior regulatory environment had become outdated and insufficient for present-day maritime operations

Recent operational decisions further illustrate the need for a clear legislative mandate. In March 2025, the PPA issued Operations Memorandum Order No. 001-2025, temporarily suspending the exemption from mandatory pilotage for vessels below 500 gross tons navigating the San Juanico Strait and Janabatas Channel. The order cites “initial findings” from harbor pilots and the PPA’s own validation that professional pilotage is necessary to ensure safe transit in these waters, particularly for vessels unfamiliar with the area. This action demonstrates that safety risks in certain channels are real and ongoing. It also shows that the PPA must rely on ad hoc operational orders to address them, an approach that lacks the permanence and clarity of a statutory framework.

The Senate has previously recognized the need for a comprehensive law on harbor pilotage. A bill filed in the 18th Congress emphasized that harbor pilots are “intimately familiar with the local waters and port conditions” and that regulating their profession is essential to protecting life, property, and the marine environment. Although that measure did not become law, its explanatory note reflects a long-standing legislative awareness of the gaps in the current system.

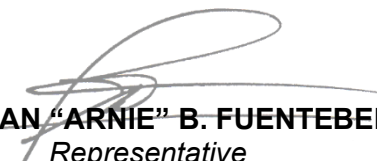
The work performed by harbor pilots demands a level of precision and judgment comparable to the extraordinary diligence required in aviation. They guide large vessels—often carrying passengers, high-value cargo, or hazardous materials—through narrow channels, shifting seabeds, and congested harbor approaches. A single error can produce consequences on the scale of an aviation mishap. Aviation law recognizes this heightened standard of care; maritime pilotage deserves equivalent statutory attention.

A national law will provide the stability, uniformity, and accountability that administrative issuances cannot guarantee. It will establish clear qualifications, training standards, disciplinary mechanisms, and safety protocols applicable to all ports—public or private, large or small. It will also align pilotage regulation with the principles of the amended Public Service Act and the Philippine Competition Act, both of which are expressly cited in AO 01-2025 as relevant legal

foundations. By enacting a comprehensive statute, Congress can ensure that pilotage services remain professional, competitive, and anchored in public safety.

The modernization of harbor pilotage cannot rely solely on administrative action. The PPA's own reforms demonstrate both the need for change and the limits of its authority. A statutory framework will ure these reforms, address long-standing regulatory gaps, and strengthen the country's maritime safety regime at a time when vessel traffic, port complexity, and economic stakes continue to rise.

The immediate passage of this bill is earnestly sought.



ARNULF BRYAN "ARNIE" B. FUENTEBELLA
Representative
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HOUSE BILL NO. 7031

Introduced by: REPRESENTATIVE ARNULF BRYAN “ARNIE” B. FUENTEBELLA

**AN ACT MODERNIZING HARBOR PILOTAGE SERVICES AND REGULATING HARBOR
PILOTAGE AS WELL AS THE CONDUCT OF HARBOR PILOTS IN ALL PORTS IN THE
PHILIPPINES, AND FOR OTHERPURPOSES**

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

Sec. 1. Short Title. - This Act shall be known as the "Pilotage Act of 2025"

Sec. 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 by private persons.

Sec. 3. Policy and Objectives. - It is hereby recognized by the State that pilotage service plays a vital and crucial role in the efficient operation of ports and the protection of marine environment. It is therefore the policy of the State 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 and property at sea, and the protection of marine environment;
- (b) To ensure safety at all times of properties, port facilities, vessels, cargoes and other port users;
- (c) To ensure effective and efficient delivery of pilotage services through rationalization of pilotage fees and charges
- (d) To encourage healthy and friendly environment among active harbor pilot

Sec. 4. Definition of Terms. - For the purpose of this Act, the words and phrases used herein shall be defined as follows:

- a) "Appointment" refers to a designation by the Port Authority granted to a harbor pilot to exercise his profession and render pilotage service in a particular harbor pilotage district;
- b) "Administration" refers to the Maritime Industry Authority (MARINA) which issues the Pilotage License after examination for a particular Pilotage district.
- c) "Port Authority" refers to the Philippine Ports Authority (PPA) and other port authorities created under a special charter, including the ports within the economic zones and autonomous regions, having exclusive jurisdiction, supervision and control over port operation and management in a specific port in the Philippines:
- d) "Harbor Pilot" refers to as a Master Mariner duly licensed by the maritime administration as a Harbor Pilot and officially appointed by the Port Authority, to undertake and execute harbor pilotage duties within a regulated and legally governed pilotage district:
 - a. Probationary Harbor Pilot refers to a pilot appointed under probationary actual training for at least minimum three (3) up to six (6) months prior to appointment as Regular Harbor Pilot in a pilotage district. The training must be conducted by a regular harbor pilot in that particular district.
 - b. Regular Harbor Pilot refers to a pilot appointed to render pilotage services for any vessel engage in foreign or coastwise trade, within the limits of a pilotage district after all satisfactory training is performed and upon recommendation from the Chief Pilot in that particular district.
- e) "Master Mariner License" refers to a license issued by the administration and is the highest professional qualification for a ship's officer competent to command any merchant vessel of any size, on any voyage, anywhere in the world.
- f) "Chief Pilot" refers to a regular harbor pilot who is elected by a majority vote of all the members of the Pilotage Organization in a particular Harbor Pilotage District.
- g) "Harbor Pilotage District" refers to the territorial area including all inland waters, channels, waterways, anchorages, navigable tributaries as well as port, wharves, pier, jetties delineated by latitude and longitude.
- h) "Pilotage License" refers to the license granted by the Administration to a Master Mariner to exercise his profession and to render pilotage services in that particular pilotage district;

- i) "Pilotage Organization" refers to an association of Harbor Pilots duly established for a particular Harbor Pilotage District as defined in this act;
- j) "Pilotage Service" refers to the act of conducting, navigating or maneuvering a vessel to/from berth or anchorage, along rivers, channels and estuaries, including all related activities thereof;
- k) "Recognized Umbrella Organization of Harbor Pilots" refers to one national federation or association representing harbor pilots in the Philippines, whose membership is composed of active harbor pilots holding regular appointments from the port authority, and which is duly registered with the Securities and Exchange Commission (SEC).

Sec. 5. Powers and Functions of the Port Authority. — The Port Authority shall have the following powers and functions:

- (a) Exercise administrative control, regulation and supervision on pilotage and the conduct of pilots in port districts under its jurisdiction;
- (b) 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: Provided, that no imposition or adjustment shall be made without prior consultation with the Harbor Pilots and concerned Shipowners/Ship Operators in a public hearing called for the purpose.
- (c) Conduct regular consultative meetings with duly established pilotage organizations and duly appointed harbor pilots in relation to improvement of services, upgrading of pilot facilities, rate restructuring and such other related concerns;
- (d) Determine and appoint the number of harbor pilots needed in a particular pilotage district in the case of PPA and in a particular port in the case of independent port authorities upon due consultation with the concerned pilotage district;
- (e) Ensure the efficient and fair handling of appointment of harbor pilots; suspend or cancel the appointment of harbor pilots for just cause, giving due notice to affected parties and after proper hearing;
- (f) Grant and issue pilotage appointment to harbor pilots;

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

(h) Establish a comprehensive training program for pilot applicants before their final appointment as Harbor Pilots in their respective Pilotage District, and such additional and continuing pilotage education developed in cooperation with the national and local pilotage associations.

(i) Adopt rules and regulations necessary for the enforcement and administration of pilotage operations and conduct of pilots;

Sec. 6. Establishment of Harbor Pilotage District. — Pilotage Districts shall be established throughout the Philippines to be known by the name of the principal port embraced within its limits. The Port Authority shall determine the number of pilots in a given pilotage district, and may increase or decrease the same when necessary or expedient for the purpose of providing an adequate and efficient pilotage service, economic viability and upon prior consultation with the Harbor Pilots of the concerned Pilotage District. The Philippine Ports Authority shall exercise general jurisdiction over all Pilotage Districts, except when a specific port or anchorage is under the jurisdiction of another Port Authority by Special Charter or is otherwise, located in a declared autonomous region.

Sec 7. Provision of Pilotage Services - Pilotage services shall be provided either directly by the Port Authority or through an authorized pilotage organization, in all government-maintained or privately managed ports in the country. All vessels navigating within any pilotage district, or any part thereof, shall be under compulsory pilotage. For the purposes of this provision, any vessel being moved within any area of the port that falls within a designated pilotage district shall be considered as navigating within such district, and therefore subject to pilotage.

Sec. 8. Compulsory Pilotage. - Pilotage services of more than 500 gross tons shall be compulsory in all government and private wharves, berths, piers, jetties, or anchorage except as otherwise provided in this paragraph.

Every vessel engaged in foreign trade shall always be under compulsory pilotage.

Chemical/Gas/Oil Tanker vessels or any other vessels carrying hazardous cargoes and all vessels navigating in any narrow channels regardless of tonnage shall always be under compulsory pilotage.

Sec. 9. Qualifications of Harbor Pilots. - A person shall be appointed as a harbor pilot if one possesses the following:

- (a) Filipino citizenship;
- (b) Sound physical and mental condition;
- (c) Good moral character;
- (d) Not more than 55 years old at the time of appointment by the port authority.
- (e) Duly licensed by the Administration to practice one's profession within a specified port or district;
- (f) A Master Mariner experience in actual command for at least five (5) years on board sea going vessels of not less than five hundred (500) gross tons using a master mariner license;

Sec. 10. Compulsory Retirement of Pilots. - Upon the effectivity of this Act, a harbor pilot shall be considered retired upon reaching the age of seventy (70): Provided, However, that all harbor pilots shall undergo annual medical and physical examinations as a requirement for the continued exercise of pilotage service profession.

Sec. 11. Appointment of Harbor Pilots. - All harbor pilots, before practicing the profession must undergo three (3) to six (6) months of harbor pilotage training before they get appointed by the Port Authority. The Port Authority shall appoint number of harbor pilots per district or port for efficiency purposes. The appointment will not result to an employer-employee relationship between the Port Authority and the harbor pilot-applicant.

Sec. 12. Establishment of a Pilotage Organization. - The appointed harbor pilots in each Harbor Pilotage District shall 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. The Port Authority shall allow only one pilotage

organization in every Harbor Pilotage District, and to which all the Harbor Pilots appointed for the said District shall all belong and be members thereof.

Sec. 13. Record. - Harbor pilot organizations shall keep a record of his or its operations and financial transactions and such other records or reports pertaining to pilotage services operations. Such records shall be made open to member-pilots and concerned government agencies for inspection and examination. The inspection and examination of records under this Act shall be limited purely to pilotage matters and operations.

Sec. 14. Operating Capital, Equipment and Facilities. - To effectively and efficiently render pilotage services, individual pilots and pilot organizations shall make available such operating capital equipment or facilities that may be required by the Port Authority.

Sec. 15. Pilotage Fees as Maritime Lien. - Pilotage Fees for pilotage services actually rendered on a vessel shall constitute a maritime lien on the vessel concerned as in unpaid crew wages of the vessel, which may be enforced by a suit in rem in the Philippines or otherwise in any foreign country in which the vessel may be found. No vessel shall be granted departure clearance unless the Pilotage Fees are paid in full or satisfactory arrangements are agreed upon for the payment of Pilotage Fees.

Sec. 16. Grounds for Suspension or Cancellation of Appointment. - The Port Authority may cancel or suspend the appointment of harbor pilots on the following grounds:

- (a) Refusal or failure to render effective and efficient pilotage service without justifiable cause;
- (b) Failure or refusal to observe and comply with safety standards and port policies;
- (c) Gross incompetence or negligence which resulted in the loss of cargoes, loss of lives and destruction of vessel and harbor properties;
- (d) Implementation of rates and fees not agreed by the parties or duly authorized by the Port Authority;
- (e) Involvement or participation in illegal activities such as smuggling and trafficking passengers;
- (f) Failure or refusal to post the required performance bond and other related fees;

- (g) Failure to comply with the substantive requirements of the Port Authority;
- (h) Failure or refusal to post the required indemnity insurance;
- (i) Intoxication and use of prohibited drugs during the performance of duties as a harbor pilot;
- (j) Fraudulent misrepresentation, including the use and submission of any false or forged documents, in obtaining the Harbor Pilot License or appointment;
- (k) Acts prejudicial to the Professional Code of Conduct for harbor pilots;
- (l) Physical or mental impediment to render pilotage services as may be determined by a physician accredited by the Department of Health; or
- (m) Failure to comply with any of the provisions of this Act and its implementing rules and regulations.

Sec. 17. Responsibility of Owner, Agent or Master of a Vessel. - The owner, agent or master of a vessel shall only employ duly licensed and appointed 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 Port Authority. For this purpose, the Port Authority shall publish the list of appointed 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. 18. Limitation of Pilot's Liability. - A harbor pilot licensed to act as such by the Port Authority and authorized to provide pilotage services in the different harbor pilotage districts 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 and its owners are not relieved of their responsibility for any loss or damage caused by or to the vessel even while the vessel is under compulsory pilotage. Under this act, the master retains his overriding authority and the responsibility to make decisions with respect to the safety of his crew, passengers and/or cargoes, and the environment.

A harbor pilot licensed to act as such by the Port Authority 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 Port Authority, to cover the limit of the liability. 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 of 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 from 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 appointed by the Port Authority.

Sec. 19. Pilotage Safety Development Trust Fund - There shall be an independent and separate trust fund established under this Act, to be administered by the Port Authority 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.

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

The Port Authority shall render a quarterly report to the Secretary of Transportation on 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 Port Authority for purposes under this Act.

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.

Sec. 20. Penal Provision. - A fine of not less than Five Hundred Thousand Pesos (P500,000.00) nor more than Two Million Pesos (P2,000,000.00) at the discretion of the court, shall be imposed upon:

- (a) Any person who shall render pilotage services without a valid license for that particular district issued by the Administration and without a valid appointment by Port Authority;
- (b) Any person who represents one's self as a harbor pilot for a particular pilotage district without being a member of the duly recognized 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 or appointment; and
- (d) Any person who shall use an expired, revoked or suspended harbor pilot license or appointment to perform pilotage services.

Sec. 21. Transitory Provisions. — Harbor pilots duly authorized to render pilotage services prior to the effectivity and implementation of this Act shall continue to exercise their profession until they reach the mandatory retirement age.

All rules, regulations, administrative orders, circulars and related issuances on pilotage services promulgated by the different port authorities shall continue to apply until otherwise updated, repealed or modified and inconsistent with the provisions under the Act.

Sec. 22. Implementing Rules and Regulations. - Following the effectivity of this Act, the Administration shall immediately convene and promulgate the necessary implementing rules and regulations of this Act within a period of ninety (90) days from its effectivity.

Sec. 23. Separability Clause. — If any part or provision of this Act is declared as unconstitutional or invalid by a court of competent jurisdiction, the remaining provisions which are not affected thereby shall continue to be in full force and effect.

Sec. 24. Repealing Clause. — Other laws, decrees, issuances, rules and regulations, or any part thereof, which are inconsistent with or contrary to the provisions of this Act, are hereby repealed or modified accordingly.

Sec. 25. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.