

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

8 FEB 11

RECEIVED



SENATE

S. NO. 2059

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

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

The Charter of the Philippine Ports Authority (PPA), Presidential Decree No. 85, specifically Section 6 (a) (viii), vests PPA with the power to control, regulate and supervise pilotage and the conduct of pilots in any port district. PPA has promulgated several regulations on pilotage in order to implement its mandate and/or to respond to the complaints of both foreign and coastwise shipping lines/operators.

The complaints include unsatisfactory or delayed services rendered by some pilots, lack of proper equipment and gear overcharging of pilotage fees and the collection of unauthorized fees.

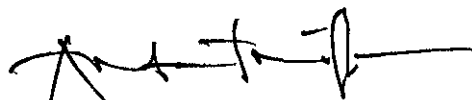
At present, pilotage services are solely provided by the members of the Harbor Pilots' Association in a pilotage district which is under the United Harbor Pilots' Association of the Philippines (UHPAP).

On 3 February 1986, President Marcos signed Executive Order No. 1088 without prior consultation with the maritime sector and the PPA. The EO made pilotage services in all ports in the country compulsory, and increased pilotage fees by as much as four thousand percent (4,000%) for the benefit of UHPAP members, the umbrella organization.

Presently, there is a need to define clearly pilotage services, and to establish in an unequivocal manner the basis for the imposition of not less than 10% of government share in the gross receipts from harbor pilotage operations.

This bill seeks to provide a mechanism for determining pilotage rates and the extent of maritime liability of harbor pilots.

Passage of this bill is earnestly requested.




ANTONIO "SONNY" F. TRILLANES IV
Senator

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

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

1 **SECTION 1. *Title.***- This Act shall be known as the "*Pilotage Service Act of 2008.*"

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

- 6 a) Ensure the safe conduct in ports of vessels and seaborne
7 commerce/passengers;
- 8 b) Protect port structure and facilities;
- 9 c) Establish reasonable charges for pilotage services;
- 10 d) Foster fair competition among harbor pilots in the delivery of pilotage
11 services;
- 12 e) Ensure efficient pilotage services at all times; and
- 13 f) Professionalize harbor pilotage services.

14
15 **SEC. 3. *Definition of Terms.*** - For purposes of this Act, the terms used herein,
16 unless the context indicates otherwise, shall mean as follows:

1 a) Pilotage service is the act of conducting/maneuvering a vessel to/from berth to
2 anchorage.

3 b) Harbor pilot is a licensed master mariner duly accredited by the Philippine
4 Ports Authority to conduct pilotage in a pilotage district.

5 c) Authority refers to the Philippine Ports Authority.

6 d) Accreditation is the authority granted by PPA to any harbor pilot to render
7 pilotage services in a particular pilotage district.

8 e) Permit to operate is the authority granted by the PPA to any pilots
9 organization to render pilotage service in a particular pilotage district.

10 f) Gross income from pilotage services is the total gross billing whether
11 collected or not, assessed against the shipowner/agents for pilotage and related services.

12

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

16

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

20

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

26

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

3
4 **SEC. 7. *Accreditation of Harbor Pilots.*** - Harbor pilots shall be accredited by
5 the Authority, on the basis of merit and fitness, for a term of not less than one (1) year but not
6 exceeding five (5) years.

7 Accreditation may be renewed under such terms and conditions as the Authority may
8 adopt, but in no case shall the renewal exceed the compulsory retirement age as provided for
9 in Section 9 hereof.

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

12 Nothing contained herein shall be construed to mean an employer-employee
13 relationship between the Harbor Pilot and the Authority.

14
15 **SEC. 8. *Qualification of a Harbor Pilot.*** - No person shall be accredited as
16 harbor pilot unless he is a Filipino citizen and, on the day of accreditation, is not more than
17 fifty-five (55) years old, of sound physical and mental condition, of good moral character,
18 and a holder of a license as harbor pilot for the pilotage district applied for.

19
20 **SEC. 9. *Compulsory Retirement of Pilots.*** - Upon the effectivity of this Act,
21 harbor pilots shall be considered retired at the age of sixty (60) years.

22
23 **SEC. 10. *Establishment of a Pilots Organization.*** - Pilots in a pilotage district
24 may form themselves into a pilots' organization which shall be registered with the Securities
25 and Exchange Commission and accredited with the Authority. The organization shall be
26 headed by a Chief Pilot to be elected from the member-pilots.

1 **SEC. 11. *Permit to Operate.*** - Every pilots organization shall secure from the
2 Authority a permit to operate (PTO) for such services under terms/conditions the Authority
3 may prescribe.

4
5 **SEC. 12. *Cancellation of PTO.*** - The PTO may be canceled by the Authority
6 only for cause and after due process.

7
8 **SEC. 13. *Record.*** - Harbor pilots/pilots organizations shall keep a record of their
9 operations and financial transactions and such other records or reports as may be required by
10 this Act. All records shall be made open to member-pilots and concerned government
11 agencies for inspection and examination.

12
13 **SEC. 14. *Indemnity Insurance.*** - Every pilots organization shall collectively
14 insure its membership with the Government Service Insurance System (GSIS) at an amount
15 to be determined by the Authority to cover in whole or in part any liability arising from any
16 accident resulting in damage to vessel(s), port facilities and other properties, and/or death or
17 injury to persons caused by its members in the performance of pilotage service.

18
19 **SEC. 15. *Operating Capital, Equipment and Facilities.*** - To effectively and
20 efficiently render pilotage services, individual pilots and/or pilots organizations shall make
21 available operating capital, equipment or facilities as may be required by the Authority.

22
23 **SEC. 16. *Pilotage Services and Rates.*** - The Authority shall define pilotage
24 services, including tug assistance and other related services, and shall determine, establish
25 and adjust the rates therefore in coordination with relevant government agencies and
26 concerned private sectors, taking into consideration factors such as, but not limited to,
27 tonnage of vessels and distance covered by the service.

1 The rates thus determined shall take effect fifteen (15) days after publication in any
2 newspaper of general circulation.

3
4 **SEC. 17. *Government Share for Pilotage Services.***- For the privilege granted to
5 pilots/pilots organizations to undertake pilotage services and for the use of port facilities,
6 there shall be collected a government share of not less than ten (10%) percent in the pilots'
7 gross income from pilotage and related services.

8
9 **SEC. 18. *Extent of Liability.*** – A harbor pilot/pilotage organization providing
10 pilotage service to a vessel shall be responsible for the damage sustained by the vessel and
11 other facilities, and for the death or injury to persons resulting from his/its failure or
12 negligence. He/it may only be absolved from liability if the accident is caused by *force*
13 *majeure* or natural calamities, or when his/its order is countermanded by the master of the
14 vessel: Provided, however, That he/it exercises extraordinary diligence in the performance of
15 his/its duties to prevent or minimize damage.

16
17 **SEC. 19. *Penalties.*** - Any person who violates the provisions of this Act and the
18 implementing rules and regulations shall be punished by imprisonment of not less than ten
19 (10) days but not more than six (6) months, as may be determined by the court.

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

22 The Authority shall have the power to suspend, cancel or revoke the accreditation of a
23 harbor pilot and to impose administrative fines in an amount not less than Twenty Thousand
24 Pesos (P/20,000.00) but not more than Two Hundred Thousand Pesos (P/200,000.00) for
25 such specific violation as shall be determined by the Authority.

26

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

5
6 **SEC. 21. *Repealing Clause.*** - Executive Order No. 1088 and all other laws,
7 decrees, orders, rules and regulations or parts thereof inconsistent with or contrary to the
8 provisions of this Act are hereby repealed or modified accordingly.

9
10 **SEC. 22. *Separability Clause.*** - If any part or provision of this Act is held
11 unconstitutional or invalid, other parts or provisions which are not affected thereby shall
12 continue to be in full force and effect.

13
14 **SEC. 23. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
15 publication in at least two (2) national newspapers of general circulation.

Approved,