

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

OFFICE OF THE CLERK
SENATE
AUG 13 2009

SENATE

COMMITTEE REPORT NO. 549

Prepared and submitted jointly by the Committees on National Defense and Security, Civil Service, and Government Reorganization, Finance, and Ways and Means on
AUG 13 2009

Re: Senate Bill No. 3389

Recommending its approval in substitution of S. Nos. 186, 541, 1142, 1238, 1412, 1419, and 3029, and H. No. 5151, taking into consideration P.S. Res. Nos. 33 and 715.

Sponsors: Senators Biazon, Lacson, and Angara

MR. PRESIDENT:

The committees on National Defense and Security, Civil Service and Government Reorganization, Finance, and Ways and Means, to which were referred **Senate Bill No. 186**, introduced by Senator Biazon, entitled:

**“AN ACT
TRANSFERRING THE PHILIPPINE COAST GUARD TO THE
DEPARTMENT OF NATIONAL DEFENSE AS A SEPARATE AND
DISTINCT SERVICE UNDER THE PHILIPPINE NAVY, FURTHER
AMENDING REPUBLIC ACT NO. 5173, AS AMENDED, AND FOR OTHER
PURPOSES”;**

Senate Bill No. 541, introduced by Senator Ejercito-Estrada, entitled:

**“AN ACT
ESTABLISHING THE PHILIPPINE COAST GUARD AS AN ATTACHED
AGENCY TO THE DEPARTMENT OF TRANSPORTATION AND
COMMUNICATIONS, FURTHER AMENDING REPUBLIC ACT NO. 5173
AND PRESIDENTIAL DECREE 601, AND FOR OTHER PURPOSES”;**

Senate Bill No. 1142, introduced by Senator Pimentel, Jr., entitled:

**“AN ACT
STRENGTHENING THE PHILIPPINE COAST GUARD AND VESTING IN IT
THE PRIMARY RESPONSIBILITY OF ENFORCING MARITIME SAFETY
RULES AND REGULATIONS AS WELL AS ANY OTHER MATTER
RELATED TO THE PERFORMANCE OF SAFETY OF LIFE AND
PROPERTY FUNCTION WITHIN PHILIPPINE TERRITORIAL WATERS
AND FOR OTHER PURPOSES”;**

Senate Bill No. 1238, introduced by Senator Escudero, entitled:

**“AN ACT
REORGANIZING THE PHILIPPINE COAST GUARD AS A SEPARATE AND
DISTINCT COMMISSIONED SERVICE UNDER THE DEPARTMENT OF
TRANSPORTATION AND COMMUNICATIONS AND FOR OTHER
PURPOSES”;**

Senate Bill No. 1412, introduced by Senator Gordon, entitled:

**“AN ACT
TO PROMOTE MARITIME SAFETY, ENHANCE MARITIME SECURITY,
AND SAFEGUARD AND PROTECT THE MARITIME ENVIRONMENT BY
STRENGTHENING THE PHILIPPINE COAST GUARD”;**

Senate Bill No. 1419, introduced by Senator Trillanes, entitled:

**“AN ACT
TRANSFERRING THE PHILIPPINE COAST GUARD TO THE
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS AS A
SEPARATE AND DISTINCT ARMED UNIFORMED COMMISSIONED
SERVICE, FURTHER AMENDING REPUBLIC ACT NO. 7153, AS
AMENDED, AND FOR OTHER PURPOSES”;**

Senate Bill No. 3029, introduced by Senator Trillanes, entitled:

**“AN ACT
TO RESTORE THE PHILIPPINE COAST GUARD (PCG) OF ITS
AUTHORITY AND RESPONSIBILITY TO PERFORM SHIP SAFETY
INSPECTION SERVICES AND CARRY OUT OTHER SHIP SAFETY
ENFORCEMENT FUNCTIONS, AMENDING FOR THIS PURPOSE
REPUBLIC ACT NO. 9295, AND FOR OTHER PURPOSES”;** and

House Bill No. 5151, introduced by Reps. Golez, Biazon, Jaafar, Mitra, Mendoza, Madrona, Escudero, Puentevella, Lagman, Codilla and Teodoro, entitled:

**“AN ACT
TRANSFERRING THE PHILIPPINE COAST GUARD TO THE
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS AS AN
ATTACHED AGENCY AND REDEFINING ITS ORGANIZATION AND
PERSONNEL ADMINISTRATION, AMENDING REPUBLIC ACT NO. 5173,
AND FOR OTHER PURPOSES”;**

taking into consideration **Proposed Senate Resolution No. 33**, introduced by Senator Biazon, entitled:

**“RESOLUTION
DIRECTING THE COMMITTEE ON NATIONAL DEFENSE AND SECURITY
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATUS**

OF THE PHILIPPINE COAST GUARD (PCG) TO DETERMINE APPLICABLE LAWS IN ITS ADMINISTRATION AND THE TREATMENT OF ITS OFFICERS AND PERSONNEL”; and

Proposed Senate Resolution No. 715, introduced by Senator Santiago, entitled:

**“RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, ON DEFINING THE CHARACTER
AND MANDATE OF THE PHILIPPINE COAST GUARD”**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached Senate Bill No. 3389, prepared by the Committees, entitled:

**“AN ACT
ESTABLISHING THE PHILIPPINE COAST GUARD AS AN ARMED AND
UNIFORMED SERVICE ATTACHED TO THE DEPARTMENT OF
TRANSPORTATION AND COMMUNICATIONS, THEREBY REPEALING
REPUBLIC ACT NO. 5173, AS AMENDED, AND FOR OTHER PURPOSES”**

be approved in substitution of S. Nos. 186, 541, 1142, 1238, 1412, 1419, and 3029, and H. No. 5151, taking into consideration P.S. Res. Nos. 33 and 715, with Senators Biazon, Ejercito-Estrada, Pimentel, Escudero, Gordon, Trillanes, Santiago, Lacson and Angara as authors thereof.

Respectfully submitted:

Committee Chairmen:



RODOLFO G. BIAZON
National Defense and Security
Member, Finance, Ways and Means

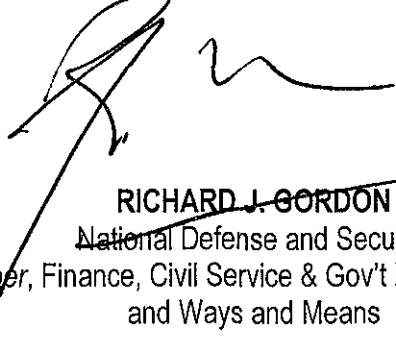


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PANFILO M. LACSON
(Acting Chair) Civil Service & Gov't Reorganization
Ways and Means
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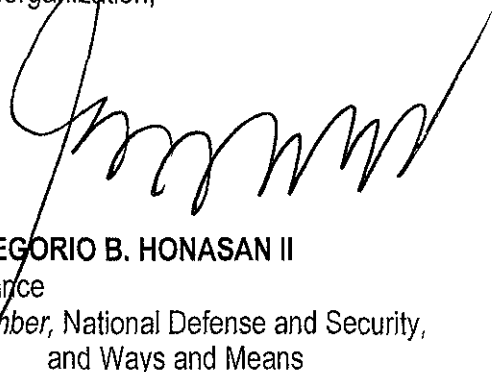
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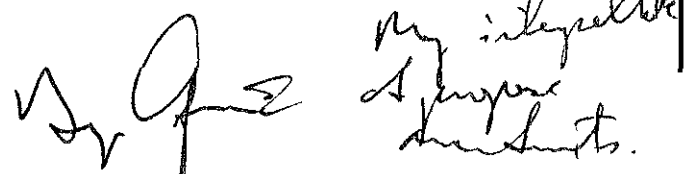


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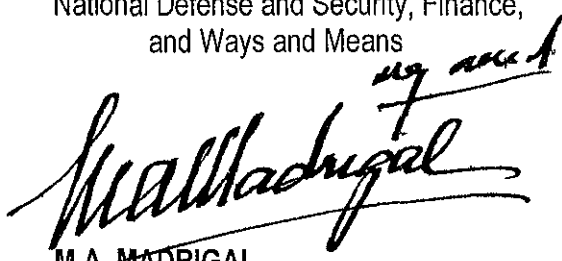


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*my intellectual
property
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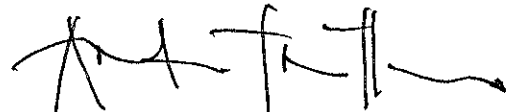
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*my intellectual
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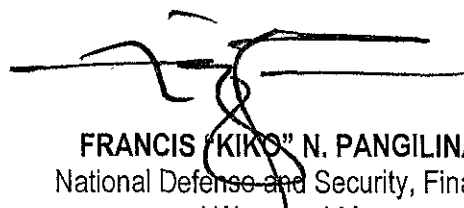
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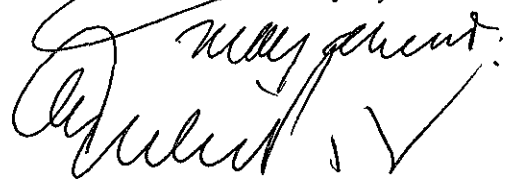
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HON. JUAN PONCE ENRILE
SENATE PRESIDENT
SENATE OF THE PHILIPPINES
PASAY CITY

9 JUN 13 PM 1:04

SENATE

S. No. **3389**

(In substitution of S. Nos. 186, 541, 1142, 1238, 1412, 1419, and 3029, and H. No. 5151, taking into consideration P.S. Res. Nos. 33 and 715)

Prepared by the Committee on National Defense and Security joint with the committees on Civil Service and Government Reorganization, Finance, and Ways and Means, with Senators Biazon, Ejercito-Estrada, Pimentel, Escudero, Gordon, Trillanes, Santiago, Lacson and Angara as authors

AN ACT
ESTABLISHING THE PHILIPPINE COAST GUARD AS AN ARMED AND UNIFORMED SERVICE ATTACHED TO THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS, THEREBY REPEALING REPUBLIC ACT NO. 5173, AS AMENDED, 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 Philippine Coast Guard Law
2 of 2009.

3 SEC. 2. *Establishment.* – The Philippine Coast Guard, hereinafter referred to as
4 the PCG, is hereby established as an armed and uniformed service attached to the
5 Department of Transportation and Communications (DOTC): *Provided,* That in times of
6 war, as declared by Congress, the PCG or parts thereof, shall be attached to the
7 Department of National Defense.

8 SEC. 3. *Powers and Functions.* – The PCG shall have the following powers and
9 functions:

10 a. To enforce regulations in accordance with all relevant maritime international
11 conventions, treaties or instruments and national laws for the promotion of safety of life
12 and property at sea within the maritime jurisdiction of the Philippines and conduct port
13 state control implementation;

14 b. To conduct inspections on all merchant ships to ensure and enforce
15 compliance with safety standards and other regulations;

16 c. To conduct emergency readiness evaluation on merchant marine vessels;

17
18 d. To issue and enforce rules and regulations for the promotion of safety of life
19 and property at sea on maritime-related activities such as fluvial parades, regattas and
20 other related recreational activities;

1 e. To coordinate, develop, establish, maintain and operate aids to navigation,
2 vessel traffic system, maritime communications and search and rescue facilities within
3 the maritime jurisdiction of the Philippines;

4 f. To remove, destroy or tow to port, sunken or floating hazards to navigation,
5 including illegal fish traps and vessels, at or close to sea lanes which may cause hazard
6 to the marine environment;

7 g. To issue permits for the salvage of vessels and to supervise all marine
8 salvage operations, as well as prescribe and enforce rules and regulations governing
9 the same;

10 h. To render aid to persons and vessels in distress and conduct search and
11 rescue in marine accidents within the maritime jurisdiction of the Philippines, including
12 the high seas, in accordance with applicable international conventions. In the
13 performance of this function, the PCG may enlist the services of other government
14 agencies and the merchant marine fleet;

15 i. To investigate and inquire into the causes of all maritime accidents involving
16 death, casualties and damage to properties;

17 j. To assist in the enforcement and maintenance of maritime security,
18 prevention or suppression of terrorism at sea, and performance of law enforcement
19 functions in accordance with pertinent laws, rules and regulations;

20 k. To assist in the enforcement of laws on fisheries, immigration, tariff and
21 customs, forestry, firearms and explosives, human trafficking, dangerous drugs and
22 controlled chemicals, transnational crimes and other applicable laws within the territorial
23 waters of the Philippines;

24 l. To board and inspect all types of merchant ships and watercrafts in the
25 performance of its functions;

26 m. To enforce laws and promulgate and administer rules and regulations for the
27 protection of marine environment and resources from offshore sources of pollution
28 within the jurisdiction of the Philippines;

29 n. To develop oil spill response, containment and recovery capabilities against
30 ship-based pollution;

31 o. To grant, within its capabilities and consistent with its mandate, requests for
32 assistance of other government agencies in the performance of their functions;

33 p. To organize, train and supervise the PCG Auxilliary (PCGA) for the purpose of
34 assisting the PCG in carrying out its mandated functions; and

35 q. To perform such other functions that may be necessary in the attainment of
36 the objectives of this Act.

37 SEC. 4. *The PCG Commandant.* – The PCG shall be headed by a Commandant
38 who shall carry the rank of Admiral: *Provided,* That he shall be appointed by the

1 President from among the Flag Officers in the Coast Guard service. He shall hold a
2 command-at-sea badge and must have served as a District Commander of the PCG.
3 The Commandant shall have a maximum term of three (3) years. A Commandant who
4 has served for three (3) years prior to his compulsory retirement shall be considered as
5 retired and entitled to all the benefits available to a Coast Guard officer as if he is
6 compulsorily retired.

7 SEC. 5. *Organization.* – The PCG shall consist of the following
8 categories of officers and employees:

- 9 a. PCG officers;
- 10 b. PCG non-officers;
- 11 c. PCG non-uniformed personnel;
- 12 d. Probationary ensign;

13 SEC. 6. *PCG Technical Service.* There shall be a PCG Technical Service to be
14 composed of chaplains, chemists, dentists, lawyers, marine biologists, medical doctors,
15 nurses, professors and veterinarians, including personnel whose pre-entry required
16 courses are closely allied to the aforementioned professional group.

17 SEC. 7. *Organization of a PCG Auxiliary.* – The PCG shall continue to maintain,
18 supervise and train the PCGA as a civilian volunteer organization under the direct
19 control and supervision of the PCG Commandant. The PCGA shall assist in the
20 promotion of safety of life and property at sea, the preservation of the marine
21 environment and its resources, the conduct of maritime search and rescue, the
22 maintenance of aids to navigation and such other activities that enhance maritime
23 community relations which include civic action, youth development, recreational safety
24 and other related activities.

25 SEC. 8. *Appointments.* – Appointments of PCG officers, which shall be in the
26 initial rank of Coast Guard Ensign, shall be made by the Secretary of the DOTC upon
27 the recommendation of the PCG Commandant. The initial appointment ranks of
28 chaplains, dentists, lawyers, medical doctors, professors and veterinarians shall be
29 Coast Guard Lieutenant. The initial appointment ranks of the other members of the PCG
30 Technical Service who belong to other fields of occupational specialties not mentioned
31 herein shall be as determined and made by the PCG Commandant.

32 No person shall be appointed as an officer of the PCG unless he is a natural born
33 citizen of the Philippines, at least twenty-one (21) years of age at the date of
34 appointment, physically fit and is a baccalaureate degree holder. The appointment of
35 the PCG Commandant and Flag Officers shall be approved by the President upon the
36 recommendation of the Secretary of the DOTC. Appointments of all PCG non-officers
37 shall be made by the PCG Commandant. Appointments of all non-uniformed personnel
38 shall be in accordance with the Civil Service law, rules and regulations.

1 SEC. 9. *Promotions.* – The promotion of PCG officers as submitted by the PCG
2 Officers Selection and Promotion Board shall be recommended by the PCG
3 Commandant for the approval of the Secretary of the DOTC: *Provided,* That the
4 promotion to the rank of Flag Officers in the PCG shall be submitted by a Board of
5 Senior Officers to the PCG Commandant for the approval of the President upon
6 recommendation of the Secretary of the DOTC: *Provided, further,* That said officers
7 shall possess all the qualifications and none of the disqualification provided under
8 pertinent laws, rules, and regulations, specifically on the completion of the required
9 schooling, training and minimum time and grade for said ranks.

10 The PCG Commandant shall approve the promotion of PCG non-officers to the
11 next higher rank based on the recommendation of the PCG Selection and Promotion
12 Board for Non-Officers: *Provided,* That special or meritorious promotion shall be
13 extended to any PCG non-officer for acts of inconspicuous courage or outstanding
14 achievement in the Coast Guard service as determined by the PCG Selection and
15 Promotion Board for Non-Officers. The promotion of non-uniformed employees shall be
16 governed by Civil Service laws, rules and regulations.

17 SEC. 10. *Salaries and Other Benefits.* – The uniformed personnel of the PCG
18 shall receive the same base pay, longevity pay, hazard pay and other benefits and
19 allowances as are now or hereafter may be authorized for corresponding salary grades
20 and ranks in the Armed Forces of the Philippines (AFP) until such time that a new law is
21 enacted for the purpose. The salaries and allowances of the non-uniformed employees
22 of the PCG shall be in accordance with Civil Service laws, rules and regulations.

23 Personnel of the Technical Service shall, in addition to other allowances
24 authorized under this Act and other existing laws, be granted occupational specialty pay
25 which shall not exceed fifty percent (50%) of their basic pay.

26 SEC. 11. *Active Service.* – For purposes of this Act, the active service of PCG
27 personnel hereof shall refer to services rendered as an officer, non-officer, probationary
28 ensign, or those rendered as a civilian official or employee in the PCG prior to the date
29 of separation or retirement from the PCG: *Provided,* That the term active service shall
30 include confirmed services rendered as a civilian employee in the Philippine
31 government.

32 SEC. 12. *Disciplinary Action.* – The applicable and pertinent provisions of the
33 AFP Military Justice System shall be adopted in disciplinary cases against PCG officers
34 and non-officers. The applicable rules, regulations and guidelines promulgated by the
35 Civil Service Commission shall govern cases against PCG non-uniformed employees.

36 SEC. 13. *Retirement.* – Upon attaining fifty-six (56) years of age or upon
37 accumulation of thirty (30) years of continuous satisfactory active service, a PCG officer
38 or non-officer shall be compulsorily retired: *Provided,* That said officer or non-officer

1 shall have a minimum of twenty (20) years active service. The retirement of non-
2 uniformed personnel shall be governed by Civil Service laws, rules and regulations.

3 SEC. 14. *Retirement Benefits.* – Monthly retirement pay of officers and non-
4 officers shall be fifty percent (50%) of base pay and longevity pay of the next higher
5 grade last held in case of twenty (20) years of active service, increasing by two and
6 one-half percent (2½%) for every year of service rendered beyond twenty (20) years to
7 a maximum of ninety percent (90%) for thirty-six (36) years of active service and over.
8 The retirement benefits of non-uniformed personnel shall be governed by Civil
9 Service/Government Security and Insurance System Law.

10 SEC. 15. *Separation from Service.* – Officers and non-officers who voluntarily
11 resign or otherwise fail to comply with the standards of competence and proficiency of
12 the PCG, shall be separated from the service under existing laws, rules and regulations.
13 The separation of non-uniformed personnel shall be in accordance with Civil Service
14 law, rules and regulations.

15 SEC. 16. *Collection of Revenues.* – The PCG shall collect fees, dues, charges
16 and fines relevant to the exercise of its various functions.

17 SEC. 17. *Rules and Regulations.* – The PCG Commandant shall issue rules and
18 regulations, determine, fix, and/or prescribe charges, rates, penalties pertinent, as may
19 be necessary, to implement the provisions of this Act, as well as the provision of acts,
20 decrees and orders related to the implementation of the PCG functions.

21 SEC. 18. *PCG Properties and Lighthouse Reservations.* – The PCG shall
22 continue to exercise exclusive ownership, possession, control and supervision over all
23 properties transferred to it by virtue of Executive Order No. 475 dated 30 March 1998
24 and Executive Order No. 477 dated 15 April 1998, such as *inter alia*, vessels,
25 watercrafts, firearms, armaments, munitions, communications and electronic equipment,
26 vehicles, buildings, real estate and lighthouse reservations.

27 SEC. 19. *Establishment and Expansion of Coast Guard Bases and Facilities.* – In
28 coordination with other appropriate government agencies, the PCG shall develop and
29 enhance its capabilities in the performance of its mandated functions and establish its
30 strategic presence.

31 SEC. 20. *Appropriations.* – The Secretary of the DOTC shall immediately prepare
32 the necessary guidelines to cover the establishment of the PCG as an attached agency
33 to the DOTC, the initial funding of which shall be charged against the current year's
34 appropriations of the PCG and, thereafter, in the annual General Appropriations Act.

35 SEC. 21. *Transitory Provisions.* – All previous appointments and promotions of
36 PCG uniformed personnel made prior to the enactment of this Act shall remain valid and
37 subsisting.

1 SEC. 22. *Separability Clause.* – If for any reason, any provision of this Act is
2 declared unconstitutional or invalid, such parts not affected thereby shall remain in full
3 force and effect.

4 SEC. 23. *Repealing Clause.* – All laws, decrees, executive orders, rules and
5 regulations and other issuances or parts thereof which are inconsistent with this Act are
6 hereby repealed, amended or modified accordingly.

7 SEC. 24. *Effectivity.* – This Act shall take effect fifteen (15) days after its
8 publication in the *Official Gazette* or in any two (2) newspapers of general circulation.

9 Approved.