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SENATE

S. NO. 996

RECEIVED BY: 

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



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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 2013.*"

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

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

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

- 13 a) Pilotage service is the act of conducting! maneuvering a vessel to/from berth to
14 anchorage,
- 15 b) Harbor pilot is a licensed master mariner duly accredited by the Philippine
16 Ports Authority to conduct pilotage in a pilotage district,
- 17 c) Authority refers to the Philippine Ports Authority,
- 18 d) Accreditation is the authority granted by PPA to any harbor pilot to render
19 pilotage services in a particular pilotage district.
- 20 e) Permit to operate is the authority granted by the PPA to any pilots' organization
21 to render pilotage service in a particular pilotage district.

1 f) Gross income from pilotage services is the total gross billing whether collected or not,
2 assessed against the shipowner/ agents for pilotage and related services.
3

4 **SEC. 4. *Establishment of Pilotage District.*** - The Philippine Ports Authority is hereby
5 authorized to establish, through longitude and latitude, the pilotage districts throughout the
6 country including the number of pilots for each pilotage district.
7

8 **SEC. 5. *Provision of Pilotage Services.***- Pilotage services in all pilotage districts shall be
9 provided directly by the Authority either by contract or through accredited pilots organizations.
10

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

16 Pilotage for vessels engaged in domestic trade shall be optional, except in specific
17 ports/areas/cases declared as compulsory per regulations promulgated by the Authority.
18

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

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

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

27 Nothing contained herein shall be construed to mean an employer-employee relationship
28 between the Harbor Pilot and the Authority.
29

30 **SEC. 8. *Qualification of a Harbor Pilot.*** - No person shall be accredited as harbor pilot
31 unless he is a Filipino citizen and, on the day of accreditation, is not more than fifty-five (55)
32 years old, of sound physical and mental condition, of good moral character, and a holder of a
33 license as harbor pilot for the pilotage district applied for.
34

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

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

5
6
7 **SEC. 11. *Permit to Operate.*** - Every pilots' organization shall secure from the Authority
8 a permit to operate (PTO) for such services under terms/conditions the Authority may prescribe.

9
10 **SEC. 12. *Cancellation of PTO.*** - The PTO may be canceled by the Authority only for
11 cause and after due process.

12
13 **SEC. 13. *Record*** - Harbor pilots/ pilots' organizations shall keep a record of their
14 operations and financial transactions and such other records or reports as may be required by this
15 Act. All records shall be made open to member-pilots and concerned government agencies for
16 inspection and examination.

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

23
24 **SEC. 15. *Operating Capital, Equipment and Facilities.*** - To effectively and efficiently
25 render pilotage services, individual pilots and/or pilots organizations shall make available
26 operating capital, equipment or facilities as may be required by the Authority.

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

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

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

5
6 **SEC. 18. *Extent of Liability.*** - A harbor pilot/pilotage organization providing pilotage
7 service to a vessel shall be responsible for the damage sustained by the vessel and other facilities,
8 and for the death or injury to persons resulting from his its failure or negligence. He/ it may only
9 be absolved from liability if the accident is caused by *force majeure* or natural calamities, or
10 when his/ its order is countermanded by the master of the vessel: Provided, however, That he/it
11 exercises extraordinary diligence in the performance of his/ its duties to prevent or minimize
12 damage.

13
14 **SEC. 19. *Penalties.*** - Any person who violates the provisions of this Act and the
15 implementing rules and regulations shall be punished by imprisonment of not less than ten (10)
16 days but not more than six (6) months, as may be determined by the court.

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

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

23
24 **SEC. 20. *Issuance of New Accreditation to Incumbent Harbor Pilots.*** - Incumbent
25 pilots in all pilotage districts shall be issued new accreditations in accordance with the provisions
26 of this Act. In no case shall said new accreditations exceed the compulsory retirement age for
27 harbor pilots as provided for in Section 9 hereof.

28
29 **SEC. 21. *Repealing Clause.*** - Executive Order No. 1088 and all other laws, decrees,
30 orders, rules and regulations or parts thereof inconsistent with or contrary to the provisions of
31 this Act are hereby repealed or modified accordingly.

32
33 **SEC. 22. *Separability Clause.*** - If any part or provision of this Act is held
34 unconstitutional or invalid, other parts or provisions which are not affected thereby shall
35 continue to be in full force and effect.

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

Approved,