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SENATE

S. No. 477

RECEIVED BY: 

Introduced by Senator Antonio "Sonny" Trillanes IV

AN ACT
CREATING THE DEPARTMENT OF MARITIME AFFAIRS PROVIDING FUNDS
THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

History has shown that the wealth and destinies of the world's greatest nations have been determined and charted by the manner in which they conducted their maritime affairs. Our country is now at the crossroads of development and our maritime sector can rightfully claim that it has made a significant contribution towards achieving this feat. The Philippines is, after all, a maritime country. It is an archipelago of 7, 107 islands with a territorial sea that is both a sea chest of vast marine wealth and natural highway for the carriage of trade and commerce.

With the coming into force of the United Nations Convention on the Law of the Sea (UNCLOS) in November 16, 1994, the Philippines has thereby gained an Exclusive Economic Zone totaling as much as 652,800 square nautical miles in area, with sovereign rights over the exploration and exploitation of all living and non-living resources found in the water column as well as in the seabed. Our fisheries sector employs around one million Filipinos and contributes much to GNP. Properly explored and exploited, our vast waters and continental shelf promise to provide even greater opportunities for livelihood for our people.

The Filipino people, scattered around these numerous islands, have since time immemorial depended on the sea for transportation. Shipping remains the most economical, most efficient, and most important means of interisland transportation even in this age of great progress in air and land transportation.

Considering the relevance of a Department of Maritime Affairs to the development of the national patrimony and to the achievements of the country's long-term goal of self-reliance and economic self-sufficiency, the sponsor believes that the approval of this bill is of urgent priority.


ANTONIO "SONNY" F. TRILLANES IV
Senator

1 **SEC. 4. Powers and Functions.** - The Department shall perform the following
2 powers and functions:

3
4 (a) Encourage, promote, guide, and when necessary, regulate such business
5 activities relative to the exploration, exploitation, development, management,
6 trade and utilization of marine resources including marine transportation, port
7 system and other related activities;

8
9 (b) Assess, review and, in coordination with relevant government agencies,
10 provide direction to research and development programs including
11 identification of source of marine resources and determination of their
12 commercial feasibility for development and utilization;

13
14 (c) Give full and complete effect to all International Maritime Organization
15 (IMO) Conventions to which the Republic of the Philippines at present is, or
16 in the future shall be a Party;

17
18 (d) Conduct in-depth studies on all policy areas and options with respect to the
19 country's implementation of IMO Conventions, the United Nations
20 Convention on the Law of the Sea, and other pertinent International
21 conventions and national laws;

22
23 (e) Monitor foreign and domestic developments relative to the formulation and
24 implementation of the country's strategy in implementing the provisions of the
25 United Nations Convention on the Law of the Sea and other international
26 conventions including the determination of the maritime area of the country
27 and to protect the integrity of the said area;

28
29 (f) Recommend measures to provide assistance to the private sector for the
30 improvement and upgrading of maritime transportation and infrastructure like
31 ports, lighthouse; 2, shipyards, fishports, refrigeration facilities, processing
32 plants and other related facilities;

1 (g) Promote, develop and monitor the continuing education, training and
2 qualification, availability and deployment of seafarers and other maritime
3 manpower aboard local and foreign vessels consistent with international
4 standards and conventions; and

5
6 (h) Generally exercise all powers and duties necessary to implement the national
7 policy on maritime affairs pursuant to the objectives of this Act.
8

9 **SEC. 5. *Organization.*** - The Department shall consist of the following offices and
10 agencies:

- 11 a) Department Proper
12 b) Maritime Industry Development Authority
13 c) Philippine Ports Authority
14 d) National Seafarers Administration
15 e) Philippine Merchant Marine Academy
16 f) National Maritime Polytechnic
17 g) Maritime Research Institute
18 h) Philippine Coast Guard
19

20 **SEC. 6. *Department Proper.*** -The Department Proper shall consist of the following
21 offices:

- 22 a) Office of the Secretary. - The Office of the Secretary shall consist of the
23 Secretary and his immediate staff.
24
25 b) Undersecretaries. - The Secretary shall be assisted by three (3)
26 Undersecretaries, appointed by the President upon the recommendation of the
27 Secretary, each Undersecretary shall have control and supervision over the
28 respective offices and services assigned to him by the Secretary.
29
30 c) Assistant Secretaries. - The Secretary shall also be assisted by four (4)
31 Assistant Secretaries, appointed by the President upon the recommendation of
32 the Secretary. This will be one each for Merchant Marine Administration,
33 Maritime Industry Development, Ports and Harbors, and the Coast Guard.

1 **SEC. 7. *Head of the Department.*** - The head of the Department, hereinafter referred
2 to as the Secretary, shall be appointed by the President subject to confirmation of the
3 Commission on Appointments.
4

5 **SEC. 8. *General Powers, Terms of Office ad Compensation of the Secretary.***- The
6 authority and responsibility for the exercise of the Department's power and functions shall be
7 vested in the Secretary, who shall hold office at the pleasure of the President and shall receive
8 the compensation, allowances, and other emoluments to which heads of departments are
9 entitled.
10

11 **SEC. 9. *Specific Power and Functions of the Secretary.*** - The powers and functions
12 of the Department shall be exercised by and through the Secretary, who shall:
13

- 14 a) exercise control and supervision over all offices and bureaus under the
15 Department;
- 16 b) coordinate all policies and programs relating to maritime and marine affairs as
17 provided in this Act;
- 18 c) undertake consultations with other member of the Cabinet and other members of
19 Government officialdom relating to maritime and marine matters and recommend
20 policies and programs to the President relative thereto; and
- 21 d) advise the President of the activities, programs, plans and all information
22 necessary or relevant to maritime or marine affairs.
23

24 **SEC. 10. *Offices in the Department.*** - The Department shall have, under the
25 supervision and control of the Secretary, an Administrative Service, a Financial and
26 Management Service, and a Planning Service with the following functions:
27

- 28 a) The Administrative Service shall be responsible for providing the Department
29 with services relating to personnel, legal assistance, information, records,
30 supplies, equipment, and custodial work;
- 31 b) The Financial and Management Service shall be responsible for providing the
32 Department with staff advice and assistance on budgetary, financial, and
33 management improvement matters; and

1 c) The Planning Services shall be responsible for providing the Department with
2 services relating to planning, programming, project development, including
3 development policies and programs and priorities as may be warranted by
4 domestic and international development.
5

6 **SEC. 11. *Transfer of Bureaus, Offices and Agencies.*** - The following bureaus,
7 offices, and agencies will be transferred from their respective departments (as shown in
8 parenthesis) to the Department of Maritime Affairs.
9

- 10 a) Maritime Industry Authority (DOTC)
11 b) Philippine Ports Authority (DOTC)
12 c) Philippine Merchant Marine Academy (DOTC)
13 d) Philippine Coast Guard (DND)
14 e) Seafarers Section of the Philippine Overseas Employment Administration (DOLE)
15 f) Seafarers Section of the Overseas Workers Welfare Administration (DOLE)
16 g) National Maritime Polytechnic (DOLE)
17 h) Maritime Training Council (DOLE)
18

19 **CHAPTER III**

20 **THE MARITIME INDUSTRY DEVELOPMENT AUTHORITY**

21
22 **SEC. 12. *The Maritime Industry Development Authority.*** - To carry out the policies
23 and purposes of promoting the growth and developing the economic viability of the maritime
24 industry, the Maritime Industry Authority together with its capital assets, equipment, and
25 existing budget is hereby transferred from the Department of Transportation and
26 Communications to the Department of Maritime Affairs and is hereby renamed the Maritime
27 Industry Development Authority.
28

29 **SEC. 13. *Composition and Organization.*** - The Maritime Industry Development
30 Authority is hereby created initially consisting of the existing officials and employees of the
31 Maritime Industry Authority, headed by an Administrator.
32

33 **SEC. 14. *Powers and Functions.*** - The Maritime Industry Development Authority
34 shall have the following powers and functions:

- 1 a) Develop and formulate plans, policies, programs, projects, standards,
2 specifications and guidelines geared toward the promotion and development of the
3 commercial and economic viability of the maritime industry, the growth and
4 effective regulation of shipping enterprises;
5
6 b) Establish, prescribe and regulate routes, zones and/or rates pertinent to the
7 operation of particular operators of public water services;
8
9 c) Issue Certificate of Public Convenience for the operation of domestic and
10 overseas water carriers;
11
12 d) Determine fix and/or prescribe changes and/or rates pertinent to the operation of
13 public water transport utilities, facilities and services except in cases where
14 charges or rates are established by international bodies or associations of which
15 the Philippines is a participating member or by bodies or associations recognized
16 by the Philippine Government as the proper arbiter of such charges or rates;
17
18 e) Accredit maritime enterprises engaged in shipbuilding, ship repair, ship breaking,
19 domestic and overseas shipping, ship management and agency;
20
21 f) Establish and prescribe rules and regulations, standards and procedures for the
22 efficient and effective discharge of the above functions, and
23
24 g) Perform such other functions as may now or hereafter be provided by law.
25
26

27 CHAPTER IV

28 THE PHILIPPINE PORTS AUTHORITY

29
30 **SEC. 15. *The Philippine Ports Authority.*** - To carry out the policies and purposes of
31 integrating and coordinating port planning, development, control and operations at the
32 national level, and at the same time promote the growth of regional port bodies responsive to
33 the needs of their individual localities, the Philippine Ports Authority, including all its capital

1 assets, equipment and existing budget, is hereby transferred from the Department of
2 Transportation and Communications to the Department of Maritime Affairs.

3
4 **SEC. 16. *Composition and Organization.*** - The Philippine Ports Authority is hereby
5 transferred consisting of its existing officials and employees, headed by the General Manager.

6
7 **CHAPTER V**
8 **THE NATIONAL SEAFARERS ADMINISTRATION**

9
10 **SEC. 17. *The National Seafarers Administration.*** - In order to carry out the policies
11 and purposes of promoting, developing and monitoring the continuing education, training,
12 welfare and deployment of Filipino seafarers and other maritime workers aboard local as well
13 as foreign vessels, consistent with international practices, standards and conventions of the
14 National Seafarers Administration is hereby created. The officials and personnel of the
15 Philippine Overseas Employment Administration (POEA) involved in the administration of
16 Filipino seafarers are hereby transferred to the National Seafarers Administration. Likewise,
17 all equipment, records and the existing budget appertaining to such functions and duties, will
18 be transferred to the National Seafarers Administration.

19
20 **SEC. 18. *Powers and Functions.*** - The National Seafarers Administration shall have
21 the following powers and functions:

- 22
23 a) Develop and formulate plans, policies, programs and procedures for the
24 education, training and qualification, welfare, employment and protection of the
25 rights of Filipino seafarers;
26 b) Maintain and complete registry of Filipino seafarers;
27 c) Provide free placement services for seafarers;
28 d) Secure the best possible terms and conditions of employment for seafarers, and to
29 ensure compliance thereof;
30 e) Regulate the activities of manning agents or representatives of ship owner in the
31 hiring of seafarers for overseas employment;
32 f) Ensure that the requirements of pertinent international organizations and
33 maritime conventions on the standards of training and qualifications of Filipino
34 seafarers are fully complied with;

- 1 g) Accredit and certify maritime training centers to ensure proper compliance with
2 the provisions enumerated in paragraph (f) above;
- 3 h) Provide the necessary technical expertise on the supervision of nautical and
4 maritime engineering schools and colleges;
- 5 i) Have original and exclusive jurisdiction over all matters or cases, including
6 money claims, involving employer-employee relations arising out of any law or
7 employment contracts involving Filipino seafarers for overseas employment. In
8 such cases, the decision of the National Seafarers Administration shall be final
9 and unappealable;
- 10 j) Establish a proper and legal forum for the disciplining of errant seafarers in order
11 to protect the reputation and excellent image of the good Filipino seaman; and
- 12 k) Perform such other functions as may now or hereafter be provided by law.
- 13

14 **CHAPTER VI**
15 **THE NATIONAL MARITIME POLYTECHNIC**

16

17 **SEC. 21. *Title National Maritime Polytechnic.***- To serve as the primary institution for
18 the upgrading of skill of the merchant marine, the National Maritime Polytechnic (NMP)
19 including all its capital assets, equipment, and existing budget, is hereby transferred from the
20 Department of Labor and Employment to the Department of Maritime Affairs.

21

22 **SEC. 22. *Composition and Organization.***- The National Maritime Polytechnic is
23 hereby transferred consisting of its existing officials and employees, headed by the Executive
24 Director and shall continue to perform all its functions and retain all its powers, rights, and
25 prerogatives as mandated by its charter. Provided, however, that the chair of the NMP Board
26 of Trustees shall be transferred from the DOLE Secretary to the DMA Secretary.

27

28 **CHAPTER VII**
29 **THE MARITIME RESEARCH INSTITUTE**

30

31 **SEC. 23. *The Maritime Research Institute.*** - The Maritime Research Institute is
32 hereby created as an -attached agency under the Department of Maritime Affairs.

1 **SEC. 26. *Specific Functions.*** - The Philippine Coast Guard shall perform the
2 following specific functions:

- 3
- 4 a) Promulgate and enforce maritime rules and regulations for the promotion of
5 safety of life and property at sea;
- 6
- 7 b) Render aid to distressed persons and vessels on the high seas and waters subject
8 to the jurisdiction of the Philippines, to furnish clothing, food, lodging, medicines
9 and necessary supplies and services to persons succored; and to take appropriate
10 actions on remains of those who have perished;
- 11
- 12 c) Register all Philippine merchant vessels; to issue safety certificates of Philippine
13 vessel; to approve plans for the construction, repair, or alternation of vessels; to
14 administer load line requirements for the promotion of the safety of life and
15 property at sea; conduct annual or periodic surveys and inspection of all
16 Philippine-registered vessels and issue certificates prescribed in the regulations
17 consistent with international standards; collect tonnage and other fees directly
18 related to vessel safety inspection, documentation and compliance with
19 international standards; to assist in the development of a single Philippine
20 Classification Society;
- 21
- 22 d) Formulate, issue, administer, and enforce the Code of Maritime Regulations for
23 the design, construction, equipment, manning, operation, repair, alteration, and
24 maintenance of all Philippine-registered vessels and all off-shore facilities
25 employed in the exploration and exploitation if marine and seabed resources
26 within the waters subject to Philippine jurisdiction;
- 27
- 28 e) Conduct inquiries, visits, examination, and inspection on vessels in waters
29 subject to the jurisdiction of the Philippines for the promotion of safety of life
30 and property at sea and for the protection of the marine environment;
- 31
- 32 f) Promulgate and enforce rules and regulations in the construction, outfitting,
33 manning, documentation and operation of motor boats, fishing vessels, and
34 pleasure craft not required to be issued a Certificate of Philippine Registry;

- 1 g) Promulgate and enforce rules and regulations on maritime communications to
2 promote safety of life and property at sea;
3
- 4 h) Regulate salvage operations and destroy or remove hazards to navigation in order
5 to promote safety of life and property at sea and to preserve the marine
6 environment;
7
- 8 i) Investigate marine accidents, including all marine protests relative to the
9 responsibility and liability of ship owner and officers and to impose
10 administrative sanctions appertaining thereto;
11
- 12 j) Qualify and issue licenses to harbor pilots and bay and river patrons through
13 proper examinations;
14
- 15 k) Conduct proper examinations and carry out such other tasks of the Board of
16 Marine Examiners for the issuance and up grading of Merchant Marine officers
17 licenses;
18
- 19 l) Develop, establish, operate, and maintain aids to navigation facilities and collect
20 aids to navigation dues for this purpose from users thereof;
21
- 22 m) Develop, establish, operate, and maintain marine environmental protection
23 facilities;
24
- 25 n) Enforce laws and to promulgate and enforce rules and regulations for the
26 prevention of marine pollution within the territorial waters and Exclusive
27 Economic Zone of the Philippines and determine and impose penalties for
28 violations thereof;
29
- 30 o) Impose administrative penalties of maritime violations and offenses incurred by
31 vessels within the territorial waters of the Philippines as well as violations by
32 Philippine-registered vessels in foreign and international waters without
33 prejudice to the civil liabilities of the offender in accordance with existing laws;

- 1 p) Conduct port State control inspections on foreign-flagged vessels calling at
2 Philippine ports in accordance with national laws and regional and international
3 agreements;
- 4
- 5 q) Detain ships found to be with deficiencies that may pose a grave threat to the
6 safety of the passengers and crew and to the vessel and its cargo, or to the marine
7 environment until such time that the deficiencies are rectified in accordance with
8 established rules and regulations;
- 9
- 10 r) Promulgate, administer, and enforce rules and regulations giving effect to the
11 provisions of International Treaties, Conventions, Protocols and Municipal Laws
12 for the safety of life and property at sea;
- 13
- 14 s) Represent the Philippine government in international and regional for a
15 concerning IMO and other maritime matters;
- 16
- 17 t) Collect international tonnage fees for Philippine-registered vessels in the
18 international trade to take care of Philippine obligation with the International
19 Maritime Organization;
- 20
- 21 u) Assist other governmental agencies in the performances of their law enforcement
22 functions against sea jacking, piracy, illegal entry, illegal fishing, illegal
23 gathering of corals and other marine products, smuggling and other frauds and
24 violations that may be committed within the waters of the Philippines. For this
25 purpose, surveillance boarding and inspections by the Philippine Coast Guard
26 may be made on vessels entering or leaving Philippine waters. In the
27 performance of these functions, members of the Philippine Coast Guard shall act
28 as a law enforcement officers of such agencies;
- 29
- 30 v) Organize, train, and supervise the Philippine Coast Guard Auxiliary for the
31 purpose of assisting in conducting search and rescue, marine environmental
32 protection, maintaining aids to navigation and such other activities that enhance
33 civil relations to include civic action, youth development, and related activities;

1 w) Maintain and operate all government vessels above 50 gross tons, not otherwise
2 assigned to the Philippine Navy, except tug boats and dredges used by the
3 Philippine Ports Authority, in such case, the operations shall solely be for the
4 mission of the agency concerned except the PCG may utilize the vessels for
5 search and rescue purposes when not on actual mission; and
6

7 x) Perform such other functions as may now hereafter be provided by law.
8

9 **SEC. 27. National Emergencies.** - In time of war or national emergency, the
10 President may direct the PCG to operate under the Armed Forces of the Philippines. Such
11 authority shall continue until the President revokes the same.
12

13 **SEC. 28. Organization.** - The PCG shall be headed by a Flag Officer equivalent in
14 rank to the Flag-Officer-in-Command, Philippine Navy. It shall consist of uniformed and
15 non- uniformed personnel with defined Coast Guard Table of Organization specialties, ranks
16 and ratings. It shall also have an independent administrative and logistics system. The
17 Commandant, Philippine Coast Guard may modify its present organizational structure
18 effectively and efficiently carry out PCG-defined functions.
19

20 **SEC. 29. Personnel** - PCG personnel shall be governed by the following rules:
21

22 a) All personnel assigned to the Philippine Coast Guard shall be
23 transferred out of the Philippine Navy (PN) upon effectivity of this Act
24 provided that the transfer may be allowed in and out of the Navy and
25 the AFP within the transition period provided herein; and
26

27 b) The PCG shall continue to source its commissioned officers from the
28 same fields as that of the PN; it also shall, until such time that a
29 Philippine Coast Guard Academy shall have been organized, be
30 authorized to recruit graduates from the Philippine Merchant Marine
31 Academy under terms and conditions to be determined by the
32 Secretary of Maritime Affairs; Provided that the PCG may accept
33 graduates with baccalaureate degrees to be commissioned in the PCG

1 service from other merchant marine institutions and other schools
2 recognized by the Government.

3
4 **SEC. 30. *Relations with Other Agencies.***-

- 5 a) The Philippine National Police shall primarily perform law enforcement
6 activities in the maritime environment in pursuance of the provisions
7 of the Revised Penal Code, provided, that nothing in this Act shall
8 prevent the appropriate PNP unit from being deputized by the
9 appropriate agency to perform the respective maritime law enforcement
10 function in coastal areas; and
11
12 b) Consistent with the objectives of the National Defense Act, in the pursuit
13 of reserve training, and in the interest of keeping abreast of current
14 developments in maritime transportation, the Commandant, Philippine
15 Coast Guard may allow the periodic service of duty qualified and licensed
16 Philippine Coast Guard personnel on board Philippine-registered merchant
17 vessels under such rules and regulations as the Commandant may
18 prescribe.

19
20 **SEC. 31. *Transitory Provisions.*** - The PCG shall be governed by the following
21 provisions:

- 22 a) Officers in the grade of PN Flag and Captain who have had considerable
23 tours of duty with PCG may opt to join the PCG and likewise those
24 already with the PCG may opt to leave within the initial year upon the
25 effectivity of this Act after which they shall no longer be allowed to
26 transfer; and
27
28 b) Other Philippine navy and AFP personnel below the grade of Captain PN
29 or equivalent who have qualified for Coast Guard eligibility may also join
30 the PCG subject to the vacancies of the prescribed organizational rank
31 structure within the transition period of one (1) year.

32
33 **SEC. 32. *PCG Funds and Expenditures.*** - The accrued income of the PCG from its
34 operation and exercise of various regulatory functions shall be declared as PCG Trust

1 Receipts and shall be made available to the PCG for the improvement and maintenance of
2 basic services in the same manner prescribed in Executive Order No. 1002. These funds shall
3 be utilized only for the following expenditures in an appropriate budget as prescribed in
4 Executive Order No. 1002, subject to approval of the Secretary of Maritime Affairs:
5

- 6 a) Printing of forms and certificates directly related to the services for which they
7 were collected;
- 8 b) Provision for other supplies and services for which the fees were collected;
- 9 c) Participation in international organizations and commitments to included payment
10 of annual assessment and dues to the International Maritime Organization (IMO)
11 and International Association of Lighthouse Authorities (IALA) and for other
12 international agreements when the fees for the same cannot be fully covered in the
13 annual appropriations; and
- 14 d) Maintenance of the International Maritime Organization (IMO) attache post as
15 prescribed under Executive order No. 162, when funds for the same cannot be
16 fully covered in the annual appropriations.
17

18 **SEC. 33. *Assets.***- All assets of the PG including all its vessels, armaments, vehicle
19 and their accessories, building, real estates, lighthouses and other properties and records are
20 hereby vested in the newly established PCG: Provided that a Transfer and Liquidation of
21 committee shall be created to undertake the disposition and appropriate inventory of all these
22 properties.
23

24 CHAPTER XI 25 FINAL PROVISIONS 26

27 **SEC. 34. *Appropriation.*** - To carry out the purposes of this Act, there is hereby
28 appropriated out of any funds of the National Treasury not otherwise appropriated, the sum of
29 Fifty million pesos (P 50,000,000.00) for the operation and maintenance of the Department;
30 Thereafter, the appropriation for the Department, its bureaus, offices and agencies shall be
31 included in the annual General Appropriations Act.
32

33 **SEC. 35. *Appropriations of Offices and Agencies to be transferred.*** - All offices,
34 bureaus, and agencies being transferred to the Department of Maritime Affairs shall continue

1 to operate using all funds already appropriated to them for the rest of the fiscal year in which
2 this Act was approved.

3

4 **SEC. 36. *Repealing and Modifying Clause.***- PD 857, RA 3680, RA 5173, PD 601,
5 LOI 20 1404, EO 493, PD 474, EO 125, EO 125-A, and all other laws, executive orders, rules
6 and regulations inconsistent herewith are hereby repealed, amended, or modified accordingly.

7

8 **SEC. 37. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication
9 in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,