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| FOURTEENTH CONGRESS OF THE |) | |
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| REPUBLIC OF THE PHILIPPINES |) | 7 NJ -1 11: |
| First Regular Session |) | |
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| S. BILL NO | 1419 | |

Introduced by Senator Antonio F. Trillanes IV

EXPLANATORY NOTE

The Philippines as an archipelago, holds the distinction of one of the countries having the longest coastline in the world. Hence, the responsibility of safeguarding and protecting our seas and marine resources is a critical task, which the Philippine Coast Guard, in its present set up and character, and given the resources under its command, finds it difficult and pitiably impossible, to bear.

The mandate of the Philippine Coast Guard is clear as its task is daunting. To it belongs a Herculean task of promoting safety of life and property at sea, protecting the marine environment, promoting maritime security, and enforcing all applicable laws within the high seas and waters under the jurisdiction of the Philippines.

For the Philippine Coast Guard to effectively fulfill its duty and pursue its mission, it must transform itself into a lean and mean organization whose officers and members possess professional integrity and the expertise and skills necessary in the performance of their functions.

The capability of the PCG to respond to the challenges of the future and to adopt itself to rapidly changing development and innovations in the maritime environment is the main objective of the PCG's transformation, and indeed, the ultimate goal of this bill.

It seeks to amend the old and now obsolete legal basis of PCG's existence and to transform the PCG into a new and distinct branch of service: ready, willing and able to respond to the call of the hour – that of ensuring safety of life and property at sea and securing for the prosperity the marine resources of our country.

In view of the foregoing, immediate approval of this bill is earnestly sought.

ANTONIO F. TRILLANES IV

SECRETARY

| FOURTEENTH CONGRESS OF THE |) | |
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| REPUBLIC OF THE PHILIPPINES |) | 7 AB -1 P151 |
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| | SENATE | { * |
| S. BILL | . NO. <u>1419</u> | |
| Introduced by Sen | ator Antonio F. Trillane | s IV |

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

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

CHAPTER 1 1 2 **GENERAL PROVISIONS** 3 4 Title. This Act shall be known as the "Philippine Coast Guard Law 5 SECTION 1. of 2007". 6 7 **SECTION 2.** Declaration of Policies. The State recognizes its obligation to 8 9 protect the marine wealth in its archipelagic waters, territorial seas, and exclusive economic zone, and therefore reserves the use and employment of the same to Filipino 10 citizens. 11 12 13 The Philippines needs a balanced and healthful marine ecology, which shall (a) assure a sustainable growth and development of its bountiful marine wealth and other 14

resources; (b) encourage the growth and development of sea transportation as a

primary and vital link of the various islands of the archipelago; and (c) promote

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ecotourism by projecting internationally the pristine beauty of its natural sceneries such as white beaches, and other tourist spots.

To attain these objectives, the State reaffirms its obligation to protect the maritime environment and commits itself to the following: (a) promoting maritime safety in order to prevent, minimize or effectively respond to marine accidents; (b) enhancing maritime security; (c) safeguarding the marine environment; and (d) maintaining and ensuring peace and order in the archipelagic waters, coastal areas, territorial seas and exclusive economic zone.

CHAPTER II

PHILIPPINE COAST GUARD AS ATTACHED AGENCY

SECTION 3. *Establishment.* The Philippine Coast Guard (PCG) is hereby established as a distinct, sea-going, armed, uniformed commissioned service attached to the Department of Transportation and Communications.

The President of the Republic of the Philippines may in times of war or national emergency declared by the Congress, however, attach the PCG under the Department of National Defense as a support service command.

SECTION 4. *Powers and Functions.* The PCG shall have the following functions:

a) To enforce laws, promulgate and administer regulations for the promotion of safety of life and property at sea and protection of all users of the sea within the marine jurisdiction of the Philippines.

b) To enforce laws, promulgate and administer rules and regulations for the promotion and protection of the marine environment and its resources within the maritime jurisdiction of the Philippines.

c) To render aid to persons and vessels in distress and conduct search and rescue in case of marine accidents or casualties within the maritime jurisdiction of the Philippines, including the high seas, in compliance with

international maritime conventions; to this effect, the PCG shall be the lead coordinator during the conduct of the aforementioned operations.

d) To enforce laws, promulgate and administer rules and regulations for the implementation of applicable laws on maritime communications; to this effect, the PCG shall likewise be the center of maritime communications.

e) To enforce and assist in the enforcement of fishery laws, immigration laws, tariff and custom laws, forestry laws, firearms and explosive laws, anti-dangerous drugs law, law on trafficking of women and children and all other applicable laws within the territorial waters of the Philippines.

f) To enforce and assist in the maintenance of maritime law enforcement and security based and applicable laws, prevent or suppress terrorism at sea based on the Human Security Act of 2007, and perform other police functions within the maritime and coastal jurisdiction of the Philippines.

g) To investigate and inquire into the causes of marine accidents and casualties and marine pollution incidents and determine appropriate administrative liabilities, fines, and penalties of responsible parties. Provided: That the PCG may promulgate policies, rules and regulations necessary for the conduct of the same.

a)

SECTION 5. Organization.

The PCG as a distinct sea-going, armed and uniformed commissioned service shall be primarily responsible in enforcing this Act. Provided: That the PCG shall have the authority, whenever appropriate, to utilize the personnel, services and policies of other departments, agencies and instrumentalities upon coordination with the aforementioned. The PCG shall maintain personnel strength of not less than the total number of coastal barangays in the country and sufficient to meet the requirements of the service. To effectively implement this Act, the Philippine Ports Authority and such other government agencies with jurisdiction over ports within the Philippines, shall accommodate PCG offices in all ports nationwide.

| b) | A <i>PCG Reserve Force</i> is hereby created in support of active component of the PCG to augment the same upon mobilization in times of war and national emergencies arising from calamities, disasters and threats to peace, order and security and stability in any locality, including relief and rescue operations and other activities requiring civil assistance. Recall authority is vested to the Secretary, DOTC and to the President of the Philippines. Maritime schools and colleges may choose PCG as their partner in National Service Training Program (NSTP) in support of the Commission on Higher Education's national objective. |
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| c) | The PCG may organize and train a civilian volunteer organization known as |

the PCG auxiliary, under the direct control and supervision of the Commandant or any other officer designated by him for the purpose of assisting in the promotion of safety life at sea, the preservation of the marine environment and its resources, the conduct of maritime search and rescue, and the maintenance of aids to navigation and such other activities that enhance maritime community relations which include civic action, youth development and related activities.

SECTION 6. Composition. The PCG shall consist of the following categories of officers and employees:

- 23 (1) PCG Officers
- 24 (2) PCG Enlisted Personnel
- 25 (3) PCG Non-uniformed Personnel
- 26 (4) Probationary Ensign; and
- 27 (5) Midshipmen/Women

1 CHAPTER III 2 A. ORGANIZATIONAL, OPERATIONAL AND COMMAND STRUCTURE 3 SECTION 7. Organizational, Operational and Command Structure. 4 5 The PCG shall consist of uniformed and non-uniformed personnel with 6 (a) defined Coast Guard Table of Organization and Equipment, specialties, 7 ranks, ratings, and plantilla positions; provided, that in times of war as 8 declared by Congress, the PCG shall be attached to the Department of 9 National Defense (DND) as a support service agency. 10 11 12 (b) The PCG shall be headed by a Commandant who shall carry the rank of Admiral. Provided, that the Commandant shall be appointed by the President 13 14 from among the Flag Officers in the Coast Guard active service who hold a Command-at-Sea-Badge or have served as a District Commander of PCG, 15 and with more than one (1) year remaining in the PCG service. The 16 17 Commandant shall have a maximum term of three (3) years. A Commandant who has served for three (3) years prior to his compulsory retirement shall be 18 considered as retired entitled to all the benefits available to a Coast Guard 19 20 officer as if he compulsorily retired. Provided further, that in times of war or 21 other national emergency declared by Congress, the President may extend 22 his term of office. 23 24 (c) The PCG Commandant shall have the following functions: 25 26 1) Advise the President or the Secretary of the DOTC on the promulgations 27 of executive orders, rules and regulations, proclamations and other 28 issuances relative to matters under the jurisdiction of the PCG; 29 30 2) Establish policies and standards for the efficient and effective 31 management and operation of the PCG; 32

3) Promulgate rules and regulations necessary to carry out the objectives,

policies, plans, programs and projects of the PCG;

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| 4) | Enter into contracts for the acquisition of floating air and sub-surface |
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| | assets, real estate, communications equipment and other necessities |
| | relative to the performance of its powers and functions subject to the |
| | limitations of existing laws, rules and regulations; |

5) Receive grants and other forms of assistance from other countries in support of PCG continued development and modernization projects subject to existing laws; and

6) Perform such other functions as may be provided by law or appropriately assigned by the President or the Secretary of the DOTC.

d) There shall be the PCG Technical Services in the field of, among others, medical, dental, legal and ecumenical, to be composed of medical doctors, nurses, psychologists, veterinarians, dentists, lawyers, chaplains, imams, including personnel whose pre-entry required course are closely related/allied to the aforementioned professional groups. Appointment of all PCG Technical Officers shall be in the initial rank of COAST GUARD ENSIGN except for the following field of occupational specialties: dentists and veterinarians whose initial appointment rank shall be COAST GUARD LIEUTENANTJUNIOR GRADE; and lawyers, medical doctors, chaplains and imams, whose initial rank shall be COAST GUARD LIEUTENANT SENIOR GRADE.

B. PERSONNEL ADMINISTRATION, PROFESSIONALISM, WELFARE AND BENEFITS

SECTION 8. Appointment.

a.

Appointment of all PCG officers shall be approved by the President of the Republic of the Philippines through the Secretary of the DOTC. No person shall be appointed as a PCG officer unless s/he is a holder of a baccalaureate degree in related fields of Coast Guard functions, preferably a licensed professional. The PCG may continue to source its officers from leading universities, maritime institutions and service academies until such time a Philippine Coast Guard Academy is established.

b. Appointments and Promotions of all PCG enlisted personnel shall be made by the Commandant of PCG, which will be in accordance with the Implementing Rules and Regulations.

c. Appointments and Promotions of all non-uniformed personnel shall be in accordance with the Civil Service Law, rules and regulations.

SECTION 9. *Promotion.* The following promotion system shall govern the PCG uniformed personnel:

The Commandant of Philippine Coast Guard (PCG) shall recommend to the President, through the DOTC Secretary, the promotion of PCG Officers who are best qualified for appointment to be submitted by the PCG Officer Selection and Promotion Board. *Provided, that he must have completed the required education and training relevant to said grades/rank "in position", and must have complied with the prescribed minimum time in grade based on approved PCG rules and regulations and other relevant law. <i>Provided further,* that special or meritorious promotion shall be extended to any PCG Officer for acts of inconspicuous courage and gallantry involving risk of his life above and beyond the call of duty. *Provided lastly,* that no officer shall be promoted to the next higher rank when he has less than one (1) year remaining in the PCG service.

b) There shall be a Board for Flag Officers outside the PCG who shall deliberate on the promotion of candidates for Flag ranks in the PCG. The Secretary of the DOTC shall act as Chairman of the Board with members composed of three (3) Undersecretaries of the DOTC as designated by the Chairman of the Board, Commandant of the Philippine Coast Guard, with the Chief of PCG personnel as secretariat/non-voting member.

c) Promotion of PCG Enlisted Personnel and Non-uniformed Employees. The Commandant shall promote PCG enlisted personnel to the next higher grade rank based on the recommendation of the PCG Selection and Promotion Board for Enlisted Personnel. The promotion of non-uniformed employees shall be governed by the Civil Service Law, rules and regulations.

SECTION 10. Retirement and Health Care System.

a) Officers and enlisted personnel who have attained the age of fifty-six (56) or have thirty (30) years of active accumulated government service as commissioned officer/enlisted personnel in the PCG, including the services rendered as commissioned officer/enlisted personnel in other uniformed service, whichever comes first, shall be retired compulsorily from the service. *Provided*, that officers and enlisted personnel who have served at least twenty (20) years of satisfactory active service, shall be allowed to retire optionally, at their own request and with the approval of the Secretary of the DOTC, and the Commandant of the PCG, respectively, and shall be entitled to receive benefits provided by law.

b) For purposes of this Act, and for the purpose of determining the compulsory retirement of PCG uniformed personnel, thirty (30) years of active Coast Guard service shall be reckoned from the date of oath of office as regular second lieutenant/ensign or apprentice seaman/seawoman, respectively, in the PCG inclusive of the services rendered in other uniformed service and those other services rendered in the government service shall be accredited for purposes of longevity pay.

c) The retirement of all non-uniformed personnel shall be in accordance with the Civil Service Law, rules and regulations.

SECTION 11. Separation. Officers and Enlisted Personnel, who voluntarily resign or otherwise fail to comply with the standards of competence and proficiency, shall be separated from the service under existing laws, rules and regulations. *Provided*, that PCG personnel who has served continuously for at least (5) years and who is separated though no fault of his own or voluntarily resigned shall be entitled to a separation pay equivalent to one (1) monthly salary for every year of service in addition to the commutation of all the accumulated leaves to this credit.

SECTION 12. Retirement Benefits.

a) Uniformed Personnel. Monthly retirement pay shall be seventy percent (70%) of the base pay and longevity in case the retiree has rendered at least

twenty (20) years of uniformed service increasing by two and one-half percent (2 1/2%) for every year of actual uniformed service rendered beyond twenty (20) years of service but not more than ninety-five percent (95%). *Provided*, that the retiree shall have the option to receive in advance the retirement lump sum equivalent to the first five (5) years of his/her retirement pay as it accrues. *Provided further*, that the payment of the lump sum shall be made within six months from the effectivity date of his retirement. *Provided finally*, that the retirement pay of all uniformed personnel shall conform to the prevailing pay scale of members in the active service.

b) **Non-uniformed Personnel.** Retirement benefits of all non-uniformed personnel shall be in accordance with the Civil Service Law, rules and regulations.

C. DISCIPLINE AND ORDER.

SECTION 13. Disciplinary Actions. In dispensing discipline and order among PCG officers and enlisted personnel, the PCG shall continue to adopt the provisions of Commonwealth Act No. 408, as amended, with the Commandant of the PCG as the convening authority, until such time that the PCG has established its own Code of Conduct and Discipline.

CHAPTER IV

PAY AND ALLOWANCES FOR UNIFORMED PERSONNEL

SECTION 14. Duty Hours. PCG personnel shall be on call 24-hours a day but are required to render minimum service of 8-hours a day except on scheduled duty or during red alert or national emergencies.

SECTION 15. Salary Scale. The PCG shall have a salary scale separate and distinct from other agencies of the government to attract the best and competent in the Coast Guard Service. The salary scale shall be reviewed every three (3) years or depending on economic fluctuations necessitating progressive adjustments thereof. *Provided*, that all PCG Uniformed Personnel shall receive the same base pay, and other benefits as are now, or hereafter may be authorized corresponding to the salary scale of

| 1 | the perso | nnel of the Department of Education or at par with other government agencies |
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| 2 | performin | g law enforcement functions, whichever is higher. |
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| 4 | SECTION | 16. Criteria for Salaries. PCG personnel's salaries shall |
| 5 | correspor | nd to the following criteria: |
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| 7 | a) | Salary shall ensure that the lowest in rank and position receives an amount |
| 8 | | which will enable him and his family to afford a reasonable and decent |
| 9 | | standard of living; and |
| 10 | | |
| 11 | b) | Basic monthly salary shall exclude the subsistence allowance, cost of living |
| 12 | | allowance, quarters allowance, clothing allowance, hazard pay, amelioration |
| 13 | | pay, health care pay and all other allowances as may be provided for by |
| 14 | | existing laws. |
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| 16 | SECTION | 17. Cost of Living Allowances. PCG Personnel salaries shall |
| 17 | keep pac | e with the rise in the cost of living which shall automatically follow changes in |
| 18 | cost-of-liv | ring index as determined by appropriate government agencies. |
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| 20 | SECTION | N 18. Special Allowances. In areas wherein PCG personnel are |
| 21 | exposed | to hardship or other hazards usual to the performance of its mandated |
| 22 | functions | and established to be peculiar to any given area or place of assignment, as |
| 23 | determine | ed by the PCG, they shall be compensated with any of the following special |
| 24 | allowance | es based on their current basic monthly pay, to wit: |
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| 26 | a) | Sea Duty Pay. PCG personnel performing sea duties shall be entitled to a |
| 27 | | sea duty pay of twenty-five percent (25%) of their basic monthly pay; |
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| 29 | b) | Instructor Duty Pay. PCG personnel performing actual duties as an |
| 30 | | instructor shall be entitled to instructor duty pay of twenty-five percent (25%) |
| 31 | | of their basic monthly pay. |
| 32 | | |
| 33 | c) | Aviation Duty Pay. PCG personnel performing aviation duties shall be |
| 34 | | entitled to Aviation Duty Pay of fifty percent (50%) of their basic monthly pay; |
| 35 | | |

d) High Risk Duty Pay. PCG personnel performing duties which may be classified as hazardous as determined by the Commandant shall be entitled to a High Risk Duty Pay of fifty percent (50%) of their basic monthly pay.

e) Hazardous Duty Pay. PCG personnel duties which may be classified as hazardous as determined by the Commandant shall be entitled to a Hazardous Duty Pay of fifty percent (50%) of their basic monthly pay.

f) Incentive Pay. PCG technical personnel performing duties in legal, medical, dental, and ecumenical services shall be entitled to Incentive Pay equivalent to fifty percent (50%) of their basic monthly pay.

SECTION 19. Variable Pay and Allowances. In addition to the basic monthly salary, PCG uniformed personnel shall be entitled to Subsistence Allowance, Quarters Allowance, Clothing Allowance, Additional Compensation Allowance, Personnel Emergency Relief Allowances, Health Care Allowance, Laundry Allowance, Specialist Duty Pay, Productivity Incentive Pay, Magna Carta Pay (public health worker), Special Clothing Allowance, Burial Pay, Overseas Pay, Winter Clothing Allowance, Radiation Pay, Special Counsel Allowance, Additional Subsistence Allowance, and other allowances as may be provided by law.

SECTION 20. Longevity Pay. PCG personnel shall be entitled to a longevity pay of fifteen percent (15%) of their basic monthly pay for every five (5) years of service in the government, which shall be computed from the date of member's first appointment in the government service. *Provided*, that the longevity pay shall not exceed sixty percent (60%) of the basic monthly pay.

SECTION 21. Compensation for Physical and Mental Disability Sustained in Line of Duty. PCG personnel shall be protected against the consequences of employment injuries. Physical and psychological stresses on the member's health are recognized as compensable occupational diseases, in accordance with existing laws.

SECTION 22. *Permanent Physical Disability.* A uniformed member who incurs 34 a total permanent disability in the line of duty and has rendered a total of twenty (20) 35 years of continuous active duty in the uniformed service shall be compulsorily retired.

| Provided, that upon his compulsory retirement, he shall be entitled to a retirement pay | y |
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| pursuant to the pertinent provisions of this Act. | |

SECTION 23. Disability Benefits. Any member and his dependents shall be entitled to all benefits relative to the member's permanent incapacity, as may be provided for under this Act or existing laws.

SECTION 24. Leave of Absence. In addition to other privileges enjoyed under existing laws, PCG shall also be entitled to the following:

a) Study leave, with pay not exceeding two (2) years, *provided*, that no grantee shall be allowed to accumulate more than two (2) years of study leave except when an extra semester is needed to complete and defend his thesis for a graduate study or degree that is relevant to the Coast Guard service.

b) An indefinite leave of absence due to sickness which shall be granted to an ailing member whose medical treatment requires more than one (1) year of continued treatment.

c) Leave with pay shall be chargeable against his leave credits. Leave without pay shall not be granted whenever the personnel has leave with pay to his credit.

d) Leave shall accumulate and any part thereof which may not be taken within the calendar year earned may be carried over the succeeding years. Whenever uniformed personnel retires, voluntarily resigns or is allowed to resign or is separated from the service though no fault of his own, he shall be entitled to the commutation of all the accumulated leaves to his credit.

e) Social Technology Transfer shall be encouraged by the PCG; to this effect, PCG Personnel shall be allowed not more than one (1) year leave without pay to practice their profession or expertise outside of the PCG Organization, whether in the Philippines or outside thereof. *Provided,* that there shall be no diminution in the pay, allowances, privileges, rank, and seniority of the said PCG Personnel. *Provided however*, that upon failure of the said PCG

Personnel to formally resume his services with the PCG at the expiration of the said one (1) year period, said PCG Personnel shall be considered resigned from the PCG without prejudice to his enjoyment of accrued privileges and benefits based on applicable laws.

SECTION 25. Housing and Settlement Benefits. All real estate under the possession, supervision, control, and/or titled under the PCG including those transferred to it and those it may legally claim by virtue of Executive Order No. 475 and Executive Order No. 477 which may be determined by the Commandant, PCG to be appropriate and best suited for housing and settlement purposes of PCG Personnel in the active service shall be appropriated for the said purpose. Provided, that the PCG Personnel shall also enjoy equal opportunity to such other housing projects that the government may provide for government employees. Provided further, r that appropriations shall be provided for herein purpose accordingly.

SECTION 26. Exemption from Attachment and Taxes. All benefits granted by this Act, including benefits received from any government insurance agencies/corporations, shall be exempted from attachment, levy, execution or any tax of whatever nature.

CHAPTER V

PAY AND ALLOWANCES FOR NON-UNIFORMED PERSONNEL

SECTION 27. Pay and Allowances of Non-uniformed PCG Personnel. The salaries and allowances of the non-uniformed employees of the PCG shall be in accordance with the Revised Compensation and Position Classification Law and other pertinent laws with respect to such received compensation under the Civil Service Law.

29 CHAPTER VI 30 FINAL PROVISIONS

SECTION 28. Appropriations. The budget of the PCG shall be provided for in the Annual General Appropriations Act. *Provided*, that the Philippine Coast Guard shall prepare its own budget as Key Budgetary Unit (KBU) being an attached agency of the Department of Transportation and Communications.

SECTION 29. 1 PCG Trust Receipts. The PCG shall continue to collect fees, 2 charges and fines, to include lighthouse dues relevant to the exercise of its various 3 regulatory functions. All income derived from the collection of fees and charges and 4 such other sources shall be retained and constituted as a Trust Receipt which shall be 5 deposited in any authorized government depository bank, for the use of the PCG in the maintenance and repair of its assets, such as but not limited to vessels, aircrafts, 6 7 navigational aids and lighthouses; Provided, that at least thirty percent (30%) will be 8 used in the procurement and acquisition of communications and rescue equipment, 9 armaments, ammunition, and as contingency fund for petroleum, oil and lubricants 10 (POL) requirement during emergencies; Provided further, that no amount of the said 11 Trust Receipt shall be used for the payment of salaries and other allowances; Provided 12 furthermore, that the PCG and the Department of Budget and Management shall jointly 13 issue guidelines for the implementation of this Section and the Trust Receipt shall be 14 subject to accounting and auditing rules and regulations.

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SECTION 30. *Implementing Rules and Regulations.* Within ninety (90) days from the approval of this Act, the DOTC Secretary shall promulgate rules and regulations necessary to ensure its effective implementation.

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SECTION 31. Separability Clause. If any portion or provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of other provisions not affected thereto.

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SECTION 32. Repealing Clause. All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are repealed, amended, or modified accordingly.

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28 **SECTION 33.** *Effectivity.* This Act shall take effect fifteen (15) days following its publication in two (2) national newspapers of general circulation.

Approved,