



HOUSE OF REPRESENTATIVES

H. No. 6870

BY REPRESENTATIVES GOLEZ (R.), ROMUALDO, MERCADO (R.), TAÑADA,
SARMIENTO (M.), SOCRATES, PICHAY, BENITEZ, PADILLA, CO,
BATOCABE, GARBIN, SEMA, RELAMPAGOS AND RODRIGUEZ (R.), PER
COMMITTEE REPORT NO. 2649

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

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “Pilotage
2 Services Act of 2013”.

3 SEC. 2. *Scope.* – This Act shall apply to all harbor pilots and pilotage
4 organizations providing pilotage services in all ports in the country, whether
5 owned by the government or by private persons.

6 SEC. 3. *Policy and Objectives.* – It is hereby recognized by the State
7 that pilotage service plays a vital and complementary role in the efficient
8 operation of ports and the protection of marine environment. It is therefore the
9 policy of the State to regulate, and supervise pilotage services and the conduct
10 of pilots in all ports in the country to attain the following objectives:

1 (a) To ensure safety at all times of port facilities, vessels, passengers,
2 cargoes and other port users;

3 (b) To ensure effective and efficient delivery of pilotage services
4 through rationalization of pilotage fees and charges;

5 (c) To encourage a healthy and friendly competitive environment
6 among entities engaged in pilotage services;

7 (d) To ensure the safety of life and property at sea, and protection of
8 marine environment;

9 (e) To upgrade the skills and qualifications of harbor pilots and to
10 promote and develop professionalism among their ranks; and

11 (f) To improve the traffic management system in ports.

12 SEC. 4. *Definition of Terms.* – For the purpose of this Act, the words
13 and phrases used herein shall be defined as follows:

14 (a) *Accreditation* refers to an official recognition, approval or
15 permission granted by the Authority to a harbor pilot or pilot organization to
16 practice or provide harbor pilotage services in a particular area for a
17 prescribed period.

18 (b) *Appointment* refers to a designation by the Pilotage Committee
19 granted to a harbor pilot to exercise his profession and render pilotage service
20 in a particular pilotage district.

21 (c) *Authority* refers to the Philippine Ports Authority (PPA) and other
22 port authorities created under a special charter, including the ports within the
23 economic zones and autonomous regions, having exclusive jurisdiction,
24 supervision and control over port operation and management in a specific port
25 in the Philippines.

26 (d) *Gross income* refers to the total gross billing assessed against the
27 ship owner/agents for pilotage and related services rendered, whether collected
28 or not.

1 (e) *Harbor pilot* refers to a duly licensed Master Mariner, who is not
2 part of the regular complement of the vessel, taken on board at a particular
3 place, and tasked to efficiently and effectively perform pilotage service within
4 a specific pilotage district.

5 (f) *Nongovernmental organization (NGO)* refers to a nonstock,
6 nonprofit private organizations with proven track record or experience in the
7 conservation, management and protection of marine environment.

8 (g) *Permit-to-operate* refers to the authority granted by the Port
9 Authority to any accredited pilot organizations to render pilotage service in a
10 particular pilotage district.

11 (h) *Pilotage license* refers to the permit or license granted by the
12 Pilotage Committee to a Master Mariner to exercise his profession and to
13 render pilotage services in a particular pilotage district

14 (i) *Pilotage organization* refers to an association of harbor pilots duly
15 licensed and appointed by the Pilotage Committee for a particular harbor
16 pilotage district as defined in this Act.

17 (j) *Pilotage service* refers to the act of conducting, navigating or
18 maneuvering a vessel to/from berth or anchorage, along rivers, channels and
19 estuaries, including all related activities thereof.

20 (k) *Reorganized Umbrella Organization of Harbor Pilots* refers to a
21 national federation or association of harbor pilots, the membership of which
22 comprises the majority of the duly licensed harbor pilots in the Philippines as
23 certified by the Securities and Exchange Commission (SEC), the Cooperative
24 Development Authority (CDA) or the concerned regulatory body.

25 (l) *Recognized Umbrella Organization of Shipagents* refers to a
26 national federation or association of shipagents, the membership of which
27 comprises the majority of the shipagents in the Philippines as certified by the
28 SEC, the CDA or the concerned regulatory body.

1 SEC. 5. *The Pilotage Committee.* – Each Authority, under the
2 supervision of the Secretary of the Department of Transportation and
3 Communications (DOTC), is mandated to create a Pilotage Committee.
4 Subject to the approval of the Secretary of the DOTC, the Pilotage Committee
5 shall define the nature and extent of harbor pilotage services, including the
6 establishment of rates in ports under its jurisdiction.

7 SEC. 6. *Composition of the Pilotage Committee.* – The Pilotage
8 Committee, which shall exercise jurisdiction over the regulation of pilotage
9 profession and conduct of pilotage services outside the jurisdiction of
10 chartered ports, autonomous regions and economic zones, shall be composed
11 of six (6) members namely: (a) the General Manager of the PPA; (b) the
12 Commandant of the Philippine Coast Guard (PCG); (c) the incumbent
13 President of the recognized umbrella organization of harbor pilots; (d) the
14 incumbent President of the recognized umbrella organization of shipagents;
15 (e) a representative from the recognized national association of Philippine
16 shipowners; and (f) a representative of a recognized NGO herein defined.
17 *Provided, That* the last two (2) members shall be appointed by the President of
18 the Philippines for a term of two (2) years from among the list of
19 recommendees submitted by the sector concerned. The PPA General Manager
20 shall act as Chairperson of the Pilotage Committee.

21 In the case of Authority in chartered ports, the Pilotage Committee shall
22 be composed of:

23 (1) General Manager of the Authority having jurisdiction over the
24 chartered port concerned who shall also act as Committee Chairperson;

25 (2) Commander of the Coast Guard District where the Authority is
26 located;

27 (3) A representative from the recognized umbrella organization of
28 harbor pilots;

1 (4) A representative from the recognized umbrella organization of
2 shipagents;

3 (5) A representative from the recognized national association of
4 Philippine shipowners; and

5 (6) A representative of a recognized local NGO.

6 In the case of Authority of ports within the exclusive jurisdiction of the
7 autonomous regions, the Pilotage Committee shall be composed of:

8 (1) General Manager of the Authority having exclusive jurisdiction
9 over the ports of the autonomous region concerned who shall also act as
10 Committee Chairperson;

11 (2) Commander of the Coast Guard District where the Authority is
12 located;

13 (3) A representative from the recognized umbrella organization of
14 harbor pilots;

15 (4) A representative from the recognized umbrella organization of
16 shipagents;

17 (5) A representative from the recognized national association of
18 Philippine shipowners; and

19 (6) A representative of a recognized local NGO.

20 In the case of Authority of ports within the exclusive jurisdiction of the
21 economic zones, the Pilotage Committee shall be composed of:

22 (1) General Manager of the Authority having exclusive jurisdiction
23 over the ports of the economic zone concerned who shall also act as
24 Committee Chairperson;

25 (2) Commander of the Coast Guard District where the Authority is
26 located;

27 (3) A representative from the recognized umbrella organization of
28 harbor pilots;

1 (4) A representative from the recognized umbrella organization of
2 shipagents;

3 (5) A representative from the recognized national association of
4 Philippine shipowners; and

5 (6) A representative of a recognized local NGO.

6 The Pilotage Committee herein created shall be under the control and
7 supervision of the Secretary of the DOTC.

8 The presence of four (4) members of the Committee shall constitute a
9 quorum for the exercise of its functions and the affirmative vote of the majority
10 of the members present shall be a valid and binding act of the Committee. In
11 the absence of the Chairperson during any meeting, the members present shall
12 elect a temporary presiding officer from among themselves.

13 The Chairperson and members of the Committee shall receive *per diem*
14 for every meeting actually attended at rates approved by the Department of
15 Budget and Management (DBM) pursuant to existing laws and regulations.
16 The Committee shall hold regular meetings once a month and in no case shall
17 it hold more than one (1) special meeting in any month.

18 The *per diem* of the Chairperson and members of the Board shall be
19 chargeable against the Pilotage Safety Development Trust Fund provided
20 under this Act.

21 SEC. 7. *Powers and Functions of the Pilotage Committee* – The
22 Pilotage Committee shall have the following powers and functions:

23 (a) Establish, determine and adjust rates and fees for harbor pilotage
24 services by taking into account the current rate structure, tonnage of vessels,
25 peculiarity and intrinsic characteristic of each port and harbor and such other
26 important factors: *Provided*, That no imposition or adjustment shall be made
27 without prior consultation with the stakeholders in a public hearing called for
28 the purpose: *Provided, further*, That the rates and adjustments thereof shall be

1 subject to the approval of the Secretary of the DOTC and shall take effect only
2 fifteen (15) days after its publication in two (2) newspapers of general
3 circulation;

4 (b) Conduct regular consultative meetings with duly accredited pilotage
5 organizations and duly licensed harbor pilots in relation to improvement of
6 services, upgrading of pilot facilities, rate restructuring and such other related
7 concerns;

8 (c) Determine and appoint the number of harbor pilots needed in a
9 particular pilotage district in the case of PPA and in a particular port in the
10 case of independent port authorities,

11 (d) Ensure the efficient and fair handling of accreditation of harbor
12 pilots, cancel or suspend accreditation of harbor pilots for just cause, giving
13 due notice to affected parties and after proper hearing;

14 (e) Grant and issue pilotage license to harbor pilots;

15 (f) Cancel or suspend the license of harbor pilots for any act in
16 violation of the provisions of this Act;

17 (g) Accredite harbor pilot organizations;

18 (h) Cancel or suspend the accreditation of harbor pilot organizations
19 for causes mentioned in Section 18 of this Act;

20 (i) Prescribe fines for other acts which penalties are not otherwise
21 provided in this Act; and

22 (j) Determine and appoint such number of support personnel as may be
23 necessary to carry out its administrative functions subject to the provisions of
24 the civil service rules and regulations.

25 SEC. 8. *Establishment of Harbor Pilotage District.* – The Authority
26 concerned, subject to the approval of the Secretary of the DOTC, may opt to
27 adopt the existing port districts within its jurisdiction. However, it shall have

1 the authority to establish additional pilotage districts or reorganize the existing
2 ones under its jurisdiction as the need arises for purposes of public interest.

3 SEC. 9. *Provision of Pilotage Services* – Pilotage service shall be
4 provided either directly by the Authority or, on a non-exclusive basis,
5 through accredited pilotage organizations in government-maintained or
6 privately-managed ports in the country.

7 Every vessel while navigating in any pilotage district or any part thereof
8 shall be under pilotage and the owner, agent or master of the vessel shall
9 comply with that requirement. A vessel while being moved within any area of
10 the port that is or forms part of a pilotage district shall be deemed a vessel
11 navigating in a pilotage district.

12 Pilotage services shall be compulsory in government and private
13 wharves, berths, piers or anchorage except as otherwise provided in this
14 paragraph. Every vessel engaged in foreign trade shall always be under
15 compulsory pilotage. Pilotage for vessels engaged in domestic trade shall be
16 optional unless a port is declared under compulsory pilotage by the appropriate
17 port authority.

18 However, the Authority may, if it appears to be necessary, exempt any
19 vessel or class of vessels engaged in domestic trade while navigating in any
20 pilotage district, from being under pilotage service subject to such conditions
21 as it may deem appropriate.

22 The Authority shall consider the following factors in determining the
23 type of appropriate coverage for each port:

24 (a) Size and type of vessels;

25 (b) Physical and technical configuration of ports including mooring and
26 berthing capabilities;

27 (c) Hydrographic situation of the harbor including its channels and
28 passageways;

1 (d) Navigational capabilities of each port, safety and traffic devices and
2 other related navigational aids;

3 (e) Volume of vessel traffic or average frequency of vessel arrivals and
4 departures; and

5 (f) Such other factors which may affect the risk of vessel movements.

6 SEC. 10. *Qualifications of Harbor Pilots.* – A person shall be
7 accredited as a harbor pilot if one possesses the following:

8 (a) Filipino citizenship;

9 (b) Sound physical and mental condition;

10 (c) Good moral character;

11 (d) Duly licensed by the Pilotage Committee to practice one's
12 profession within a specified port or district;

13 (e) Not more than fifty-five (55) years old; and

14 (f) Must have been a Master Mariner on board sea going vessels of not
15 less than five thousand (5,000) gross tons for at least five (5) years.

16 SEC. 11. *Compulsory Retirement of Pilots.* – Upon the effectivity of
17 this Act, a harbor pilot shall be considered retired upon reaching the age of
18 seventy (70): *Provided, however,* That all harbor pilots shall undergo annual
19 medical and physical examinations as a requirement for the continued exercise
20 of pilotage service profession.

21 SEC. 12. *Accreditation of Harbor Pilots.* – All harbor pilots, before
22 practicing the profession, must get an accreditation from the Pilotage
23 Committee. The Pilotage Committee shall accredit only a limited number of
24 harbor pilots per district or port for efficiency purposes. The accreditation will
25 not result to an employer-employee relationship between the Authority and the
26 harbor pilot-applicant.

27 The Pilotage Committee may appoint a duly accredited harbor pilot for
28 a particular port or district on a temporary basis in the absence of a qualified

1 applicant for said area. The appointee must be in the list of duly licensed
2 harbor pilots of the Pilotage Committee and familiar with the area concerned.
3 The temporary appointments shall be valid while the exigency subsists and
4 shall be automatically terminated upon the accreditation of a qualified harbor
5 pilot.

6 SEC. 13. *Establishment and Accreditation of a Pilotage Organization*
7 – The Pilotage Committee shall encourage harbor pilots to organize
8 themselves into a corporation, partnership or cooperative. Said organizations
9 must be duly registered with either the SEC or the CDA.

10 The Pilotage Committee shall only issue accreditation certificates to
11 qualified harbor pilot organizations. The permit to operate a particular pilotage
12 district may only be granted upon proof of financial, technical and
13 administrative capabilities of the applicant pilotage organization.

14 The Authority may appoint other duly accredited harbor pilotage
15 organizations to temporarily take-over the services of a suspended pilotage
16 organization in the event of the latter's failure or refusal to perform its
17 functions and render pilotage service within its service area. Such temporary
18 appointment shall continue until upon the resumption of the pilotage services
19 following the lifting of the suspension of the pilotage organization concerned.

20 SEC. 14. *Record.* – Harbor pilots or harbor pilot organizations shall
21 keep a record of his or its operations and financial transactions and such other
22 records or reports pertaining to pilotage service operations. Such records shall
23 be made open to member-pilots and concerned government agencies for
24 inspection and examination.

25 SEC. 15. *Operating Capital, Equipment and Facilities.* – To
26 effectively and efficiently render pilotage services, individual pilot and pilot
27 organizations shall make available such operating capital equipment or
28 facilities as may be required by the Pilotage Committee.

1 SEC. 16. *Pilotage Safety Development Trust Fund (PSDTF)*. – There
2 is hereby established a Trust Fund to be known as the Pilotage Safety
3 Development Trust Fund (PSDTF), to be administered by the Pilotage
4 Committee concerned in accordance with existing government accounting and
5 auditing rules and regulations.

6 An amount equivalent to five percent (5%) of the gross amount of
7 pilotage fees paid to the harbor pilots for rendering pilotage services shall be
8 collected to establish the PSDTF. The Trust Fund shall be deposited as trust
9 receipts in the National Treasury and shall be disbursed and utilized for the
10 following purposes:

11 (a) Installation and/or upgrading of pilotage equipment and facilities to
12 conform with international safety standards for navigation;

13 (b) Developmental loans for the acquisition of capital equipment
14 necessary to render pilotage services in the respective harbor pilotage districts;

15 (c) Such other projects for the promotion and development of maritime
16 safety involving pilotage services as well as for the protection of marine
17 environment; and

18 (d) Administrative expenses of the Pilotage Committee.

19 Except for the payment of *per diems*, the Trust Fund shall not be used to
20 fund other personal services expenditures and acquisition of motor vehicles.

21 The pilotage committees shall render a quarterly report to the Secretary
22 of the DOTC of the status of the PSDTF, including the detailed disbursements
23 therefrom.

24 No disbursements from the PSDTF shall be made unless in accordance
25 with the program of work and expenditures duly approved by the Pilotage
26 Committee concerned.

27 Except as provided in the immediately succeeding section, no other
28 charges or imposition by way of government share shall be levied on the gross

1 income of harbor pilots derived from rendering pilotage services and in the
2 exercise of their profession as harbor pilots.

3 SEC. 17. *Government Share in Pilotage Service.* – The Secretary of
4 the DOTC, in consultation with the pilotage committees established under this
5 Act, shall fix the rate of government share on the gross income of harbor pilots
6 derived from rendering pilotage services. Such amount shall be levied by the
7 Authority concerned on such terms and conditions as the Secretary may
8 impose. The rate herein stated shall be reviewed once every five (5) years or
9 earlier when economic circumstances require.

10 SEC. 18. *Grounds for Suspension or Cancellation of Accreditation.*
11 – The Pilotage Committee may cancel or suspend the accreditation of harbor
12 pilots and pilot organizations on the following grounds:

13 (a) Refusal or failure to render effective and efficient pilotage service;

14 (b) Failure or refusal to observe and comply with safety standards and
15 port policies;

16 (c) Gross incompetence which resulted to loss of cargoes, loss of lives
17 and destruction of vessel and harbor properties;

18 (d) Implementation of rates and fees without the approval of the
19 Committee;

20 (e) Involvement or participation in illegal activities such as smuggling
21 and trafficking passengers;

22 (f) Refusal to cooperate and submit to an audit called for by the
23 Authority or other government agency in relation to his or its pilotage
24 operations, as the case may be;

25 (g) Failure or refusal to post the required performance bond and other
26 related fees;

27 (h) Failure or refusal to remit the government share in the pilotage
28 fees;

1 (i) Failure to maintain the required capitalization requirement,
2 equipment and facilities that may required in connection with its accreditation;

3 (j) Failure to comply with the substantive requirements of the Pilotage
4 Committee;

5 (k) Failure or refusal to post the required indemnity insurance;

6 (l) Intoxication and use of prohibited drugs during the performance of
7 one's duties as a harbor pilot;

8 (m) Use and submission of any false or forged documents for the
9 purpose of obtaining the Harbor Pilot License or appointment;

10 (n) Acts prejudicial to the Professional Code of Conduct for harbor
11 pilots.

12 (o) Physical or mental impediment to render pilotage services as may
13 be determined by a physician accredited by the Department of Health; or

14 (p) Failure to comply with any of the provisions of this Act and its
15 implementing rules and regulations (IRR).

16 SEC. 19. *Responsibility of the Owner, Agent or Master of a Vessel.* --
17 The owner, agent or master of a vessel shall only employ duly licensed and
18 accredited harbor pilots to render pilotage services in a particular district or
19 port. A person acting in violation of this section shall be fined in such amount
20 as may be prescribed by the Pilotage Committee. For this purpose, the
21 Pilotage Committee shall publish the list of accredited harbor pilots and their
22 respective jurisdictions in such manner as to ensure that every owner, agent or
23 master of a vessel is properly informed.

24 SEC. 20. *Limitation of Pilot's Liability.* -- A harbor pilot licensed to
25 act as such by the Pilotage Committee and authorized to provide pilotage
26 services in the different harbor pilotage districts shall not be liable for damages
27 in excess of the amount of Five hundred thousand pesos (P500,000.00) for
28 damages or loss occasioned by a pilot's errors, omissions, fault or neglect in

1 the performance of pilotage services, except as may arise by reason of one's
2 willful misconduct or gross negligence.

3 Each harbor pilot shall post an indemnity insurance bond from the
4 Government Service Insurance System (GSIS) or from such reputable
5 insurance company acceptable to the Pilotage Committee, to cover the limit of
6 the liability or for such amount as may be required by the Pilotage Committee.

7 The harbor pilot shall be free from responsibility for damage, injury or
8 death arising from the negligence of the master and crew of the vessel under
9 pilotage, unseaworthiness of the vessel, breakdown of its machineries and
10 equipment, *force majeure* or fortuitous event.

11 Upon actual boarding a vessel to provide pilotage services, that pilot
12 becomes a servant of the vessel and its owner and operator. Nothing in this
13 section exempts the vessel, its owner or its operator from liability for damage
14 or loss occasioned by that ship to a person or property on the ground that:

15 (a) the ship was piloted by a duly licensed pilot; or

16 (b) the damage or loss was occasioned by the error, omission, fault or
17 neglect of a pilot duly licensed by the Pilotage Committee.

18 The harbor pilot on board a vessel under pilotage service shall serve as
19 adviser of the master during and at the time of his engagement in the conduct
20 and maneuver of the vessel. The master of the vessel, its owner and agents are
21 not relieved of responsibility for any loss or damage caused by or to the vessel
22 even while the vessel is under compulsory pilotage.

23 SEC. 21. *Penal Provision.* – A fine of not less than Twenty thousand
24 pesos (P20,000.00) nor more than Two hundred thousand pesos (P200,000.00)
25 or imprisonment for a period of not less than one (1) year nor more than six (6)
26 years or both such fine and imprisonment, at the discretion of the court, shall
27 be imposed upon:

1 (a) Any person who shall render pilotage services without license and
2 appointment by the Pilotage Committee;

3 (b) Any person who represents one's self as a harbor pilot for a
4 particular pilotage district without being a member of the pilotage organization
5 for the said particular harbor pilotage district;

6 (c) Any person who shall give any false or forged documents for the
7 purpose of obtaining the harbor pilot license or appointment;

8 (d) Any person who shall use an expired, revoked or suspended harbor
9 pilot license or appointment to perform pilotage services; and

10 (e) Any person who shall assume, use or advertise the title of a harbor
11 pilot under one's name, or any description to convey the impression that he is
12 an active and duly licensed harbor pilot without holding a valid harbor pilot
13 license and appointment issued by the Pilotage Committee.

14 SEC. 22. *Issuance of New Accreditation to Incumbent Harbor Pilots.*

15 – Incumbent pilots in all pilotage districts shall be issued new accreditations
16 in accordance with the provisions of this Act. In no case shall said new
17 accreditations exceed the compulsory retirement age for harbor pilots as
18 provided for in this Act.

19 SEC. 23. *Transitory Provisions.* – Harbor pilots duly authorized by
20 the Authority to render pilotage services prior to the effectivity and
21 implementation of this Act shall continue to exercise their profession and be
22 given a period of two (2) years to comply with the qualification requirements
23 under this Act. They shall be given preference over new applicants as long as
24 they have substantially complied with the requirements stated in this Act.

25 The prevailing rates upon the approval of this Act shall be charged for
26 pilotage services until a new set of rates are imposed by the pilotage
27 committees following the effectivity of this Act.

1 SEC. 24. *Implementing Rules and Regulations (IRR)*. – The DOTC as
2 lead agency, in coordination with the Maritime Industry Authority, the PPA,
3 the port authorities of economic zones, the port authorities of autonomous
4 regions and other chartered port authorities, shall promulgate the IRR of this
5 Act within a period of three (3) months from the date of effectivity of this Act.

6 SEC. 25. *Separability Clause*. – If any part or provision of this Act is
7 declared as unconstitutional or invalid by a court of competent authority, the
8 remaining provisions which are not affected thereby shall continue to be in full
9 force and effect.

10 SEC. 26. *Repealing Clause* – Executive Order No. 1088 dated
11 February 3, 1986 is hereby repealed. Other laws, decrees, issuances, rules and
12 regulations or any part thereof which are inconsistent with or contrary to the
13 provisions of this Act are hereby repealed or modified accordingly.

14 SEC. 27. *Effectivity Clause* – This Act shall take effect fifteen (15)
15 days after its complete publication in the *Official Gazette* or in two (2)
16 newspapers of general circulation.

Approved,

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