

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

House Bill No. 884

Introduced by MAGDALO Party-List Representative  
**HON. MANUEL DG. CABOCHAN III**



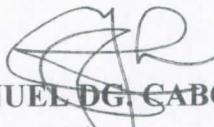
**EXPLANATORY NOTE**

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.

  
**MANUEL DG. CABOCHAN III**  
*Representative*  
Magdalo Para sa Pilipino Party-List

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

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

**CHAPTER I**

1           **SECTION 1. Title.** – This Act shall be known as the “*Department of Maritime*  
2       *Affairs Act*”.

3  
4           **SEC.2. Declaration of Policy.** – In keeping with Article XII, paragraph 2 of the  
5       Philippine Constitution which provides that, "the State shall protect the nation's marine  
6       wealth in its archipelagic waters, territorial sea, and exclusive economic zone and reserve its  
7       use and enjoyment exclusively for Filipino citizens," it is hereby declared to be the policy of  
8       the State to achieve a marine-based economy. It shall further be the policy of the State to  
9       promote, ensure, and coordinate the economic viability, protection, safety, and development  
10      of ports, shipping, shipbuilding, seafaring, and other industries or activities which resolve  
11      around the sea as a medium of transport.

12  
13           **CHAPTER II**

14  
15           **SEC.3. Creation of a Department of Maritime Affairs.** - Pursuant to the above-  
16       mentioned national policy, there is hereby created a Department of Maritime Affairs,  
17       hereinafter referred to as the Department, which shall, among others, recommend and  
18       implement the Government's policies, plans, and programs for the promotion of safety and

1 development of ports, shipping, shipbuilding, seafaring, and other activities in the maritime  
2 industry.

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

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

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

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

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

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

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

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

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

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

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

- 23       a) Office of the Secretary. - The Office of the Secretary shall consist of the  
24           Secretary and his immediate staff.
- 25  
26       b) Undersecretaries. - The Secretary shall be assisted by three (3)  
27           Undersecretaries, appointed by the President upon the recommendation of the  
28           Secretary, each Undersecretary shall have control and supervision over the  
29           respective offices and services assigned to him by the Secretary.
- 30  
31       c) Assistant Secretaries. - The Secretary shall also be assisted by four (4)  
32           Assistant Secretaries, appointed by the President upon the recommendation of  
33           the Secretary. This will be one each for Merchant Marine Administration,  
34           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

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

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

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

## **CHAPTER III**

### **THE MARITIME INDUSTRY DEVELOPMENT AUTHORITY**

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

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

**SEC. 14. Powers and Functions.** - The Maritime Industry Development Authority 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

### THE PHILIPPINE PORTS AUTHORITY

28

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  
employment contracts involving Filipino seafarers for overseas employment. In  
such cases, the decision of the National Seafarers Administration shall be final  
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. *The 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. 24. Organization.**- It shall be composed of:

- 2           a) Maritime Research Institute Board of Governors which shall serve as the  
3           governing board; and  
4           b) The "Administration" which, as the executive arm, shall run the Institute's  
5           day-to-day activities and shall be headed by the executive director.

6

7           **SEC. 23. Functions.** - The Maritime Research Institute shall have the following  
8           functions:

- 9           a) To spearhead and encourage the development of a maritime research program  
10           to aid the formulation of policies on all aspects of maritime affairs;  
11           b) To harness and propagate the latest development in maritime technology in the  
12           fields of shipbuilding, marine engineering, ship propulsion, cargo handling,  
13           ship management and other such developments and to utilize and adopt the  
14           latest in information technology to serve National Maritime Policy goals;  
15           c) Develop, propagate, and enhance national awareness of maritime issues  
16           through a comprehensive information program;  
17           d) Publish information; books, monographs, and other literature in connection  
18           with the 17 above functions; and  
19           e) Perform such other functions as may now or hereafter be provided by law.

20

21           **CHAPTER IX**  
22           **THE PHILIPPINE COAST GUARD**

23

24           **SEC. 24. Establishment and Transfer.** - The Philippine Coast Guard, hereinafter  
25           referred to as PCG, is hereby established as a major service separate and distinct from the  
26           Philippine Navy. It shall henceforth be transferred from the Department of National Defense  
27           to the Department of Maritime Affairs as a bureau thereof.

28

29           **SEC. 25. General Power and Functions of the PCG.** - The PCG shall be the agency  
30           primarily responsible for safety of life and property at sea, the protection of the marine  
31           environment and, together with the Philippine Navy, the security of all marine resources  
32           found within the Exclusive Economic Zone and within all other waters and seabed's subject  
33           to the jurisdiction of the Republic of the Philippines. It shall likewise perform such other  
34           functions as it is authorized to perform at the time of the effectivity of this Act.

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

- 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 alteration 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 21 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 INO 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;

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

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

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

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

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

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

b) The PCG shall continue to source its commissioned officers from the same fields as that of the PN; it also shall, until such time that a Philippine Coast Guard Academy shall have been organized, be authorized to recruit graduates from the Philippine Merchant Marine Academy under terms and conditions to be determined by the Secretary of Maritime Affairs; Provided that the PCG may accept 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 13 the maritime environment in pursuance of the provisions  
7 of the Revised Penal Code, 14 provided, that nothing in this Act shall  
8 prevent the appropriate PNP unit from being 15 deputized by the  
9 appropriate agency to perform the respective maritime law 16 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:

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

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

## **CHAPTER XI**

### **FINAL PROVISIONS**

**SEC. 34. *Appropriation.*** - To carry out the purposes of this Act, there is hereby appropriated out of any funds of the National Treasury not otherwise appropriated, the sum of Fifty million pesos (P50,000,000.00) for the operation and maintenance of the Department; Thereafter, the appropriation for the Department, its bureaus, offices and agencies shall be included in the annual General Appropriations Act.

**SEC. 35. Appropriations of Offices and Agencies to be transferred.** - All offices, 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,*