

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

17th CONGRESS
First Regular Session

House Bill No. 1287

| | |
|--|--------------------|
| HOUSE OF REPRESENTATIVES | |
| RECEIVED | |
| DATE: | <u>07 JUL 2016</u> |
| TIME: | <u>3:40pm</u> |
| BY: | <u>[Signature]</u> |
| REGISTRATION UNIT BILLS AND INDEX SERVICE | |

Introduced by
REP. TEODORO BRAWNER BAGUILAT, JR.

EXPLANATORY NOTE

This bill seeks to reconstitute and reorganize the Maritime Industry Authority of the Philippines (MARINA). Since its creation pursuant to Presidential Decree (PD) 474, several amendatory laws and other issuances have been issued, and international maritime conventions ratified by the Philippines, effectively modifying and expanding MARINA's functions, but with no corresponding amendment to its original and existing organizational structure.

The most recent amendment to MARINA's functions is by virtue of Republic Act (RA) 10635 which established MARINA as the Single Maritime Administration responsible for the implementation and enforcement of the 1978 International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, as amended. The passing of RA 10635 required the creation of units/offices and plantilla positions, as these were so created, with the end in view of eventually integrating them into the existing organizational structure of MARINA.

Under its present structure, MARINA is no longer responsive to the maritime convention requirements, particularly with its obligations under the United Nations Law of the Sea Convention (UNCLOS) in the exercise of technical and social control over ships, to provide for regulations on the safe manning of the ship which ensures that the crew is appropriate in qualifications, provide for measures regulating labor conditions onboard, and to engage the services of qualified surveyors and recognized organizations.

Recently, MARINA has activated its Maritime Attaché' based in London, U.K. This is pursuant to its objective to attract foreign investments and to become more competitive in the area of international ship registration. Further, as the leading provider/source of Filipino seafarers onboard international ships, MARINA deemed it imperative to put up mechanisms, through these maritime attaché posts, in order to monitor and protect at all times the interest and welfare of Filipino seafarers around the world.

The proposed restructuring/reorganization not only implements the integration of the added/expanded functions of MARINA under RA 10635 and the institutionalization of

the maritime attaché posts. It also aims to improve the deteriorating state of overseas ship registry and enhance the protection and welfare of Filipino seafarers. More, if not equally important, this will result to our country's timely, full, and effective compliance with the requirements of international conventions and protocols which the Philippines, being a party thereto, is mandated to implement and enforce. This is so because under the proposed structure, there is a particular office solely dedicated to ensure the accomplishment of this task.

A survey of successful Flag States will indicate that they have similar distinct features in their organizational structure which the proposed MARINA structure wants to follow. For instance, they all have common major offices in their structure to deal with Operations; Seafaring and Crew Matters; Ship Registrar; Legal Affairs; and, Program and Support Services. With this clear and simplified structure, duplication of functions is in effect eliminated and the overall quality and speed of the delivery of services improved. Towards this end, a truly single Philippine maritime agency will be recognized by the world.

This organizational composition has thus far proved effective with respect to the implementation of convention requirements and the success of Flag State in terms of its overall operation and competitiveness. Adopting this organizational structure model is believed, and highly expected, to bring the same result.



REP. TEODORO BRAWNER BAGUILAT, JR.
Lone District IFUGAO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

17th CONGRESS
First Regular Session

House Bill No. 1287 - -

Introduced by
REP. TEODORO BRAWNER BAGUILAT, JR.

***An Act Creating the Maritime Authority of the Philippines
Thereby Repealing Presidential Decree No. 474 and for other purposes"***

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

Chapter I
General provisions

Section 1. **Short title.** – This Act shall be known as the “Maritime Authority of the Philippines Act”.

Section 2. **Declaration of policy.** – It is hereby declared the policy of the State to ensure the provision of safe, secure and efficient maritime transport services and the protection of the marine environment. Maritime transport services shall be provided and operated in accordance with standards set forth in international maritime conventions. For this purpose, the Maritime Authority of the Philippines is hereby created and conferred with power, authority and jurisdiction to restructure the maritime industry through the promotion, development, effective implementation, and proper enforcement of regulations governing the technical, operational, administrative and social aspects of the ship from its construction, operation, through-life compliance and recycling. The Maritime Authority of the Philippines is empowered to ensure that all sectors of the maritime industry shall work towards supporting the safe, reliable, and secure operation of ships and the protection of the marine environment.

The implementation of this policy and the creation of sub-policies and rules and regulations by the Authority shall be guided by the following principles:

- a. Maritime transport is a critical element in driving the economic growth and the development of domestic and international trade of the Philippines;
- b. The maritime industry is a necessary infrastructure and is critical to our need to link our islands to each other and our archipelago to the rest of the world;
- c. Our maritime professionals are an important component to ensuring safe, secure, reliable and efficient shipping services;

d. It is vital to have cost effective ancillary services that supports the operation and through life compliance of Philippine ships; and

e. It is essential that the Philippines shall consistently meet and apply standards set forth in international maritime conventions to remain competitive.

Section 3. Definition of terms. – For purposes of this Act, the following terms shall have the meanings hereinafter set forth:

a. “Authority” shall refer to the Maritime Authority of the Philippines created under this Act;

b. “Board” shall refer to the Board of Directors of the Maritime Authority of the Philippines;

c. “MARINA” shall refer to the Maritime Industry Authority created under Presidential Decree No. 474;

d. “Vessel” or “ship” maybe used interchangeably and shall refer to any boat, craft, or artificial contrivance capable of floating in water, designed to be used or capable of being used as a means of water transport utilizing its own motive power or that of another, and shall include a ship under construction;

Chapter II

Organization of the Authority

Section 4. Creation of the Maritime Authority of the Philippines. – The Authority is hereby created to function as an independent regulatory body with quasi-judicial and quasi-legislative powers which shall act as an attached agency to the Department of Transportation for the purpose of policy coordination.

Section 5. Principal office. – The Authority shall have its principal office in Metro Manila and may hold hearings on any proceedings at such time and places within the Philippines, as it may provide by order in writing.

Section 6. Regional offices. – The Authority shall establish such regional offices in key domestic ports as may be determined and approved by the Board.

Section 7. Capitalization. – The Authority shall have an authorized capital stock of fifty billion pesos (P50,000,000,000.00) which shall be fully subscribed by the Republic of the Philippines. The subscription of the National Government shall be paid as follows:

a. The unexpended balances of appropriations in the current General Appropriations Act and other acts in force upon approval hereof, pertaining to, held, or used by the MARINA;

b. The value of existing assets of the MARINA, which shall be determined by an independent and qualified appraiser or appraisers within six (6) months from the effectivity of this Act, and after deducting the loans and other liabilities of the MARINA at the time of takeover of the assets and properties; and

c. Such amounts as may be appropriated from time to time from the funds of the National Treasury, including any outlay from the infrastructure program of the National Government.

Section 8. **Fiscal autonomy.** - The Authority is hereby granted fiscal autonomy. All moneys earned by the Authority from the collection or levy of any and all dues, fees, charges, fines or other assessments imposed by the Authority shall be used solely to fund the operations of the Authority. The utilization of funds coming from the collection and/or levy of the Authority shall be subject to the examination of the Governance Commission for Government Owned and Controlled Corporations in accordance with Republic Act No. 10149.

Section 9. **The Board of Directors of the Authority.** - The corporate powers of the Authority shall be exercised by its Board of Directors which shall be composed of nine (9) members as follows:

- a. The Secretary of the Department of Transportation who shall act as Chairman of the Board;
- b. The Director General of the Authority who shall act as Vice-chairman of the Board;
- c. The Executive Secretary, Office of the President;
- d. The Secretary of the Department of Foreign Affairs;
- e. The Secretary of the Department of Labor and Employment;
- f. The Secretary of the Department of Finance;
- g. The Commandant of the Philippine Coast Guard;
- h. The General Manager of the Philippine Ports Authority; and
- i. The Chairman of the Board of Investments.

The Board members listed in this section shall be ex officio members of the Board, provided that the officials next in rank to the regular members shall serve as permanent alternate members of the Board. The alternate members of the Board shall attend all meetings of the Board and the committees assigned to their principals and receive the corresponding per diems in the absence of their principal.

The Board may appoint such private sector representatives to participate in the discussions of the Board as non-voting members.

Section 10. **Quorum and voting.** - The presence of at least five (5) members of the Board shall constitute a quorum. A vote of a majority of the members of the Board present at the meeting shall be necessary for the approval of any act.

Section 11. **Board meetings.** - The Board shall meet at least once month and may hold such special meetings to consider urgent matters upon the call of the Chairman or at the initiative of at least four (4) Board members. The Board shall prescribe the internal rules of procedure which will govern the conduct of Board meetings.

Section 12. **Per Diems.** – The members of the Board shall receive a per diem for each meeting actually attended. The per diem of the members of the Board shall be determined pursuant to a resolution adopted by the Board subject to compliance with the guidelines duly existing and made applicable by the Commission on Audit.

Section 13. **The Director General.** – The Board shall nominate a Director General who shall not come from its ranks and approved by the President of the Philippines for a term of six (6) years unless earlier removed for cause. The Director General shall be a citizen of the Philippines, at least thirty-five (35) years old on the date of his or her appointment, of good moral character, with recognized executive ability and competence in previous public or private service, with adequate training and experience in economics, engineering, law, or administration and management.

Section 14. **The Deputy Directors General.** – The Director General shall be assisted by such Deputy Directors General who shall be appointed by the Board. The Deputy Directors General shall be a citizen of the Philippines, at least thirty-five (35) years old on the date of his or her appointment, of good moral character, with recognized executive ability and competence in previous public or private service, with adequate training and experience in maritime economics, maritime technology, maritime law, or maritime administration gained from any of the sectors of the maritime industry.

Section 15. **Personnel.** – The Board shall approve the new corporate organization and plantilla of the Authority including the creation of the positions of Deputy Directors General for the following offices:

- a. Operations;
- b. Seafaring and Crew Matters;
- c. Ship Registrar;
- d. Legal Affairs; and
- e. Program and Support Services.

Existing personnel of the MARINA who are duly qualified to occupy the new positions created by the Board shall be given preference in filling up the plantilla positions in the Authority, subject to existing civil service rules and regulation.

The Board shall finalize the organizational structure of the Authority not later than six (6) months from the effectivity of this Act.

Section 16. **Maritime attaché** – The Director General shall be supported by the maritime attaché, *who is fit and proper to hold such offices, with regard to his qualifications, competence, experience and integrity* and who shall serve in diplomatic missions or consular offices abroad with a tour of duty of three (3) years. The maritime attaché shall be recommended by the Director General and appointed by the Board.

The maritime attaché shall have the following functions:

- a. Provide advice and assistance to the Authority and other relevant government agencies regarding vital shipping policies, development and legislations in other countries;

b. Represent the Authority and such other government agencies in meetings or conferences of international or inter-governmental organizations and assist the Authority and such relevant government agencies in formulating the Philippine position on matters brought before the meeting or conference;

c. Advise and assist the Authority and other government agencies in the negotiation of bilateral maritime agreements;

d. Coordinate, evaluate and recommend to the Authority technical assistance on maritime training;

e. Advise and assist seafarers in coordination with the labor attaché;

f. Perform such other functions as may be assigned to him by the Director General.

Section 17. Prohibited interests. – The Director General, Deputy Directors General, and all members of the Board or any of their relatives within the fourth civil degree of consanguinity or affinity, legitimate or common law, shall be prohibited from holding any interest whatsoever, either as investor, stockholder, officer or director, in any company or entity engaged in any maritime enterprise or maritime-related support enterprise and must divest himself or herself, through sale or other means of legally disposing any and all interests in such enterprises upon the Director General's, Deputy Director General's, or Board member's assumption of office. Any violation of this section shall subject the Director General, Deputy Director General or Board member concerned to removal from office for cause as well as administrative, civil or criminal prosecution under applicable laws.

Section 18. Limitation of subsequent employment. – The Director General, Deputy Directors General, all members of the Board, and all employees of the Authority shall be prohibited from accepting any employment or from entering into any contract of service with any entity regulated by the Authority until after the expiration of one year from the termination of such appointment or employment, whether by resignation, revocation or other means.

Section 19. Compensation and other emoluments of personnel of the Authority. – Within six (6) months from the effectivity of this Act, the Board shall determine the new schedule of salaries of the employees of the Authority subject to compliance with existing compensation laws. The Board shall determine and fix the compensation, fringe benefits and other emoluments of employees holding professional or technical positions that are not common to other agencies of the government. The professional or technical positions shall be identified in the Implementing Rules and Regulations of this Act and may be reviewed from time to time.

Section 20. Exemption from Taxes and Customs and Tariff Duties. – The importation of equipment, machineries, spare parts, accessories and other materials including supplies and services used solely and exclusively in the operations of the Authority not obtainable locally shall be exempt from all direct and indirect taxes, wharfage fees and other charges and restrictions, the provisions of pertinent laws to the contrary notwithstanding.

All obligations entered into by the Authority and any income derived therefrom including those contracted with private international banking and financial institutions shall be exempt from all taxes, on both principal and interest. The Authority shall also be exempt from the payment of capital gains tax, documentary stamp tax, real property tax and other national or local government imposed taxes and fees.

Section 21. **Schedule of fees and charges.** – The Authority shall from time to time adopt and publish its schedule of fees and charges. The Authority shall hold such public hearings or consultative meetings with stakeholders in the industry before adopting its schedule of fees and charges. The Authority shall not revise its schedule of fees more often than once every five (5) years.

Section 22. **Transfer of properties.** – The funds and appropriations, records, equipment and property of the MARINA is hereby transferred to the Authority.

Section 23. **Annual report.** – The Authority shall prepare and submit an annual report to the ~~President of the Philippines, to the Senate and to the House of Representatives~~ National Government and the public on its accomplishments at the close of each calendar year.

Chapter III

Powers and functions of the Authority

Section 24. **Powers and functions.** – The Authority shall have the following powers and functions:

a. Create and maintain a registry of ships containing the names and particulars of all ships in the registry, prescribe the qualifications for ships which can be entered in the registry and the conditions in which they can remain in the registry, and determine the size and types of vessels which do not have to be entered in the registry of ships;

b. Effectively implement and enforce all international maritime conventions, instruments, codes, standards, guidance and recommendations on safety, security and the protection of the marine environment

c. Provide for procedures for the early ratification of international conventions and protocols to international conventions and the prompt implementation of such conventions and protocols as well as new technical annexes, codes, recommendations and guidelines;

d. Provide for regulatory measures which cover the construction, periodic survey and through-life compliance, and recycling of the ship;

e. Exercise technical control over ships, provide for rules on construction, seaworthiness and equipment of ships, and require the full implementation of preventive and corrective safety measures to ensure the safety and security of the ship, the prevention of collisions and the protection of the marine environment;

f. Create and maintain a registry of seafarers containing the names and particulars of all seafarers in the registry;

g. Exercise social control over ships, provide for regulations on the safe manning of the ship which ensures that the crew is appropriate in qualification and number for the type, size, machinery and equipment of the ship;

h. Provide for measures regulating labor conditions on board, the qualification, training and certification of the master, officers and crew in the areas of seamanship, navigation, communication and marine engineering and all members of the crew are fully conversant with international regulations on the

safety of life at sea, the prevention, reduction and control of marine pollution and the maintenance and use of communications equipment on board;

- i. Engage the services of qualified surveyors and recognized organizations;
- j. Establish procedural and regulatory measures for the conduct of a marine casualty safety investigation and the implementation of amendments to regulations instituting necessary corrective measures arising from the findings of such investigation;
- k. Investigate any matter concerning the ship upon receipt of any adverse report from another State stating clear grounds showing any violation of standards of international conventions and provide for means to take any action necessary to remedy the violation;
- l. Provide for procedural measures to cause an inquiry by a suitably qualified person or panel of qualified persons into every marine casualty or incident of navigation which causes loss of life or serious injury or serious damage to ships or installations of another State or to the marine environment and penalize the offender as appropriate;
- m. Establish procedures for the institution and prosecution of any action against the master or any person in the service of the ship involving the violation of any penal law or requiring disciplinary action, including the revocation of any license issued to the master or officer of the ship arising from a collision or other incident of navigation involving a ship in the registry;
- n. Institute policies that encourage and cooperation among other government agencies and private organizations and a procedure for consultation with affected parties relative to the implementation of new or amended policies;

The foregoing powers and functions shall be exercised through the Board and the Director General and shall be in addition to and shall supplement those granted by this Act to the Board and the Director General.

Section 25. Corporate powers and functions. – The Authority shall have the following corporate powers:

- a. Succeed in its corporate name, to sue and sued under such corporate name, and to adopt, use, and alter its corporate seal, which shall be judicially noticed;
- b. Adopt, amend, or repeal its by-laws;
- c. Enter into, make, perform, and carry out contracts of every class, kind, and description which are necessary or incidental to the realization of its purposes, with any natural person, private domestic or foreign firm or corporation, local or national government office or agency, international institutions, foreign governments, or inter-governmental organizations;
- d. Raise money, contract loans, indebtedness, credit and issue commercial papers and bonds in any local or convertible foreign currency from any domestic or international financial institutions under terms and conditions prescribed by law, rules and regulations;

e. Execute any deed of guarantee, mortgage, pledge, trust or assignment of any property for the purpose of financing the programs and projects deemed vital for the attainment of its goals and objectives;

f. Construct, acquire, own, hold, operate, maintain, administer and lease real and personal properties, including land, buildings, machinery, equipment, other infrastructure, agricultural land, and its improvements, property rights and interests therein, and to encumber, mortgage, dispose, sell, or alienate or otherwise dispose of the same at the fair market value it may deem appropriate; to lease out its property, machinery, equipment or goods, not immediately required by it for its operations; Provided that no real property held, owned or acquired by the Authority shall be sold without the prior written approval of the President of the Philippines;

g. Receive gifts, donations, grants, bequests, services, properties, whether personal or real and assistance of all kinds, from private and public sources, firms, institutions and utilize the same for the purposes set forth in this Act;

h. Invest its funds and other assets in such areas, ventures, and projects as it may deem proper;

i. Settle, under such terms and conditions most advantageous to it, any claim by or against it;

j. Determine and keep its own system of accounts following generally accepted accounting principles, as well as the forms and contents of its own contracts and other business documents;

k. Perform such other acts as are necessary or convenient in connection with the performance of its functions to carry out the purposes of this Act.

Chapter IV **Powers and functions of the Board**

Section 26. **Powers of the Board.** – The Board shall have the following general powers:

a. Provide comprehensive policy guidance for the promotion and development of the Philippine maritime industry as provided for in this Act, taking into account the commitments of the Government to effectively implement and enforce obligations under international maritime conventions which the Philippines is a party to;

b. Ensure that the Authority performs its functions in a proper, efficient and effective manner;

c. Decide the objectives, strategies and policies of the Authority in accordance with the provisions of this Act, giving due regard to the commitments of the Philippines to effectively implement and enforce obligations under international maritime conventions to which the Philippines is a party to;

d. Determine the organizational structure of the Authority in accordance with the provisions of this Act, establish a human resources management system based on merit and fitness, adopt a rational compensation and benefits scheme, and provide a program for technical training, capacity building and personnel development;

e. Use available services, equipment, personnel and facilities of other agencies of the Philippine Government, on a reimbursable basis when appropriate and, on a similar basis, to co-operate with those agencies in the establishment and use of services, equipment and facilities of the Authority;

f. Use the property of the Authority in such a manner as may appear to the Authority to be requisite, advantageous or convenient with a view to making the best use of any of the property of the Authority in relation to its functions under this Act;

g. Invest such of the Authority's funds that are not immediately required for operating expenses, or other immediate obligations in any business venture the Board may deem appropriate, or in such secured note, government securities, and other negotiable instruments that satisfy the guidelines prescribed by the Board. Funds of the Authority shall be deposited in such commercial and universal banks as the Board may determine, subject to the requirements of existing laws. The Board shall designate the officials authorized to deposit in or withdraw funds from such depository banks;

h. Approve contracts of the Authority;

i. Approve the organizational structure, and staffing pattern of the Authority, and reorganize the Authority from time to time as recommended by the Director General by creating additional offices or abolishing existing offices as the requirements of the maritime industry may demand, provided that such organizational review and restructuring shall not be undertaken more often than every five (5) years from the effectivity of this Act and shall be subject to existing civil service rules and regulations;

j. Approve the annual budget of the Authority;

k. Appoint the Deputy Directors General of the Authority;

l. Appoint maritime attachés with the concurrence of the ~~Department of Foreign Affairs and the approval of the President~~ majority of the Board, constituting such quorum, to such embassies or consular offices as the Director General may recommend;

m. Appoint, discipline, and remove any professional or technical personnel; provided that such professional or technical personnel shall be exempt from Civil Service rules and regulations; provided further that such personnel shall be entitled to the benefits normally accorded to government employees such as retirement, GSIS insurance, leave and similar benefits; provided finally that the Board or the Administrator, as delegated by the Board, may engage, on a contractual or temporary basis, highly qualified professionals or technical personnel and fix their compensation, fringe benefits and other emoluments; - *(NB:same with other GOCCs)*

n. Review and revise, from time to time, the positions requiring professional or technical personnel and the compensation, fringe benefits and other emoluments of such positions,

o. Promulgate, and periodically review, amend and update, in accordance with the requirements of the Administrative Code of the Philippines, rules and regulations as may be necessary to:

1. Implement and effectively enforce international maritime conventions and instruments taking into account the standards, guidance, and recommendations promulgated by relevant inter-governmental organizations to ensure maritime safety, maritime security, the protection of the marine environment, the construction, repair, maintenance and recycling of

ships, the certification and through-life compliance of ships, the survey and inspection of ships, the construction and operation of shipyards, ship repair yards and ship recycling facilities, the conduct of maritime safety investigations, the qualification, competence, and certification of seafarers, the accreditation and audit of training courses and maritime higher education institutions, the protection of maritime labor, and such other rules, regulations, and standards, governing other practices, methods or procedures as the Director General may recommend as necessary and appropriate to ensure the safety, security, reliability, and efficiency of maritime commerce and navigation and the protection of the marine environment;

2. Maintain a system for the registration or licensing of ships, the accreditation of maritime enterprises, and the grant of franchises for scheduled and non-scheduled domestic shipping services;

3. Maintain a system for the registration, training, certification and licensing of seafarers after satisfactorily demonstrating their knowledge through oral and written examinations which realistically assess the skills they possess for the functions they perform on board in compliance with the standards of relevant international convention;

4. Provide for administrative and judicial procedures that will allow for the investigation of any allegation questioning the competence, conduct or fitness of a seafarer involving the loss of a ship, the loss of life, serious damage to the ship or to the environment, or the commission of criminal offenses;

5. Establish administrative, arbitral or quasi-judicial procedures which shall assist in the settlement of any dispute involving the seafarer and the ship owner; (Please keep this here in the meantime so we can discuss.)

6. After public hearing, fix, impose, collect or receive reasonable dues, fees, charges, or assessments for certifications, licenses, accreditations, documents, and other authorizations issued, or for any service performed or rendered, by the Authority;

7. After public hearing, fix, impose, collect or receive fines or penalties, and any amendments thereto, imposed pursuant to relevant maritime laws and the rules and regulations of the Authority implementing such laws, subject to the requirements of the Administrative Code of the Philippines;

p. Promulgate, adopt, or amend rules of procedure and such other rules and regulations necessary for the effective implementation and enforcement of the powers of the Authority;

q. Authorize, and delegate to, the Director General such powers and functions necessary or required by the exigencies of the service to ensure the effective implementation and enforcement of the powers of the Authority, provided that the Director General may authorize the performance of such delegated powers and functions to any officer, employee or administrative unit of the Authority subject to such regulations, supervision and review as may be prescribed;

r. Approve the annual and supplementary budget plan and utilization of retained revenue;

s. Exercise the corporate powers granted to the Authority in accordance with the immediately preceding section;

t. Exercise such other powers necessary to give full effect to this Act, provided that the Board shall not exercise any power or function not otherwise expressly granted to it under this Act, neither shall the Board exercise any power or function that properly falls within the authority, jurisdiction powers or functions of the Director General.

Section 27. Power to administer oaths. – The members of the Board, the Director General and such other designated officers of the Authority shall have the authority to administer oaths in the transaction and performance of their official duties.

Chapter V

The Authority Proper

Section 28. Organizational structure of the Authority. – Within fifteen (15) days from the appointment of and acceptance by all members of the Board and the Director General of their respective appointments, the Board, in consultation with the Director General, shall meet to draft and prepare the organizational structure of the Authority. The Board shall approve the Authority's organizational structure not later than six (6) months from the effective date of this Act.

Section 29. Permanent offices of the Authority. – The Authority shall have the following permanent offices:

- a. Operations;
- b. Seafaring and Crew Matters;
- c. Ship Registrar;
- d. Legal Affairs; and
- e. Program and Support Services.

In determining the organizational structure of the Authority, the Board shall include the foregoing permanent offices and shall create such other offices needed to ensure that the Authority is able to effectively carry out, implement and enforce the functions of the Authority set forth in this Act and in special laws. The Board shall have the power to approve the creation of additional offices if the requirements of the maritime industry require such additional offices.

Chapter VI

The Director General

Section 30. Powers and functions of the Director General. – The Director General shall be the chief executive and operating officer of the Authority. He shall have the following powers, duties and responsibilities:

- a. Carry out the purposes, policies, powers and functions established in this Act;
- b. Effectively implement and enforce the provisions of this Act, other special laws and the rules and regulations of the Authority issued pursuant to such legal instruments;
- c. Effectively implement and enforce treaty obligations, standards, recommendations and guidance of international maritime conventions and all special laws, rules and regulations implementing

these obligations of the Philippines relating to the safety and security of ships and the protection of the marine environment;

d. Participate in meetings and represent the maritime interests of the Philippines in international or inter-governmental organizations and agencies of foreign governments;

e. Cooperate with international or inter-governmental organizations and agencies of foreign governments in promoting safety and security of life and property at sea and the protection of the marine environment;

f. Issue certifications, licenses, accreditations, documents, and other authorizations to vessels, seafarers, shipyards, training centers, educational institutions and other maritime enterprises, specifying the duration thereof and such other details as may be necessary to limit the effect and validity of such document and to deny, suspend, cancel or revoke when legally warranted;

g. Issue certifications, licenses, identification documents, and other authorizations to seafarers regardless of rank specifying the duration thereof and such other details as may be necessary to limit the effect and validity of such document and to deny, suspend, cancel or revoke when legally warranted;

h. Delegate to, and enter into contracts with, recognized organizations, marine surveyors or other properly qualified service providers or private entities such powers, duties and functions as necessary to carry out the responsibilities of the Philippines to exercise technical administrative and social control over registered vessels, subject to his or her continuing supervision, regulation and review;

i. Delegate to, and enter into cooperative arrangements with, the Philippine Coast Guard such powers of inspection, enforcement and detention as appropriate considering the provisions of Republic Act No. 9993;

j. Collect and receive dues, fees, charges, or assessments for certifications, licenses, accreditations, documents, and other authorizations issued, or for any service performed or rendered, by the Authority;

k. Collect and receive fines and penalties levied for any violations of the laws and the rules and regulations being implemented by the Authority;

l. Cooperate, assist and coordinate with any research and technical agency of the government on matters relating to research and technical studies on design, materials, workmanship, construction, performance, maintenance and operation of ships, and the ship's hull, machinery, equipment, devices, and fuel, provided, that nothing in this Act shall be construed to authorize the duplication of the laboratory research, activities or technical studies of any existing governmental agency;

m. Exercise such other powers provided in this Act or delegated to him or her by the Board, provided that the Director General shall not exercise any power or function not otherwise expressly granted to him or her under this Act or by the Board.

Chapter VII

Transitory Provisions

Section 31. **Abolition of MARINA.** – The Maritime Industry Authority created under Presidential Decree No. 474 as amended by Executive Order No. 125 and 125/A series of 1987, an agency attached to the Department of Transportation and Communication is hereby abolished. All powers, functions, duties, and rights exercised by the MARINA is hereby transferred to the Authority.

All assets, real and personal properties, funds and revenues owned by or vested in the different offices of the MARINA are transferred to the Authority. All contracts, records and documents relating to the operations of the MARINA and its regional offices are likewise transferred to the Authority. Any real property owned by the national government or government-owned corporation or authority which is being used and utilized as office or facility by the MARINA shall be transferred and titled in favor of the Authority.

Section 32. **Transfer of Personnel of MARINA.** – To ensure the smooth transition into the new corporate structure, the incumbent Administrator of the MARINA shall continue to hold office and assume the powers of the Director General until his successor shall have been appointed and inducted into office in accordance with this Act. Affected officials and personnel of MARINA with appointments attested by the Civil Service Commission, whether hired on a permanent or temporary basis, who would opt to retire or to be separated from the service, and those hired on a casual or contractual basis, if qualified, shall be given the option to avail themselves of any of the following, whichever is beneficial to them:

a. Retirement gratuity provided under Republic Act No. 1616, as amended, plus the refund of retirement premiums payable by the Government Service Insurance System (GSIS), without the incentive herein provided;

b. Retirement benefit under Republic Act No. 660 or applicable retirement, separation or unemployment benefit provided under Republic Act No. 8291, if qualified, plus the following applicable incentives:

1. One half (1/2) month of the present basic salary for every year of government service and a fraction thereof, for those who have rendered twenty (20) years of service and below;

2. Three-fourth (3/4) month of the present basic salary for every year of government service and a fraction thereof, computed starting from the 1st year, for those who have rendered twenty-one (21) to thirty (30) years of service; and

3. One (1) month of the present basic salary for every year of government service and a fraction thereof, computed starting from the 1st year, for those who have rendered thirty-one (31) years of service and above: Provided, That the GSIS shall pay, on the day of separation, the retirement/separation/unemployment benefits to which an affected employee may be entitled to under Republic Act No. 660 or Republic Act No. 8291 and whenever there is an option, the one which the affected employee has chosen as the most beneficial to him/her: Provided, further, That for the purpose of complying with the required number of years of service under Republic Act No. 8291, the portability scheme under Republic Act No. 7699 may be applied, subject to existing policies and guidelines; and HAICTD

c. Those with less than three (3) years of government service may opt to avail of the separation gratuity under Republic Act No. 6656, plus the appropriate incentive provided under paragraph (b) of this section.

No affected employee who opted for retirement or separation shall receive less than an aggregate of Fifty thousand pesos (Php50,000.00) as his retirement or separation gratuity from both the national government and the GSIS.

Section 33. **Organization of the Authority.** – Any officer or employee of MARINA who has availed the benefits of the foregoing provisions shall not qualify for reemployment with the Authority within seven (7) years from the date of such retirement or resignation.

Section 34. **Saving Clause.** – Unless otherwise provided in this Act, rights or privileges vested or acquired under the provisions of Presidential Decree No. 474 or Executive Order No. 125 or Executive Order No 125-A series of 1987, and their rules and regulations prior to the effectivity of this Act shall remain in full force and effect.

Section 35. **Legal Counsel.** – The Office of the Government Corporate Counsel shall act as the external legal counsel of the Authority before any court of law or any quasi-judicial bodies of the government without prejudice of any deputation or designation that it may issue in favor of the in-house counsel of the Authority. (NB: OGCC charter provides that it will represents a ll GOCC causes)

Section 36. **Implementing Rules and Regulations.** — The Authority shall adopt rules and regulations to implement the provisions of this Act within sixty (60) days from the date of its approval.

Section 37. **Congressional Oversight Committee.** – ~~A Congressional Oversight Committee, hereinafter referred to as the "Committee", is hereby constituted in accordance with the provisions of this Act. The Committee shall be composed of the Chairman of the Senate Committee on Public Services and Chairman of the House Committee on Transportation and four (4) additional members from each House to be designated by the Senate President and the Speaker of the House of Representatives, respectively. The Committee shall, among others, in aid of legislation:~~

The Governance Commission for Government-owned or Controlled Corporations, hereinafter referred to as the GCG, shall have the powers and functions, pursuant to Republic Act No. 10149, such as but not limited to:

- a. *Monitor and ensure the proper implementation of this Act;*
- b. *Review the collection performance of the Authority; and*
- c. *Review the proper implementation of the programs of the Authority and the use of its collected fund.*

In furtherance of the hereinabove cited objectives, the GCG is empowered to require the Authority to submit all pertinent information including, but not limited to, its collection performance data and its annual audited financial statements certified by the Commission on Audit.(this is similar to Chapter II, Sec. G of RA 10149)

~~The Congressional Oversight Committee shall be in existence for a period of five (5) years, and thereafter, its oversight functions shall be exercised by the Senate Committee on Public Services and the House Committee on Transportation acting separately.~~

Chapter VIII Final provisions

Section 38. **Severability Clause.** — If any part or provision of this Act shall be declared illegal, unconstitutional, or void the other parts or provisions hereof which are not affected thereby, shall continue in full force and effect.

Section 39. **Repealing Clause.** — The following laws are hereby repealed:

- a. Presidential Decree No. 474
- b. Executive Order No. 125 series of 1987
- c. Executive Order No. 125-A series of 1987

The provisions of Section 10 Republic Act No. 9295 covering the powers and functions of MARINA is hereby amended insofar as it is inconsistent with the provisions of this Act.

All other laws, decrees, executive orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 40. **Effectivity.** — This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.