

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. **327**



Introduced by Representative ROSE MARIE J. ARENAS

An Act Creating the Maritime Policy Institute of the Philippines

EXPLANATORY NOTE

As an archipelagic nation, the Philippines' marine area consists of 2,263,816 square kilometres, which is more than seven times the size of the total land area. As such, the country's interests at sea ranges from navigation, marine transportation, maritime safety, marine environment protection, fisheries, exploration and exploitation of marine resources, maritime security, marine biodiversity, to name of few. Notwithstanding these dynamic interests, the governance of our marine areas is fragmented, falling within the ambit of different agencies of government.

It is difficult to have a cohesive policy covering the varied maritime interests of the Philippines unless there is a single maritime policy agency which can look into relevant treaties such as the United Nations Convention on the Law of the Sea and other relevant agreements, as well as all matters related to the Philippines' maritime interests. For one, the recent developments on the long on-going dispute relative to the West Philippine seas indicate the urgent necessity to conduct research that can contribute to further promote our country's rights and concerns. Thus, the creation of a maritime policy agency can help set the country's policy direction through research, studies, discussions, training, awareness programs, the provision of experts, the continual and progressive development of specialists, and the provision of advice for purposes of arriving at a unified approach in dealing with maritime issues and fostering a meaningful, cogent and comprehensive national maritime policy for the Philippines. The agency shall likewise have a pivotal role in formulating policies to safeguard the Philippines' numerous maritime interests against threats to our maritime security, safety, environment and resources. It should complement the efforts of the various government agencies involved in the maritime sector through the support and advisory assistance of experts in national maritime policy planning and implementation.

This bill seeks to create this maritime policy institute in order to formalize, centralize, institutionalize and unify all policy work concerning the maritime interests of the Philippines, which will guide future work of all government agencies dealing with maritime issues.

Considering the Award dated 12 July 2016 of the Permanent Court of Arbitration in our favour, which defined the scope of maritime entitlements in the South China Sea, the immediate passage of the bill is recommended.

This bill was first introduced by ANGKLA partylist during the 17th Congress.

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A handwritten signature in black ink, appearing to read 'Rose Marie J. Arenas', is written over the printed name.

ROSE MARIE J. ARENAS

Representative

3rd District, Pangasianan

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An Act Creating the Maritime Policy Institute of the Philippines

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

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

Section 2. **Declaration of policy.** – Consistent with the Constitutional provisions on National Territory, National Economy and Patrimony, and Independent Foreign Policy, it is hereby declared the policy of the State:

- a. To ensure that measures, policies, strategies and programs are in place that will safeguard, conserve, and manage the Philippines' archipelagic waters, maritime zones, and maritime interests;
- b. To preserve its sovereignty over the national territory and to protect its archipelagic waters and maritime zones from various elements that threaten maritime navigation, security, safety, environment and resources;
- c. To encourage and foster the utilization of its marine resources to support economic development and contribute to the country's prosperity; and
- d. To monitor adherence to the United Nations Convention on the Law of the Sea and other relevant international maritime agreements binding upon the Philippines.

Section 3. **Creation of the Maritime Institute of the Philippines.**– To support the foregoing, the Maritime Policy Institute of the Philippines (the “Institute”) is hereby created to function as an independent non-stock, non-profit government corporation. The Institute shall be attached to the Office of the President.

Section 4. **Powers and authority of the Institute.** – The Institute is conferred with the following powers and authority:

- a. Provide maritime-related advice, research, studies, materials, and consultancy services in all maritime-related fields to all government agencies and stakeholders through policy research, training, education and public awareness programs that will guide the efforts of these entities involved in the different areas of the maritime sector in maritime policy, planning, formulation and legislative drafting;

- b. Mobilize expertise, organize resources, create programs to assist and support government agencies and stakeholders in all maritime-related fields and contribute towards a meaningful, comprehensive and cogent national maritime policy for the Philippines;
- c. Provide a forum for discussion and the sharing of research materials, studies, findings, information, and knowledge of maritime experts and stakeholders, and create a repository for research and other information in all maritime-related fields;
- d. Provide linkages with related bodies and international maritime organizations (e.g., International Maritime Organization);
- e. Facilitate and accelerate public education, information dissemination and awareness of the importance of the country's maritime heritage and the essential role of the sea and its resources to Filipinos; and
- f. Provide scholarships, fellowships, and research grants to Filipinos interested in building expertise in any maritime-related field.

Section 5. Corporate powers. – The Institute shall have the following powers:

- a. Adopt, alter, and use a corporate seal;
- b. Collect, receive, and maintain funds from government appropriations and from donations, grants, gifts, bequests, research and consultancy fees, from domestic and foreign sources, and to apply the income and principal thereof to the promotion of its aims and purposes;
- c. Own, manage, and hold such real and personal property as shall be necessary for the Institute's purposes;
- d. Acquire, purchase, and obtain supplies, equipment and infrastructure; to engage personnel, experts, consultants, and research fellows, provided that such activities were subjected to transparent and accepted industry procurement and purchasing practices to protect the public interest;
- e. Extend financial assistance to, and enter into contracts of every kind with any person, firm, association or corporation, domestic or foreign, or others in which it has a lawful interest in furtherance of its purposes and objectives;
- f. Invest its funds in such undertaking as it may deem wise or necessary to carry out its objectives; and
- g. In general, to do all such acts and things as may be necessary to carry into effect the provisions of this law.

Section 6. The Commission.– The Institute shall be managed by a Commission (the "Commission") composed of seven (7) members, namely a Chairman and six (6) members who shall have expertise in law, marine biology, marine geology, marine ecology, marine engineering, economics, management, or international relations. The members of the Commission shall be appointed by the President for a term of seven (7) years. Of the first set of appointees, the Chairman and three (3) members shall be appointed at the same time for a term of seven (7) years, and the other three (3) members shall be appointed at the same time for a term of three (3) years. In case of vacancy before expiry of the term, the President shall fill the vacancy and the appointee shall serve the unexpired term of the predecessor. In case of vacancy due to expiry of term, the successor's term shall begin the day after the expiry of the

predecessor's term. A majority of the members shall constitute a quorum to transact business. The Chairman shall receive the salary and emoluments of a Presiding Justice of the Court of Appeals, and the members shall receive the salary and emoluments of Justices of the Court of Appeals.

Section 7. **Board of Advisers.** – The Institute shall have a Board of Advisers (the "Board") composed of nine (9) members from any of the following agencies or industry sectors: Department of Foreign Affairs, Department of Transportation, Department of National Defense, Department of Agriculture, Department of Energy, Department of Environment and Natural Resources, National Economic Development Authority, maritime transport sector, academe, oil, gas and energy sector, and fisheries sector. Six (6) members must come from National Government Agencies and three (3) must be representatives of any of the above mentioned sectors.

The Board shall advise the Institute on the direction that the Institute shall take and on such other matters that the Board may deem necessary and proper that the Institute shall undertake.

The Chairman and members of the Board shall be appointed by the President. The Chairman of the Commission shall be an ex-officio member of the Board.

A majority of the members of the Board shall constitute a quorum for the transaction of the business of the Board.

Per diems and allowances for members of the Board shall be as determined by the Board subject to existing laws, rules and regulations on the matter.

Section 8. **Powers and functions of the Commission.** – The Commission shall have the following powers and functions:

- a. Formulate and adopt policies and measures for the management and operation of the Institute;
- b. Approve the staffing pattern for the Institute;
- c. Promulgate rules and regulations for the discharge of its powers and functions and the internal operations of the Institute;
- d. Approve all actions, policies, and initiatives that the Institute shall recommend to the President, Congress and other agencies of the Government;
- e. Appoint, promote, discipline or remove the personnel of the Institute;
- f. Manage the financial affairs of the Institute and approve an annual budget of receipts and expenditures of the Institute according to its requirements; and
- g. Monitor and review periodically the programs and projects of the Institute.

Section 9. **Chairman of the Commission.** – The Chairman of the Commission shall be the executive officer of the Institute. He shall have the following powers and duties:

- a. Prepare, for the approval of the Commission, the staffing pattern of the Institute which shall include the determination of the qualifications, and fixing the number and compensation of such officials and personnel as may be necessary for the proper discharge of the functions of the Institute;

- b. Exercise control and supervision over the personnel, staff, operations and internal administration of the Institute in accordance with existing laws and the rules and regulations promulgated by the Commission;
- c. Recommend to the Commission such policies and measures which he deems necessary for the effective exercise and discharge of the powers and responsibilities of the Institute; and
- d. Submit an annual report to the Commission on the operations, the status of the programs funded by, and the financial condition of, the Institute, including a recommendation for its budget for the ensuing year.

Section 10. **Work of the Institute.** – The work of the Institute shall be designed to be flexible and adaptable to allow for a multi-disciplinary approach to research and policy development, formulation and implementation. For this purpose, the Institute shall have the following research programs:

- a. **Maritime trade, technology and industries**, the core objective of which is to focus on developments in local and international trade relations, creation of new shipping technologies, strengthening competitiveness in the maritime industry and other developments which serve the Philippines' economic interests;
- b. **Ship performance and safety advancements**, which shall focus on examining vessel and transport standards for purposes of improving navigational safety;
- c. **Maritime security and diplomacy**, which shall focus on freedom of navigation, address sea-related threats, and foster international cooperation through policy research on emerging trends and safety issues;
- d. **Ocean law and policy**, which shall focus on the implementation and enforcement of the United Nations Convention on the Law of the Sea as well as other binding international maritime agreements;
- e. **Sulu-Celebes Seas, West Philippine Sea, and Philippine Sea**, the core objective of which is to focus on the exploration and exploitation of the living and non-living resources of the archipelagic waters, exclusive economic zones, and extended continental shelves of the Philippines in these areas;
- f. **Ocean renewable energy resources**, which shall focus on potential renewable energy resources from the seas; and
- g. **Archipelagic, coastal, and maritime zone environment management**, which shall focus on ensuring sustainability, preservation, conservation, and ecosystem protection.

Section 11. **Research grants and fees for research fellows and associates.** – Any provision of law, rule or regulation to the contrary notwithstanding, the Institute is hereby authorized to engage researchers and other professional staff from other government offices or agencies, the academe and the private sector to conduct specialized studies and researches for the Institute. Those so engaged by the Institute shall be issued appointments as research fellows or research associates and shall be paid such fees or honoraria as determined by the Commission.

Section 12. **Scholarships for specialized training in maritime-related fields.** – Any provision of law, rule or regulation to the contrary notwithstanding, the Institute is hereby authorized to grant scholarships for specialized training, in the Philippines or abroad, in any maritime field in a recognized maritime institute of higher learning to its own professional staff or from professional staff from other government offices or agencies and the

private sector to build expertise in the chosen maritime related field on such terms and conditions as the Commission may approve on the recommendation of the Chairman of the Institute.

Section 13. **Maritime Research Fund.** – There is hereby established a special fund called the Maritime Research Fund which shall be self-sustaining and shall consist of contributions, donations, grants, or research fees from domestic and/or foreign sources, government subsidies and other income accruing from the operations of the Institute. One-fourth of one percent of Government non-tax revenue from offshore oil and gas operations shall accrue to the Maritime Research Fund. The Maritime Research Fund shall be used for the operations and programs of the Institute as determined by the Commission. For the initial organizational and operational requirements of the Institute, there is hereby appropriated out of any fund in the National Treasury not otherwise appropriated the sum of One Billion Pesos (P1,000,000,000.00).

Section 14. **Government Contribution to Research Funding.** – There shall be included in the annual budget of the Department of Foreign Affairs, Department of Transportation, Department of National Defense, Department of Agriculture, Department of Energy, Department of Environment and Natural Resources, and the National Economic Development Authority such sum as may be determined by the respective Secretaries of these Departments a contribution in financing the research activities of the Institute. Other government agencies benefiting from the work of the Institute are hereby authorized to include in their respective annual budgets such amounts as their contribution to fund certain research activities of the Institute. These contributions shall be treated as distinct from the Marine Research Fund and shall be managed under a separate account.

The Chairman shall submit to the Commission a work program with budget estimates for each calendar year, not later than November 30 of the preceding year.

Section 15. **Exemption from Taxes.** – Any provision of law to the contrary notwithstanding, any donation, contribution, bequest, subsidy or financial aid which may be made to the Institute shall be exempt from taxes of any kind and shall constitute allowable deductions in full from the income of the donors or grantors for income tax purposes.

The Institute, its assets, acquisitions, income and its operations and transactions shall be exempt from any and all taxes, fees, charges, imports, licenses and assessments, direct or indirect, imposed by the Republic of the Philippines or any of its political subdivision.

Section 16. **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 17. **Repealing Clause.** —All laws or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 18. **Effectivity.** – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.