



PHILIPPINE PORTS AUTHORITY
(PHILIPPINE PORTS AUTHORITY)
B. F. Condominium Bldg.
Aduana, Inframuros, Manila

TELEPHONE NOS. 47-92-04
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March 21, 1985

PPA ADMINISTRATIVE ORDER
NO. 03-85

TO : ALL PORT MANAGERS, HARBOR PILOTS' ASSOCIATION,
HARBOR PILOTS, SHIPPING COMPANIES AND OTHERS
CONCERNED

SUBJECT : Rules and Regulations Governing Pilotage Services,
the Conduct of Pilots and Pilotage Fees in
Philippine Ports

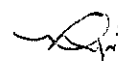
Pursuant to the provisions of Sections 6-a(viii), 39-c and 40, in relation to Sections 2-b and 2-f of P.D. 857, otherwise known as the Revised Charter of the Philippine Ports Authority, promulgated on 23 December 1975, and in line with Sections 134-140, Article XII, of PPA Administrative Order No. 13-77 dated September 2, 1977, the following rules and regulations on pilotage are hereby prescribed.

ARTICLE I - PRELIMINARY PROVISIONS

Section 1. Definition of Terms - The following terms as used in this Order shall be understood to mean:

- a) Vessel - Every sort of boat, craft, or other artificial contrivance used or capable of being used as a means of transportation on water, the tonnage limitation of which shall be specified in the prescription of pilotage rates, taking into consideration the conditions of the port.
- b) Harbor Pilot - A master mariner who is appointed to act as a regular pilot on any vessel engaged in foreign or coastwise trade, within the limits of a pilotage district, and who is a member of the Pilots' Association thereat.
- c) Coast Pilot - A Master Mariner who is appointed to act as pilot on any vessel engaged in foreign and coastwise trade, outside the pilotage district established herein.

- d) Special Harbor Pilot - A Ship Captain who is appointed to act as a Pilot on board a vessel engaged in coastwise trade and under his command.
- e) Temporary Pilot - A Harbor Pilot who is appointed in case of the temporary incapacity/disability of an incumbent regular pilot, or who is designated to act as a Harbor Pilot in the exigency of the service. In case where the incapacity becomes permanent, the temporary pilot shall be appointed as a regular pilot provided he has passed the pilotage examination for that district, and he has served for four (4) months in the Manila Pilotage District, or for three (3) months in other pilotage districts.
- f) Probationary Pilot - A Master Mariner who is appointed as a Harbor Pilot in a Pilotage District where he has to undergo a probationary training for three (3) months (four (4) for the Manila Pilotage District) before he is appointed as a regular harbor pilot.
- g) Chief Pilot - A regular harbor pilot who is elected by a majority vote of all the members of the Pilots' Association and is appointed as such by the Chairman of the PPA Board, upon recommendation of the General Manager of the Authority.
- h) Pilotage District - The water(s) and harbor(s) which comprise the territory of a pilotage area as defined in Annex "A" to Section 6 of this Order.
- i) Pilots' Association - An organization of three or more harbor pilots within a pilotage district.
- j) Authority - The Philippine Ports Authority.
- k) Entering a Harbor - Coming into a protected part of a sea, lake or other body of water used by vessels as a place of safety.
- l) Anchoring - Dropping anchor at a place with sufficient depth of water where vessels anchor or may ride at anchor within the harbor.



Section 2. Statement of Policy on Pilotage - It is hereby declared and recognized that pilotage service plays a vital and complementary role in the efficient operations of the port, and the responsibility to undertake the same is inherently vested in the Authority though it may authorize the discharge of such responsibility to the Pilotage Association. As such, it shall be incumbent upon the Authority to effectively regulate, supervise and control, in the public interest, pilotage, the conduct of pilots and the fees for their services.

Section 3. Scope - This Order shall cover all vessels except those as provided for in Section 9 of this Order.

Section 4. Administrative Control and Supervision Over Pilots - For the efficient and orderly administration of the harbors and/or pilotage district, all pilots and/or the Pilots' Associations and the conduct of pilots in the performance of pilotage duties shall be under the direct control and supervision of the Authority through the Port Manager of the Port Management Unit (PMU) concerned.

In the exercise of its supervisory power, the Authority may, in order to safeguard lives and properties at sea, prevent any pilot from piloting a vessel whenever he has reasonable ground to believe after due investigation that the mental and/or physical condition or capacity of any pilot has been greatly impaired, whether permanently or otherwise.

Section 5. No Employer-Employee Relationship - The Harbor Pilot, though appointed by the Authority, is not its employee. That being the case, the Authority shall not be liable in any manner, whatsoever, for the acts or omissions of the Harbor Pilot in the performance of his duties without prejudice to any civil, criminal or administrative offense that may be instituted to him shall constitute the authority or permit to render pilotage service in a particular pilotage district.

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ARTICLE II - PILOTAGE DISTRICTS

Section 6. Pilotage Districts - There shall be established pilotage districts throughout the Philippines considering that it is surrounded by navigable waters which conditions require pilotage service to enable the vessel to navigate safely therein. Each pilotage district shall be known by the name of the principal port embraced within its limits. The jurisdictional/operational areas of such districts are hereby delineated by latitude and longitude in Annex "A" of this Order.

The foregoing provisions shall include ports already established, or which may hereinafter be established after the promulgation of this Order, within or proximate to a pilotage district.

Section 7. Number of Pilots in the Pilotage Districts - The General Manager of the Authority may increase or decrease the number of pilots in a pilotage district considering the needs of the service; provided, that the minimum number of pilots in each district shall not be less than three and the maximum shall not be more than the number stated as follows:

1. Manila Pilotage District	24 pilots
2. Cebu Pilotage District	11 "
3. Davao Pilotage District.	10 "
4. Tacloban Pilotage District	7 "
5. Bicol Region Pilotage District	6 "
6. Iloilo Pilotage District.	5 "
7. Zamboanga Pilotage District.	5 "
8. Batangas Pilotage District.	4 "
9. Dumaguete Pilotage District	4 "
10. Maasin-Surigao Pilotage District	5 "
11. Masao Pilotage District	4 "
12. Iligan Pilotage District	4 "
13. Masinloc-Sta. Cruz Pilotage District.	3 "
14. Aparri Pilotage District.	3 "
15. Cagayan de Oro Pilotage District	4 "
16. San Fernando Pilotage District.	3 "
17. Siain-Hondagua & Casiguran Pilotage District.	3 "



18. Cathalogan Pilotage District	3	"
19. Tagbilaran Pilotage District	3	"
20. Jolo Pilotage District	3	"
21. Pulupandan Pilotage District	3	"
22. General Santos (Dadiangas) Pilotage District	3	"
23. Puerto Princesa Pilotage District	3	"
24. Polloc Pilotage District	3	"

The appointment of harbor pilots shall be effected by the Authority only upon determination of the exigency of the service by the Port Manager, in consultation with the Chief Pilot.

ARTICLE III - PILOTAGE SERVICE AND FEES

Section 8. Compulsory Pilotage Service - For entering a harbor and anchoring thereat, or passing through rivers or straits within a pilotage district, as well as docking and undocking at any pier/wharf, or shifting from one berth or another, every vessel engaged in coastwise and foreign trade shall be under compulsory pilotage.

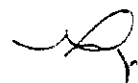
However, in the Ports of Manila and Cebu, and in such other ports as may be allowed by this Authority, Ship Captains may pilot their vessels engaged in coastwise trade provided they meet/comply with the following minimum qualifications/requirements;

- a) Must be properly licensed as a Harbor Pilot by the Philippine Coast Guard for Manila, Cebu and other authorized ports;
- b) Must have been a Master of an interisland vessel for at least three (3) years prior to his application with PPA;
- c) Must be certified by a government physician as physically and mentally fit.

Vessels maneuvered by a Special Harbor Pilot shall be exempt from the payment of all pilotage fees.

Section 9. Exemptions - In the following cases, pilotage service is not compulsory:

- a) Vessels engaged in coastwise trade undocking at all ports, except at the ports of Manila, Cebu, Iloilo, Tacloban, Davao, Zamboanga, Pulupandan, Masinloc, and San Fernando.



- b) Government vessels,
- c) Vessels of foreign governments entitled to courtesy,
- d) Vessels that are authorized by BOT to engage in daily ferry service plying between two places within a port or between two ports,
- e) Phil. flag vessels engaged in coastwise trade that depart from an anchorage,
- f) Vessels calling at private ports whose owners have formally waived the requirements of compulsory pilotage.

Section 10. Coast Pilotage Service - The employment of pilots for coastwise service in Philippine waters outside of a pilotage district or between pilotage districts while optional, shall, if needed by the vessel, be rendered only by appointed coast pilots. In the absence of a coast pilot or when none is available, the Port Manager concerned may designate any harbor pilot of the pilotage district within his (Port Manager) jurisdiction to act as pilot upon written request by the vessel's master or agent concerned given at least twenty-four (24) hours before the service is needed. The corresponding fees shall be agreed upon between the parties and subject to the approval of the Port Manager prior to the actual performance of the service.

Section 11. Control of Vessels and Liability for Damage - On compulsory pilotage grounds, the Harbor Pilot providing the service to a vessel shall be responsible for the damage caused to a vessel or to life and property at ports due to his negligence or fault. He can only be absolved from liability if the accident is caused by force majeure or natural calamities provided he has exercised prudence and extra diligence to prevent or minimize damage.

The Master shall retain overall command of the vessel even on pilotage grounds whereby he can countermand or overrule the order or command of the Harbor Pilot on board. In such event, any damage caused to a vessel or to life and property at ports by reason of the fault or negligence of the Master shall be the responsibility and liability of the registered owner of the vessel concerned with-

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out prejudice to recourse against said Master.

Such liability of the owner or Master of the vessel or its pilots shall be determined by competent authority in appropriate proceedings in the light of the facts and circumstances of each particular case.

Section 12. Tug Assistance, Definition and Regulations Therefor - The act of towing or pulling and/or pushing a vessel with the help of watercraft(s), with a single or combined capacity of at least 300 BHP to direct or control her movement and enable her to maneuver safely.

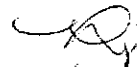
Tug Assistance shall be governed by the following guidelines:

- a) Responsibility for Ensuring Availability of Tug Assistance - The Authority shall provide tug assistance service on its own or by authorizing shipping companies, pilots' associations, or private entities, to provide such service on a non-exclusive basis.
- b) Permit to Operate Tug Assistance - No operator shall provide tug assistance within the harbor limits unless in possession of an annual permit issued by the Authority, subject to such terms and conditions, as it may deem proper to impose, addition to the requirements of other agencies. The tugboat operator shall provide the necessary equipment to render an efficient service which, among others, shall include VHF and radio transceivers.
- c) Compulsory Tug Assistance, When Required - Under normal conditions, any vessel may be allowed to maneuver in port without tug assistance; provided, however, that the Authority shall require compulsory tug assistance to a vessel when any of the following conditions may adversely affect its capability to safely maneuver in port; Provided, further, that the Authority may, in its discretion, consult the shipping and Pilotage Association concerned in the determination of the necessity for tug assistance in the light of the aforecited conditions. If both or any of them disagree with the Authority as to the need for tug assistance, and the tug was employed in maneuvering the vessel, the shipping company shall bear the financial burden.

- 1) Strong Current - flow of current with a velocity of 4 knots or more and which affects the maneuverability of the vessel.
- 2) Wind Factor - the velocity and direction of air current traveling at 30-50 MPH.
- 3) Conditions at the port - includes the nature of the approach to berth, the port structures and its facilities, the location of the berth and limited maneuvering space for the vessel.
- 4) Inclement Weather - the occurrence of tropical depression and stormy weather in the area during vessel's maneuver.
- 5) Mechanical Defect of Vessel - a defect of the vessel which renders it incapable of maneuvering by itself due to the sudden malfunctioning of the engine/propulsion/navigational equipment.

Provided, finally, the requirement of tug assistance based on the foregoing factors may not apply to vessels with bow thrusts or vessels with sophisticated equipment which render tug assistance optional on the part of the Shipping Company in the safe maneuvering of the vessels, unless such equipment malfunctions.

- d) Option of a Vessel to Avail of Tug Assistance - the Master of a vessel may, even under normal conditions, opt to avail of tug assistance if he deems it necessary.
- e) Unavailability of Tug Assistance Service - Where tug assistance is required and the tug service is regularly available in the port, no vessel may be allowed to maneuver without tug(s). If the tug service is not regularly available, a vessel may still be allowed by the Authority to dock or undock provided additional remuneration shall be given to the pilots.
- f) Tug Assistance Fees and Rates - Consistent with existing applicable laws, the Authority shall prescribe fees and



rates for tug assistance in proper cases, and in consultation with the Philippine Interisland Shipping Association for domestic shipping owners, the Filipino Shipowners' Association, Philippine Ship Agents' Association, and the Association of International Shipping Lines for Overseas operators whenever such consultation is reasonably expedient. In the absence of applicable fees, the rates chargeable shall be those that are agreed upon between the Shipping Company and the tug boat operator. In case of disagreement between them, the Authority shall determine the rates.

- g) Liability for Damages to Port Facilities - Any damage caused to a vessel or to life and property at ports by a vessel under tug assistance service (whether compulsory or optional), or without such tug service, shall be the liability of the party/parties declared at fault or negligent by competent authorities under existing applicable laws.

Section 13. Pilotage Equipment and Facilities - To effectively and efficiently render the service, the Association shall make available such equipment as required by the Authority, all in serviceable and ready-line condition, including reserved and standby equipment. The equipment and facilities shall include, but not limited to, pilot launches, communication equipment, pilot stations, land transport and office equipment.

The Authority shall, in consultation with all parties concerned, determine the strategic location of the Pilot Station in each Pilotage District.

Section 14. Availability of Pilots - The Association shall have in readiness at all times sufficient manpower necessary to undertake pilotage services within one (1) hour from receipt of notice, in writing or by signals as provided under Sec. 32(1) of this Order.

Section 15. Pilotage Services in the Districts - Pilotage services shall include the following general or common services and related or special services, to wit:



General or Common Services:

- a) Entrance Service - refers to meeting the vessel by the pilot at the pilot boarding station and conducting the same to the quarantine area and eventually to anchorage or berth.
- b) Departure Service - refers to the undocking or unmooring of the vessel from berth or anchorage and conducting the same back to the pilot boarding station.

B. Related or Special Services:

- a) Shifting of vessel from one berth to another requiring the vessel's main engine at standby for contingency use;
- b) Ship to ship maneuver requiring the vessel's main engine at standby for contingency use;
- c) Dead ship docking and undocking or mooring and unmooring;
- d) Channeling through straits;
- e) Shifting, upon the order of the Port Manager, from berth to anchorage during typhoons;
- f) Bow out docking;
- g) Conduction of vessel from or beyond pilot boarding station.

Section 16. Payment of Pilotage Service Fees - Any vessel which employs a Harbor Pilot shall pay the pilotage fees prescribed in this Order and shall comply with the following conditions:

- a) If the service of a pilot is refused by the vessel without any justifiable reason after reporting on board, said pilot shall be entitled to three hundred pesos (P300.00) for foreign vessels and one hundred fifty pesos (P150.00) for domestic vessels.
- b) When, upon request of the Master, a pilot is kept on board a vessel beyond the number of hours he is required to render service due to quarantine or other causes beyond his control, he shall be entitled to subsistence allowance at the rate of one hundred pesos (P100.00) for the first six (6) hours, and two hundred pesos (P200.00) per day thereafter.
- c) When pilotage service is rendered at any port between 1800 to 1600 H, Sundays or Holidays, an additional charge of one hundred (100%) percentum over the regular pilotage fees shall be paid by vessels engaged in foreign trade, and fifty (50%)

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percentum by coastwise vessels. This additional charge or premium fee for nighttime pilotage service shall likewise be paid when the pilotage service is commenced before and terminated after sunrise.

Provided, however, that no premium fee shall be considered for service rendered after 1800 H if it shall be proven that the service can be undertaken before such hours after the one (1) hour grace period as provided in paragraph (d) of this section, has expired.

In the absence of provisions in the by-laws or a written agreement among the pilots approved by the General Manager of the Authority to the contrary, such additional fee shall accrue to the benefit only of the pilot who rendered the service, but shall be reported as income of said pilot.

- d) If for any justifiable reason, a pilot does not report alongside upon the arrival or departure of a vessel where pilotage is compulsory after prescribed signals are displayed, such vessel shall anchor and keep the signals displayed for at least one (1) hour. If it shall be proven that reasonable effort was exerted to secure the services of pilot who failed to respond, the vessel may proceed to berth or depart and no pilotage fees shall accrue.
 - e) All pilotage or other fees shall be paid to and on account of the respective Pilots' Association through its Secretary-Treasurer upon presentation of the Bill or within thirty (30) days thereafter as may be authorized by the Pilots' Association.
 - f) No clearance shall be granted to any vessel against which pilotage fees are collectible after the 30 day billing unless payment is made or guaranteed to be paid except where the shipping company files a formal protest with the Port Manager concerned within 7 days from receipt of the bill, in which event the vessel shall be allowed to depart.
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The Port Manager shall decide within two (2) weeks from the filing of the protest and where the decision is adverse to the shipping company, it shall pay the bill to the Port Manager concerned before an appeal is made to the Head Office of the Authority, within 15 days from receipt of the decision.

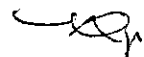
ARTICLE IV - PILOTS' ASSOCIATION

Section 17. Pilots' Association - The Pilots in a Pilotage District shall organize themselves into a Pilots' Association or firm, the members of which shall promulgate their own By-Laws not in conflict with the rules and regulations promulgated by the Authority. These By-Laws shall be submitted not later than one (1) month after the organization of the Pilots' Association for approval by the General Manager of the Authority. Subsequent amendments thereto shall likewise be submitted for approval.

Section 18. Officers and Their Salaries -

a) The Pilots' Association shall have a set of officers as follows:

- 1) Chief Pilot - The Chief Pilot of the Association shall be appointed by the Chairman of the Board of Directors of the Authority upon recommendation of the General Manager from among the regular pilots of the Association for a term of four (4) years subject to reelection; Provided, however, that the Chief Pilot so recommended was duly elected by a majority vote of the members of the Association concerned present in a meeting called for the purpose as certified to under oath by its Secretary; Provided, further, that the Chief Pilot may, within his term, be changed by a majority vote of all the members present in an election called for that purpose by a majority of all the members of the Association; Provided, finally, that in case of failure to elect for any reason whatsoever, the Authority shall choose the Chief Pilot from among the Association members.



Members of the Pilots' Association shall be under the immediate direction of the Chief Pilot and shall comply with all his lawful instructions, perform their duties as harbor pilots and such other duties relative to shipping as may from time to time be prescribed by the General Manager of the Authority.

Chief Pilots shall have general charge and control of the pilotage service in their respective districts, subject to the provisions of these regulations, to the by-laws of their respective associations and to such further regulations as may hereinafter be promulgated by the Authority.

- 2) Secretary/Treasurer - The Secretary/Treasurer of the Pilots' Association shall be elected from among the regular pilots of the association by a majority vote of those present in the meeting called for the purpose.
- b) The Chief Pilot and the Secretary/Treasurer shall receive a monthly salary. The salaries of these officers shall be effected only by a resolution approved by a majority of the members of the Association in a meeting called for the purpose and confirmed by the Authority.
- c) In addition to the two above-mentioned, other members may be allowed by the Association to receive such salary, compensation or allowance for the effective and efficient operations of the pilotage district.

Section 19. Records of the Association - The Chief Pilot shall keep accurately the following records a copy of which shall be submitted to the Port Manager concerned and the General Manager of the Authority:

- a) A record of pilots in which shall be entered the name of each pilot, together with the date of appointment, age, place of birth, citizenship, previous service as harbor pilot and maritime service prior to date of appointment as pilot, notations of specially meritorious services rendered and commendations received therefor, notations of complaints made against him with the result of investigation of the same, record of vessels stranded or damaged while in his charge,

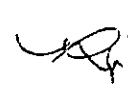


together with the circumstances connected with each case, and any other information that are deemed proper by the Chief Pilot, the Port Manager and the General Manager of the Authority. All the above entries shall be signed by the Chief Pilot.

- b) Complete monthly financial records of the Association shall be prepared showing all receipts (including overtime fees) from every source whatever, by whom received and the disposition of the same; amount of cash on hand at the end of each month, and by whom held; the amount of indebtedness of the association which includes, among others, government share from pilotage service and payment of taxes and fees due the government, and by and to whom due.

The Chief Pilot and the Treasurer of the Association shall sign and transmit the financial records of the previous month to the Authority within the first two weeks of the month next succeeding together with the Certificate of Service and vouchers required under Sections 21 and 22 respectively. Within 30 days from the end of the year, a financial statement covering such year, prepared and audited by an independent CPA and countersigned by the Chief Pilot and Treasurer, shall be forwarded to the General Manager of the Authority subject to reasonable period of extension on meritorious ground(s).

- c) Records of permanent property, equipment and of each member's share thereof. During the first month of each calendar year, the Chief Pilot shall cause all property of the Association to be appraised, allowances being made for depreciation, and shall enter the same in the property record.
- d) Records of obstructions, tides, changes of current, dredging, and the like, due notice of which shall be forwarded to the Port Manager concerned or the General Manager of the Authority.

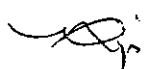


- e) Statistical Reports - tonnages, names, numbers and registries of vessels served, voyages, whether domestic or foreign.

Section 20. Medical Report - Upon entering the service, all pilots, regardless of age, shall be subject to physical and mental examination in a government hospital for the year of entry and every January of each year thereafter. This examination shall include, among others, the following tests: chest x-ray, urinalysis, stool, complete blood count, blood chemistry, fasting blood sugar (FBS), blood, urea, nitrogen (BUN), cholesterol, uric acid, electrocardiogram (ECG), and the psychological test. The January examination following the year of entry into the service shall not apply if the date between the two examinations is less than six (6) months; Provided, however, that incumbent pilots who are sixty-five (65) years of age or over, shall undergo an executive check-up at the Heart Center or other available government medical institution or hospital; Provided, further, that pilots over sixty (60) but below sixty-five (65) years may be subjected to such executive check-up at the discretion of the Authority; Provided, furthermore, that the General Manager of the Authority may, as he deems fit, allow his duly authorized representative to conduct periodical and on-the-job test of physical and mental fitness of pilots who have reached the age of sixty (60) years and over to determine their suitability for continuance in the service.

The Chief Pilot shall submit to the Authority thru the Port Manager concerned the results of the examination with his (Chief Pilot's) comments and recommendations not later than the first week of February of each year. He shall likewise report any refusal/failure of any pilot to take the examination and the reason(s) therefor. However, members of the Manila Pilots Association shall undergo said examinations under the supervision of the Health Service Unit of the Head Office of this Authority.

Refusal or failure to submit to a physical/psychiatric examination under this Section or under Section 35 (Retirement) hereof shall be a valid cause for separation from the service and/or administrative discipline under this Order.

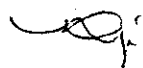


Section 21. Certificate of Service - The Pilots' Association shall provide a form in triplicate numbered consecutively, to be used as certificate of service rendered, which shall contain the name and tonnage of the vessel, whether it is engaged in coastwise or foreign trade, a detailed statement of fees due to the association and/or the individual pilot, the type of service rendered, the place and overtime remuneration, if any, to be signed by the master of the vessel and the pilot(s) who rendered the service. The original shall be attached to the bills of collection, the duplicate shall be retained by the Pilots' Association and the triplicate shall be forwarded to the Authority together with the monthly financial report.

Section 22. Expenses of Pilots' Association - All operating expenses, property and supplies' purchases, payment of government share, including the current expenses for the remuneration of the Chief Pilot and Secretary/Treasurer of the Association and other authorized officers which are provided in this Order shall be deducted from the gross receipts prior to the division of its earnings among others.

For auditing purposes of the Authority and for facilitating the same, the preparation of the financial records/reports of the Association shall be governed by the following rules:

- a) Gross Income - shall include all receipts for and receivables due to the Association as compensation for pilotage services rendered, as defined in Sections 10 and 15 of this Order.
- b) Expenses -
 - 1) Wages and Salaries -
 - (a) Only those of the Association's officers (Chief Pilot and Secretary/Treasurer), employees including pilots' launch crews shall be entitled; the pilot-members in their own capacities as pilots, shall not be given wages or salaries.
 - (b) 13th month pay shall be listed as separate item.



- (c) Overtime pay of the Pilots' Association's Officers, employees and crews, supported with vouchers and listed under the item pilot's overtime service fee; this amount shall be reported as income of the individual pilot and deducted wholly as an expense; overtime pay shall be listed per individual recipient.

(2) Allowances -

For employees and crew, a minimum of that imposed by law but supported with vouchers.

(3) Retainers -

For medical, legal and accounting needs to be supported by receipts.

(4) Insurance -

Only for INDEMNITY (under Sec. 25 hereof) and PROPERTY insurance of the Association to be supported by a copy of the policy and receipts for payments of premiums.

(5) Rentals -

To be supported with contract and/or payment receipts.

(6) Contributions -

Limited to those imposed by law on employers as in SSS and Employees Compensation to be supported with receipts.

(7) Dues and Fees -

- (a) United Harbor Pilots' Association (UHPAP) membership dues.
- (b) PPA share or consideration for granting the privilege to undertake pilotage services.

(8) Office Supplies/Expenses -

- (a) These expenses should be ordinary recurring expenses and shall include bills for power, water, phone communication and other related expenses, janitorial, security and maintenance of building and office equipment.



- (b) Maximum of three hundred pesos (P300.00)/month;
anything in excess should be supported with receipts.

9) Gasoline and Oil -

For motor launches owned by or leased to the pilots' association, purchases/leases shall be supported with receipts/contracts.

10) Depreciation -

Allowable provided the property is exclusively used and necessary for the proper conduct of pilotage service in compliance with the provisions of this Order.

11) Repairs and Maintenance of Launch -

To be supported with receipts.

12) Miscellaneous Expenses -

Should be itemized and supported with receipts.

13) Other expenses items: to be allowed, it should:

- (a) Be solely for the official needs of the Association in discharging its responsibilities and performing its services;
- (b) Be supported with receipts/vouchers; and
- (c) Not be covered by any of the items provided above.

In no case shall an amount be claimed as an expense unless such amount is a legal liability of the Association and neither shall any amount be received from any person or entity by the Association unless the same is legally due.

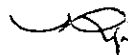
Section 23. Government Share - Pilotage Service is one of the port services which is inherently vested in the Authority which, by its Charter, it may render on its own or authorize a Pilots' Association or firm to undertake the service. When it is rendered by the latter, the government shall, in consideration of the grant of such privilege and/or the use of port facilities be entitled to a government share out of the gross income realized or receivable from the rendition of purely pilotage service. Said share shall be

determined and implemented simultaneously with the rationalization of pilotage rates, and shall be remitted by the Association not later than the tenth (10th) day of each month.

Section 24. Working Capital - The Association shall maintain a deposit in a reputable bank as working capital to efficiently meet its day to day operational expenses for the effective rendition of services proof of which, as authenticated by the bank concerned, may be required in the discretion of the Authority.

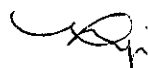
Section 25. Indemnity Insurance and Reserve Fund -

- a) Each Pilots' Association shall collectively insure its membership at the rate of ₱50,000.00 each member to cover in whole or in part any liability arising from any accident resulting in damage to vessel(s), port facilities and other properties and/or injury to persons or death which any member may have caused in the course of his performance of pilotage duties. The initial insurance policy shall become effective not later than two (2) months from the date of effectivity of this Order and shall be promptly renewed every year. A certified true copy of the policy shall be submitted to the Authority together with a certification from the Office of the Insurance Commissioner that the insurer is, at the time of effectivity, in good standing with that Office. The Chief Pilot shall ensure that the requirements of the insurance contract are complied with in order not to delay any payment covered therein.
- b) The Pilotage Association shall likewise set up and maintain a reserve fund which shall answer for any part of the liability referred to in the immediately preceding paragraph which is left unsatisfied by the insurance proceeds, in the following manner:
 - 1) Each pilot in the Association shall contribute from his own account an amount of ₱4,000.00 (₱6,000.00 in the Manila Pilotage District) to the reserve fund. This fund shall not be considered part of the capital of the



Association nor charged as an expense thereof.

- 2) Seventy-five percent (75%) of the reserve fund shall be set aside for use in the payment of damages referred to above incurred in the actual performance of pilots' duties and the excess shall be paid from the personal funds of the member concerned.
- 3) The reserve fund of the Pilots' Association shall be deposited in such reputable banks as may be agreed upon by the members and approved by the Port Manager concerned, to the credit of the Pilots' Association subject to withdrawal, in whole or in part, upon order of the General Manager of the Authority or his authorized representative and with the concurrence of the Chief Pilot. Within two (2) months from the promulgation of this Order, the Chief Pilot shall submit to the Authority a Certification from the bank that the required amount has been deposited therein. All interests which accrue to said fund in excess of the seventy-five percent (75%) limitation imposed above may be withdrawn annually and distributed pro rata to the members of the respective Pilots' Association.
- 4) In case the reserve fund of the Pilots' Association shall, at any time, fall below the amount prescribed herein, all interests accruing during the time and ten percentum (10%) of the net monthly receipt of the Association shall be carried to said fund each month prior to the proration of the net earnings among the members thereof until the fund shall have reached or been restored to its maximum limit.
- 5) If payment is made from the reserve fund of an Association on account of damage caused by a member thereof who is found at fault, he shall reimburse the Association in the amount so paid as soon as practicable; and for this purpose, not less than twenty-five percentum (25%) of his dividend shall be retained each month until the full amount has been returned to the reserve fund. Thereafter,



the pilot involved shall be entitled to his full dividend.

- 6) When the reimbursement has been completed as prescribed in the preceding paragraph, the ten percentum (10%) and the interest withheld from the shares of the other pilots in accordance with paragraph (4) hereof shall be returned to them.
- c) Liability of Pilots' Association - Nothing in these regulations shall relieve any Pilots' Association or members thereof, individually or collectively, from any civil, administrative and/or criminal responsibility for damages to life or property resulting from the individual acts of its members as well as those of the Association's employees and crew in the performance of their duties.

Section 26. Leave of Absence and Separation from Service of a Member of the Association - All leaves of absence and separation from the service of a member of the Pilots' Association shall be subject to the following rules:

- a) In case of his temporary absence, the Chief Pilot shall designate, to act in his place, one of the regular pilots of the Association.
- b) All absence and leave of pilots insofar as they are not covered by this Order shall be governed by the rules of their respective Association which are approved by the General Manager of the Authority; Provided, however, that vacation leaves, which in no case shall exceed thirty (30) days, shall be subject to the approval of the Port Manager based on the exigency of the service; Provided, further, that no sick leave shall go beyond one year, otherwise, the Authority shall declare the position held by the sick member vacant. Sick leaves shall be subject to the approval of the Port Manager, provided it is supported by a medical certificate if it exceeds five (5) days, and duly notarized, if issued by a private physician.


- c) Should a member of a Pilots' Association absent himself from his regular duties without permission, he shall not be entitled to any compensation or dividend for the period of his absence; Provided, however, that in case of absence with leave, he shall be entitled to compensation or dividend for not more than thirty (30) days per annum.

Whenever a member of an Association becomes physically disabled by injury or disease contracted in line of duty, he shall, for the first two (2) months from date of disability, receive one half (1/2) of the monthly share of earnings allowed to each active member during the same period. Thereafter, he shall receive one-fifth (1/5) of such monthly share provided the period of disability during which he received compensation shall not exceed twelve (12) months.

The Authority shall, however, determine on the basis of the extent of the disability of the concerned pilot and the exigency of the service, whether to appoint a permanent replacement or a temporary pilot whereby the latter shall receive as his dividend the balance of the full share after deducting the fractional amount prescribed above, which accrues to the disabled pilot.

- d) Upon separation of a pilot from the Pilots' Association through death or any other cause not prejudicial to his right thereto, the remaining members shall pay or guarantee to him or his estate an amount equal to his share in the property of the Association in accordance with the latest valuation provided for in Section 19 (c) of this Order and the amount he has contributed to the reserve fund; Provided, however, that any amount due him shall first be made available for any claim for damages for which he is responsible.

A new pilot who will be appointed to fill the vacancy thus created shall reimburse the Association in the amount paid to his predecessor by the Association before being allowed to assume duty; Provided, further, that a new member may be allowed instead to post a bond to insure payment



from a surety firm approved by the Port Manager concerned and the Chief Pilot.

ARTICLE V - APPOINTMENT OF PILOT, DUTIES AND
RESPONSIBILITIES, MARINE ACCIDENTS,
DISCIPLINARY ACTION AND DISMISSAL,
AND RETIREMENT

Section 27. Where to File the Application - The application for appointment of Harbor Pilot shall be addressed and filed with the Port Management Unit (PMU) which has jurisdiction over the pilotage district applied for.

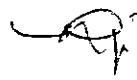
Section 28. Creation of an Evaluation Committee - There shall be created in the Port Management Unit which has supervision over the Pilotage District, an Evaluation Committee which shall be composed of the following members:

- a) PMU Port Manager who shall act as Chairman;
- b) Harbor Master;
- c) Administrative Officer; and
- d) Chief Pilot of the district where the vacancy occurs.

The functions of the Committee shall be as follows:

- a) Receive applications supported with documents;
- b) Evaluate the qualifications and select the most competent and best qualified in accordance with the following criteria:

1) Education	10%
2) Relevant Training Courses	15%
3) Average gross tonnage of vessels handled as harbor pilot, both domestic & foreign	15%
4) Highest gross tonnage of vessels handled as shipmaster	15%
5) Experience on the waters of the Pilotage District applied for as shipmaster	10%
6) Other maritime positions held and examination rating	5%
7) Length of service as shipmaster	10%
8) Physical and mental fitness	10%
9) Safety record	5%
10) Outstanding accomplishment	5%
	<u>100%</u>

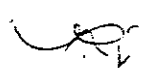


Provided, however, that in a situation where the points given to two or more applicants are the same, the eldest has preference when the applicants are harbor pilots in active service; Provided, further, that youth has priority when the applicants are entering the service for the first time; and Provided, furthermore, that any applicant who has been convicted in a criminal or administrative case shall be disqualified. In case an applicant has a pending criminal or administrative case against him, his application shall not be considered during the pendency of the case..

- c) Recommend the most qualified candidate to the General Manager of the Authority for review who, in turn, shall recommend the candidate for appointment by the Chairman of the PPA Board.

Section 29. Qualifications and Requirements -

- a) The applicant for harbor pilot shall submit proof(s) that he possesses the following qualifications:
 - 1) Filipino citizen;
 - 2) Not more than sixty (60) years old at the time the vacancy exists;
 - 3) In sound physical condition with perfect senses and good moral character;
 - 4) Holder of a license as Harbor Pilot for the particular pilotage district applied for.
- b) He shall, likewise, submit the following documents:
 - 1) An application letter, together with a duly sworn information sheet;
 - 2) If already a harbor pilot, an affidavit stating the length of service as such, the Pilotage District(s) served, and in what capacity (temporary, probationary, regular, chief pilot), with copies of previous appointments attached;
 - 3) Certificate of Master Mariner;



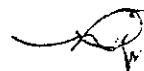
- 4) Employer's Certification of Services rendered as Shipmaster (names of vessels, tonnages, port of call and periods of service thereon);
- 5) Employer's Certification of Services Rendered in other maritime positions;
- 6) Current physical/mental fitness certificate from a government physician (together with examination results);
- 7) Copy of Pilot's Examination Rating;
- 8) Board of Marine Inquiry Clearance to the effect that no case has been filed, decided and/or pending against the applicant;
- 9) Current Assets and Liabilities;
- 10) NISA, NBI and Police Clearance;
- 11) Certificate issued by the Philippine Coast Guard (PCG) to practice as Harbor Pilot in the Pilotage District applied for; and
- 12) Commendations/Awards in Maritime Service, if any.

Section 30. Appointments - The appointments for Harbor Pilot and Coast Pilot shall be issued by the Chairman of the Board of Directors of the Authority thru the recommendation of the General Manager. The following are the categories of the appointments:

- a) Harbor Pilot Appointment - An appointment given to a licensed Harbor Pilot which is classified as follows:
 - 1) Regular - A permanent appointment issued to a licensed Harbor Pilot after serving the required probationary training in accordance with Section 31.
 - 2) Temporary - An appointment extended to a licensed Harbor Pilot under the circumstances provided in Section 1(e) of this Order. He shall be entitled to receive one half (1/2) dividend of a regular pilot and his appointment shall be temporary until he passes the required pilots' examination for the particular pilotage district and he is appointed to a Regular position.



- 3) Probationary - A probationary appointment given to a licensed Harbor Pilot who is required to undergo training in accordance with Section 31 hereof for a period of four (4) months in the Manila Pilotage District, and three (3) months in other Pilotage Districts, and who shall receive one half (1/2) dividend of regular pilot. The probationary appointment shall remain valid until formally withdrawn for cause or a regular appointment is issued.
- b) Special Appointment - A special appointment given to a Master Mariner/Ship Captain who is allowed to pilot his vessel engaged in coastwise trade in accordance with Section 8 of this Order.
- c) Coast Pilot Appointment - An appointment given to a Master Mariner who has been certified physically and mentally fit by a government physician in accordance with Section 20 hereof and who has been in actual command of interisland vessels of not less than 500 gross tons plying in the Philippine waters for a period of not less than ten (10) years. He shall comply with the provisions of Section 29 hereof relative to qualifications and as to documents required to be submitted. The appointment issued to a coast pilot shall continue to be valid until revoked or as long as his marine certificate remains valid until he reaches the retirement age under Section 35 of this Order. Coast Pilots are hereby required to submit to the Authority a monthly report of their coast pilotage services stating therein the numbers, tonnages and names of vessels piloted by them during the month, as well as the amount they receive for their services in piloting said vessels, which amount shall be subject to agreement between the pilot and the master or agent of the vessel.

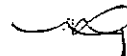


Any appointment shall automatically lapse without the need of previous notice, upon failure of the appointee to assume duties within thirty (30) days from notice of appointment. A pilot shall be prepared to present his appointment when required by duly interested persons under reasonable circumstances.

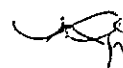
Section 31. Probationary Training - During the period of training, the probationary pilot shall go with the regular pilots and study carefully the different maneuvers while the vessel enters the port to dock alongside the pier or to undock until the vessel departs free from shoal or the vessel enters the port to an assigned anchorage and from the anchorage until the vessel departs free from shoal, shifting berths, and all other maneuvers, the peculiarities of the different kinds of engines especially the backing power, either single or twin screws, and all duties pertaining to his position, including rules of the road, Customs and Quarantine Laws, the pilotage regulations and particular harbor regulations for the port for which he is appointed. The regular pilot under whom the probationary pilot is under probation shall impart his knowledge to the latter. After the expiration of his training, the probationary pilot shall be considered for appointment as a regular pilot by the Authority, provided he is certified by the Chief Pilot as qualified to assume the duties of a regular pilot and is recommended by the Port Manager concerned.

Section 32. Duties and Responsibilities of the Pilot or Pilots' Association - The duties and responsibilities of the Harbor Pilot shall be as follows:

- a) Harbor Pilots in the Pilotage District shall respect and follow the schedules of duty agreed upon by them and approved by the Chief Pilot and the Port Manager or his representative. In case the pilot on duty consents to a replacement for good reason or unjustifiably refuses or fails to answer the vessel's call for pilotage service, the Chief Pilot shall be responsible to the Master of the vessel to provide immediately a substitute pilot.



- b) The Chief Pilot shall ensure that at all times there shall be pilot(s) on duty and available at the pilot station in such number as may be necessary to properly service the normal requirement of vessels calling at the district. He shall, likewise, make available such equipment and facilities in serviceable condition, which are necessary for the efficient rendition of pilotage service.
- c) A pilot on duty shall report alongside the vessel within one (1) hour from the raising of signals in accordance with paragraph (1) of this Section, unless the Authority, in consultation with the Chief Pilot, deems that the water and weather conditions are unfavorable for piloting subject vessel. If it is determined that the vessel cannot be serviced immediately, the pilot shall inform the vessel's master by any reasonable means of his inability to render service and the reason therefor.
- d) If the destination of a vessel is a government/private pier/wharf, the Ship Agent or his representative shall first secure the berthing assignment of and related instructions for the vessel from the Harbor Master/Port Manager concerned, and give a copy to the Pilot before the latter boards and pilots such vessel in accordance thereto.
- e) The master/agent of an outgoing vessel under compulsory pilotage shall give the pilot(s) on duty advance written or verbal notice of the time of sailing thereof at least one (1) hour before the vessel actually departs. If the vessel cannot depart within said time, the master/agent shall notify the Chief Pilot/Harbor Pilot concerned thirty (30) minutes before the expiration of one (1) hour.



- f) A Pilot shall be held responsible for the direction of a vessel from the time he assumes his work as a pilot thereof until he leaves it anchored or berthed safely; Provided, however, that his responsibility shall cease at the moment the Master neglects or refuses to carry out his order.
- g) The lawful order/command of a pilot in charge of a vessel shall be promptly obeyed by the officer-in-charge of any other vessels which the pilot may consider as an impediment to the safe maneuvering of the vessel under his control.
- h) All pilot boats shall be painted white above the waterline and black below, with the letter "p" in black, not less than 30 centimeters in length, on both bows above the waterline.
- i) During the day, pilot boats in use shall carry at the foremast visible all around the horizon, an international code, flag "H" 30 centimeters in length.
- j) During the night, the pilot boat shall carry on its foremast one red light over a white light visible all around the horizon.
- k) Pilot stations shall be established at strategic places as may be designated by the Authority, through its Port Manager, in consultation with all parties concerned. Pilots on duty shall be of sufficient number and available at any time as necessary to effectively perform their duties.
- l) The following signals from vessels shall be recognized by all pilots:
 - 1) To ask for a pilot by day;
 - a) The International Code Flag "G" above the bridge visible all around the horizon.
 - 2) To ask for a pilot by night;
 - a) Two long and one short blasts on the ship's whistle or any other means of communication.



- m) Advice to Pilots' Association which will originate from the shipping agents or operators shall be done in the following manner:

For docking:

- a) 24 hours for domestic vessels
- b) 48 hours for foreign vessels

For undocking:

- a) 1 hour after clearance to depart has been granted for domestic vessels
- b) 1 hour after clearance to depart has been granted for foreign vessels in major ports and 24 hours after clearance for such vessels in minor ports.

In docking or undocking, a passenger vessel must be given priority over a cargo vessel.

- n) United Harbor Pilots' Association (UHPAP) shall prescribe, for all its members, the standard pilot uniform to be used while on duty.
- o) The Pilots' Association shall report to the Port Manager concerned, copy furnished the General Manager of the Authority, illegal acts or unusual occurrences that may have come to their knowledge and shall, if requested in case of emergency, assist the Authority's official and Customs or Coast Guard Officer in the performance of their duties, and the enforcement of pertinent laws and government regulations.

Section 33. Marine Accident/Vessel Clearance - In case of a marine accident causing damage to government pier/wharf/facility, involving a vessel, whether or not under a Harbor Pilot, clearance of said vessel shall be held in abeyance by the Port Manager concerned, and in coordination with the Collector of Customs in case of vessels engaged in foreign trade, until liability is determined through proceedings as required under Article II of Administrative Order No. 05-79 issued by the Authority in January, 1979. Where liability of the vessel is established and



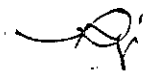
not contested, the vessel's owner/agent shall pay the full amount of the damage. If the decision is contested by the shipping line through an appeal to higher authorities, then a cash or surety bond, whichever is satisfactory to the Authority, as represented by its Port Manager, shall be posted by the appellant.

In case where the facility damaged is a private port, the provision of Article III of the same Order shall be observed.

Section 34. Disciplinary Action and Dismissal - The General Manager of the Authority shall, either at his own initiative or upon charges of misconduct, negligence, inefficiency, incapacity or violation of the pilotage rules and regulations or refusal to comply with lawful orders of the Authority prepared under oath, order the investigation of the pilot by the Committee created herein. The Committee shall be composed of the Port Manager as Chairman, and the Chief Pilot of the Pilots' Association under his jurisdiction, the Harbor Master and the PMU Legal Counsel of the Port Management Unit concerned, as members.

The record of the proceedings of the Committee, together with the report/recommendations, shall be forwarded to the General Manager who may thereby reprimand, suspend or dismiss the respondent pilot from the service as the circumstance of the case may warrant. The decision of the General Manager shall be final unless, within thirty (30) days after its promulgation, an appeal is perfected and filed with the Office of the Chairman of the Board of Directors of the Authority who may modify, confirm or reverse said decision.

Section 35. Retirement - Upon reaching the age of seventy (70), pilots shall be compulsorily retired; Provided, however, that any pilot found upon examination to be permanently unfit either physically or mentally by the examining physician(s) shall be separated from the service by the General Manager of the Authority. Pilots who are sixty-five (65) years or over but below seventy (70) years of age may also be retired from the service when rigid mental and physical examinations show that he is already incapable to render efficient pilotage service.



Upon retirement or death of a pilot, he shall be entitled to the benefits provided under Section 26 (d) hereof.

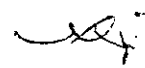
ARTICLE VI - FINAL PROVISIONS

Section 36. Penalty Clause - Any pilot who is found to have violated or neglected to perform his duties/responsibilities under any of the provisions of this Order shall be subject to punishment by suspension and/or cancellation of his appointment as pilot.

The following administrative fines shall be imposed after hearing for each violation as indicated hereunder:

Administrative Offenses:

- 1) A Pilotage Association that unjustifiably refused or delayed in answering the vessel's call, a fine not exceeding Five Thousand Pesos;
- 2) A Pilot who, in the course of maneuvering the vessel, caused damage thereto through negligence or incompetence, a fine not exceeding Ten Thousand Pesos;
- 3) Failure of a pilot on duty to report alongside the vessel within one (1) hour from the raising of signals in accordance with Section 32 (c) hereof, a fine not exceeding One Thousand Pesos;
- 4) Any person other than the duly appointed pilot of a particular pilotage district who acted as pilot on any foreign or coastwise vessel within the limits of said pilotage district, a fine not exceeding Five Thousand Pesos;
- 5) Failure of a pilot to report to the Port Manager of the Authority illegal acts or unusual occurrences that may come to their knowledge, a fine not exceeding One Thousand Pesos;
- 6) Gross misconduct, negligence, inefficiency, incapacity, violation of rules and regulations or refusal to comply with the lawful orders of the Authority by any harbor pilot, a fine not exceeding One Thousand Pesos;



- 7) Harbor Pilots who deviated or shifted the berth allocation of vessels without approval of the Port Manager of the Authority, a fine not exceeding Five Thousand Pesos;
- 8) Pilotage Associations whose pilots are not available to assist the vessels in docking/undocking in ports declared as compulsory pilotage by these regulations, when their services are so required by the Authority or when pilotage service is requested by the master of a vessel in case of optional pilotage, a fine not exceeding Five Thousand Pesos.

Section 37. Pilotage Fees - The Authority shall promulgate a revised schedule of fees within the pilotage districts. Until such time, however, pilotage fees shall remain as provided for in Customs Administrative Order 15-65 and its amendments. The fees in the Batangas Pilotage District and General Santos Pilotage District shall apply to the Puerto Princesa Pilotage District and Polloc Pilotage District, respectively.

Section 38. Visitorial Powers - The Association shall make available at all times during office hours for inspection, examination and audit by the Authority, all books of accounts, properties, inventories, payrolls, and financial records of the Association, and all other records concerning its operations.

Section 39. Power of the Port Manager - Nothing herein prescribed shall preclude the Port Manager from taking emergency measures in the interest of pilotage service and/or promulgating specific regulations/guidelines, in consultation with the respective Pilots' Association and the Shipping Sector, which are necessary to effectively and reasonably carry out the provisions of this Order.

The regulations thus issued shall be subject to approval by the General Manager of the Authority.

Section 40. Appeal - Decisions of the Port Manager issued pursuant to this Order may be appealed within fifteen (15) days from receipt thereof to the General Manager of the Authority by the parties who are adversely affected by said decisions.


The decisions of the General Manager may in turn be appealed to the Board of Directors of the Authority within thirty (30) days from

receipt of the decisions. If no appeal on both instances are taken, the decisions shall become final and effective.


Section 41. Repealing Clause - All orders, rules and regulations, circulars and memoranda previously issued which are inconsistent herewith are hereby repealed or modified accordingly.

Section 42. Separability Clause - If for any reason any section or part of these Regulations is declared unconstitutional or invalid by competent judicial authority, the declared or invalid section or part thereof shall not affect the other sections or parts to which such declaration of nullity does not apply or relate.

Section 43. Effectivity Clause - This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and/or in the Official Gazette.


MAXIMO S. DUMLAO, JR.
Officer-in-Charge
P P A

APPROVED:


JOSE P. DAMS, JR.
Chairman, PPA Board
& Minister, MOTC

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