

**[CPA ADMINISTRATIVE ORDER NO. 02-98,
February 20, 1998]**

**RULES AND REGULATIONS GOVERNING PILOTAGE SERVICES,
THE CONDUCT OF PILOTS, AND PILOTAGE IN THE PORTS OF
CEBU**

Pursuant to the Provisions of Sec. 7, 9, and 21 of R.A. 7621, otherwise known as the Charter of the Cebu Port Authority, promulgated on 19 July 1992, the following rules and regulations on pilotage are hereby prescribed for the compliance by all concerned:

**Article I
Preliminary Provisions**

SECTION 1. Definition of Terms — The following terms are used in this Order shall be understood to mean:

a. *Anchoring* — Dropping or heaving anchor at a place designated by the Authority with sufficient depth of water vessels anchor or may ride at anchor within the harbor.

b. *Apprentice Pilot* — A Master who is an applicant for accreditation as Harbor Pilot in the Cebu Pilotage District and where he has to undergo an apprenticeship training for three (3) months before he is accredited as a regular harbor pilot.

c. *Authority* — The Cebu Port Authority.

d. *Chief Pilot* — A regular harbor pilot who is elected as such by the members of a Pilots' Organization.

e. *Docking* — The service of conducting a vessel to a designated berth. For purposes of assessment of pilotage charges, docking shall include the following:

- Transit of pilot from shore to pilots' boarding station
- Dropping of anchor
- Conduction of vessel to berth
- Carrying of lines to shore
- Securing of vessel at berth

f. *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.

g. *Harbor Pilot* — A master mariner who is a duly licensed harbor pilot by MARINA or PCG and who is a member of a pilot organization duly accredited by the Authority to act as a regular pilot on any vessel, engaged in foreign or coastwise trade, within limits of the Cebu pilotage district. This may also refer to a ship captain or master of a vessel who is duly accredited as a harbor pilot by the Authority for purposes of piloting a vessel under such terms and conditions as may be prescribed by the Authority.

h. *Mooring* — The tying up of a ship's bow onto a floating buoy which is secured to the sea bed/anchorage.

i. *Pilotage District* — The water(s) and harbor(s) which comprise the territory of the Cebu Port Authority as defined in its charter.

j. *Pilots' Organization* — A single proprietorship, partnership, or corporation duly accredited and authorized by the Authority to render pilotage services in the Cebu pilotage district.

k. *Qualified Pilot* — A harbor pilot who has been accredited by the Authority in accordance with rules and regulations.

l. *Shifting* — A special service rendered by pilots, upon the Master'/Agent's request, wherein the vessel is transferred from one berth to another berth, or from an anchorage to anchorage area, or from berth to anchorage or vice-versa.

m. *Undocking* — The service of moving out a vessel from a designated berth, and shall include the following:

- Pilot command to let go of lines
- Heaving of anchor
- Services of removing the vessel from berth and piloting it to the pilots' boarding station
- Transit of pilot from pilots' boarding station to shore

n. *Unmooring* — To let loose from or take in the principal mooring lines preparatory to leaving anchorage.

o. *Untwisting* — The service of unwinding the twisted or tangled parts of the anchor chain.

p. *Vessel* — Every sort of boat, craft, or other contrivance used or capable of being used as 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.

SECTION 2. Statement of Policy on Pilotage — It is hereby declared and recognized that pilotage service plays a vital and complementary role in the safe and efficient operations of the port and the responsibility to undertake the same is inherently

vested in the Authority who is hereby authorizing the discharge of such responsibility to accredited Pilotage Organizations and/or accredited individual pilots.

SECTION 3. Scope — This Order shall cover all foreign and domestic vessels and all government ports within the territorial jurisdiction of the Authority.

SECTION 4. Administrative Control and Supervision Over Pilots/Pilot's Organizations — For the efficient and orderly administration of the Cebu pilotage district, all pilots and/or Pilots' Organizations, in the performance of their duties shall be under the direct control and supervision of the Authority thru the General Manager of the Authority.

In the exercise of Authority's supervisory power and to safeguard life and property, the Authority may permanently or temporarily prevent a pilot organization and/or individual pilot from piloting a vessel, if after due investigation, such pilot organization or individual pilot is found to be incapable of discharging its/his duties.

SECTION 5. No Employer-Employee Relationship — The Harbor Pilot Organization and/or individual pilot, though accredited by the Authority, is not its employee. The Authority therefore shall not be liable in any manner for the acts or omissions of a Harbor Pilot Organization and/or individual pilot in the performance of their duties. However, the accreditation extended to them shall constitute the authority or permit to render pilotage service within the Cebu pilotage district.

SECTION 6. Applicable Pilotage Rate — The Cebu Port Authority shall prescribe the pilotage charges which can be imposed and collected by pilots or pilots organizations. The basic principle of "no work, no pay" shall apply.

SECTION 7. Charging of Hazard Fees — Risk or hazard is inherent in pilotage services. Accordingly, pilotage rates already take into account the element of risk involved in the performance of such service. The charging of hazard fee is therefore prohibited.

SECTION 8. Special Services — Special services rendered by pilots shall be as follows:

a. *Shifting* — However, there shall be no charge where a vessel is shifted from one berth to another within the same side of the pier or wharf, and there is no need to undock the vessel.

b. *Ship to Ship Docking/Undocking*

c. *Dead Ship Docking/Undocking or Mooring/Unmooring*

d. *Meeting Vessel at a Point Other than the Pilots' Boarding Station/Quarantine Anchorage*

e. *Untwisting*

f. *Channeling In or Channeling Out*

Article II

Pilotage Service and Fees

SECTION 1. Compulsory Pilotage Service — For entering a harbor and anchoring thereat, or passing through navigable rivers, straits or channels within a pilotage district, as well shifting, docking and undocking every vessel with 500 GRT and above, engaged in coastwise or foreign trade shall be under compulsory pilotage. However, ship captains or masters may be allowed to pilot their own vessels, provided they are duly accredited by the Authority under such terms and conditions it may impose consistent with existing government regulations.

SECTION 2. Exemption — In the following cases, pilotage service is not compulsory;

- a. Government vessels not engaged in commercial trade;
- b. Vessels of foreign government entitled to courtesy; and,
- c. Vessels calling at private ports not located within a designated channel whose owners have formally waived the requirements of compulsory pilotage.

SECTION 3. Control of the Vessel and Liability for Damage — The Harbor Pilot Organization to which a pilot belongs and/or the individual harbor pilot, as the case may be, shall be solidarily responsible for any damage caused to a vessel, life, or property due to its/his negligence or fault without prejudice to the Organization's recourse against the erring pilot.

Except when the Master of the vessel is constrained to 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, any damage caused to a vessel, life, or property by reason of the fault or negligence of the Master shall be the liability of the registered owner of the vessel concerned without prejudice to recourse by said owner against the Master.

SECTION 4. Pilotage Equipment and Facilities — To safely and efficiently render the service, the pilots organization shall make available such equipment as required by the Authority, all 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.

SECTION 5. Availability of Pilots — The organization 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 paragraph [m] of Section 4 of Article IV of this Order.

SECTION 6. Pilotage Service Fees — Any vessel which employs a Pilot Organization/Harbor Pilot shall pay the pilotage fees at the rate prescribed by the Authority, with the following conditions:

- a. If the service of a pilot organization is refused by the vessel without any justifiable reason after its pilot has reported on board, said pilot organization shall nevertheless be entitled to payment of fees.

b. When upon written request of the Master, a pilot is kept on standby on board a vessel in excess of three (3) hours and the delay is attributable to the vessel, said pilot shall be entitled to an allowance in accordance with the rate prescribed by the Authority.

c. 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 reasonable effort was exerted to secure the services of pilot who failed to respond, the vessel may proceed to berth or depart upon the direction and supervision of the CPA Harbor Master or any specially deputized pilot (not a member of the organization) for the purpose, and the pilotage fees shall accrue to the Authority.

d. Except in the case provided for in the immediately preceding paragraph, all pilotage fees shall be paid to and on account of the Harbor Pilots Organization.

Article III Pilots' Organization

SECTION 1. Capitalization — A Pilots' Organization, if a corporation, shall have a minimum paid-up capital of Two Million Pesos (P 2 Million). If a sole proprietorship or partnership, it shall have a minimum capitalization of Two Million Pesos (P 2 Million).

SECTION 2. Privilege Fee — For and in consideration of the grant of privilege to undertake pilotage service and/or the use of port facilities, a privilege fee equivalent to 10% of the gross income derived from pilotage services and other special services shall be paid by the Pilot Organization/Harbor Pilot. Where the vessel opts to use its own ship captains or master, who are duly accredited as pilot by the Authority, to pilot the vessel, the privilege fee shall be equivalent to ten percent (10%) of the applicable pilotage rates.

SECTION 3. Posting of Indemnity Bond —

a. Each Pilot Organization shall post an indemnity bond of Three Million Pesos (P 3 Million) 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. Likewise, the owner of vessel(s) which is piloted by their duly accredited ship captains or masters shall post the same amount of indemnity bond to cover in whole or in part any liability arising from accident resulting to damage to port facilities and other properties and/or injury to persons or death which the ship captain or master concerned may have caused in the performance of duties. The bond herein required must always be current.

b. *Liability of Pilots' Organization/Individual Pilot* — Nothing in these regulations shall relieve the Pilots' Organization or members thereof, individually or collectively, or any accredited pilot from any civil, administrative and/or criminal responsibility for damage to life or property resulting from the individual acts of its members as well as those of the Organization's employees and crew in the performance of their duties.