

[**PRESIDENTIAL DECREE NO. 1059, December 01, 1976**]

REGULATING THE OPERATIONS OF SHIPBUILDING AND SHIP REPAIR YARDS

WHEREAS, the priority attention and incentives given by the government for the shipbuilding and ship repair industry have attracted new investments including the in flux of foreign capital and technology;

WHEREAS, the Maritime Industry Authority has been tasked to enhance domestic capability for shipbuilding, repair and maintenance;

WHEREAS, the establishment of numerous shipyards could lead to destructive competition and possible collapse of the shipbuilding and ship repair industry;

WHEREAS, it is strongly imperative to regulate the activities of the shipyards in the country to effectively promote the shipbuilding and ship repair program in particular, and the development of the maritime industry as a whole.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers in me vested by the Constitution do hereby order and decree the following as part of the law of the land:

SECTION 1. The policies and objectives declared in Presidential Decrees Nos. 474, 666 and 878 for the shipbuilding and ship repair industry are reiterated herein and made an integral part of this decree. In pursuance of such policies and objectives, the Maritime Industry Authority is hereby empowered to exercise the following functions and responsibilities:

1. It shall undertake the approval of the plans of shipbuilding and/or ship repair facilities and the plans and specifications for the construction, repair, improvement, alteration and/or reconditioning of any water craft by shipyards in the country.
2. It shall regulate the activities of the shipbuilding and ship repair yards by determining the minimum and maximum capacity of the shipbuilding and/or ship repair facilities of all shipyards which will be the basis of a classification to be undertaken by the Maritime Industry Authority for purposes of ascertaining the allowable shipbuilding and/or ship repair capacity of every shipyard.
3. To ensure equitable participation among all registered shipyards, to preclude destructive competition among them, and to provide ample protection to those that were earlier registered, it shall see to it that shipyards registered later than January 1, 1977, shall only be allowed to accept shipbuilding and/or ship repair contracts that are beyond the capacity of prior registered shipyards; Provided that in case of shipbuilding and/or ship repair contracts which cannot be accommodated by such prior registered shipyards on time on account of existing prior commitments, or for inadequacy or lack of the required shipbuilding and/or ship repair facilities, the shipowner, agent or operator shall be allowed to engage the services of the shipyard of his choice upon proof and after determination by the Maritime Industry Authority of the non-avail ability of the needed services by any prior registered shipyard.