

# [ **PRESIDENTIAL DECREE NO. 857, December 23, 1975** ]

## **PROVIDING FOR THE REORGANIZATION OF PORT ADMINISTRATION AND OPERATION FUNCTIONS IN THE PHILIPPINES, REVISING PRESIDENTIAL DECREE NO. 505 DATED JULY 11, 1974, CREATING THE PHILIPPINE PORT AUTHORITY, BY SUBSTITUTION, AND FOR OTHER PURPOSES.**

**WHEREAS**, there is a recognized need to integrate and coordinate port planning, development, control and operations at the national level, and at the same time promote the growth of regional port bodies responsive to the needs of their individual localities;

**WHEREAS**, harbors and tributary areas have their own peculiar potentialities to be considered in port planning and development;

**WHEREAS**, hitherto, the concept of port administration in this country has been focused on the traditional functions of revenue collection, harbor maintenance and cargo handling, to the exclusion of the port's fuller utilization and development as a spur for regional growth;

**WHEREAS**, Presidential Decree No. 505 was promulgated on July 11, 1974 to carry out these stated objectives; and

**WHEREAS**, it was found necessary in the national interest to amend Presidential Decree No. 505 so as to enable the Philippine Port Authority to exercise all the proper powers and functions of a port authority and in order to better carry out the desired objectives:

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution in order to effect desired changes and reforms in the social, economic and political structure of our society, do hereby decree and order the revision of Presidential Decree No. 505 by substitution with this Decree which is hereby adopted and made part of the laws of the land;

### ARTICLE I. TITLE

**SECTION 1.** Title—This Decree shall be known as the Revised Charter of the Philippine Ports Authority created under Presidential Decree No. 505 dated July 11, 1974.

### ARTICLE II. DECLARATION OF POLICIES

**SEC. 2.** Declaration of Policies and Objectives—It is hereby declared to be the policy of the State to implement an integrated program for the planning, development, financing, and operation of Ports or Port Districts for the entire country in accordance with the following objectives:

- a. To coordinate, streamline, improve, and optimize the planning, development, financing, construction, maintenance and operation of Ports, port facilities, port physical plants, and all equipments used in connection with the operation of a Port.

- b. To ensure the smooth flow of waterborne commerce passing through the country's Ports whether public or private, in the conduct of international domestic trade.
- c. To promote regional development through the dispersal of industries and commercial activities throughout the different regions.
- d. To foster inter-island seaborne commerce and foreign trade.
- e. To redirect and reorganize port administration beyond its specific and traditional functions of harbor development and cargo handling operations to the broader function of total port district development, including encouraging the full and efficient utilization of the Port's hinterland and tributary areas.
- f. To ensure that all income and revenues accruing out of dues, rates, and charges for the use of facilities and services provided by the Authority are properly collected and accounted for by the Authority, that all such income and revenues will be adequate to defray the cost of providing the facilities and services (inclusive of operating and maintenance cost, administration and overhead) of the Port Districts, and to ensure that a reasonable return on the assets employed shall be realized.

### ARTICLE III. DEFINITIONS

**SEC. 3.** Definitions—For the purpose of this Decree and of the by-laws, regulations, or rules promulgated thereunder, the terms or words used herein shall, unless the context indicates otherwise, mean or be understood to mean, as follows:

- a. "Authority" means the Philippine Ports Authority created by this Decree.
- b. "Board" means the Board of Directors of the Authority appointed by the President under Section 7 of this Decree.
- c. "Functions" includes powers and duties.
- d. "Port District" means the territorial jurisdiction under the control, supervision or ownership of the Authority over an area (land or sea), declared as such in accordance with Section 5 of this Decree including but not limited to any Port within said District.
- e. "Port" means a place where ships may anchor or tie up for the purpose of shelter, repair, loading or discharge of cargo, or for other such activities connected with waterborne commerce, and including all the land and water areas and the structures, equipments and facilities related to those functions.
- f. "Navigable waters" means all navigable portions of the seas, estuaries, and inland waterways.
- g. "Anchorage" means a place with sufficient depth of water where vessels anchor or may ride at anchor within the harbor.
- h. "Terminal Facility" includes the seaport and its facilities of wharves, piers, slips, docks, dry docks, bulkheads, basins, warehouses, cold storage, and loading or unloading equipment.
- i. "Basin" means naturally or artificially enclosed or nearly enclosed body of water in free communication with the sea.
- j. "Dock" includes locks, cuts, entrances, graving docks, inclined planes, slipways, quays, and other works and things appertaining to any dock.
- k. "Drydock" means a dock from which the water can be temporarily excluded, in order to effect repairs to hulls and keels of ships or vessels.
- l. "Pier" means any structure built into the sea but not parallel to the coast line and includes any stage, stair, landing place, landing stage, jetty, floating barge or pontoon, and any bridge or other works connected therewith.
- m. "Warehouse" means a building or shed used for the storage of cargo.

- n. "Transit Shed" means a building or shed which is situated at or rear a quay, wharf or pier and is used for the temporary or short-term storage of goods in transit, or to be shipped or discharged from a vessel.
- o. "Wharf" means a continuous structure built parallel to along the margin of the sea or alongside riverbanks, canals, or waterways where vessels may lie alongside to receive or discharge cargo, embark or disembark passengers, or lie at rest.
- p. "Transportation Facility" includes rails and railcars, highways wheeled vehicles, bridges, tunnels, tramways, subways, passenger or cargo vessels, ferryboats, lighters, tugs, barges, scows, ramps, and any kind of facility in use or for use of the transportation, movement, or carriage of goods or passengers.
- q. "Lighter" means a flat-bottomed boat or barge used in loading or unloading cargo to or from vessels.
- r. "Vessel" includes any ship or boat, or any description of a vessel or boat.
- s. "Goods" Includes animals, carcasses, baggage, and any movable property of any kind.
- t. "Dues" includes harbor fees, tonnage and wharfage dues, berthing charges, and port dues and any other dues or fees imposed by virtue of existing law or this Decree.
- u. "Rates" means any rates or charges including any toll or rent under existing law or imposed by the Authority by virtue of this Decree for facilities used or services rendered.

#### ARTICLE IV. ESTABLISHMENT. CONSTITUTION, POWERS AND DUTIES

##### **SEC. 4.** Creation of Philippine Ports Authority—

- a. There is hereby established a body corporate to be known as the Philippine Ports Authority (hereinafter called the Authority), which shall be attached to the Department of Public Works Transportation and Communications.
- b. The principal office of the Authority shall be located in Metropolitan Manila, but it may establish port management units and other offices elsewhere in the Philippines as may become necessary for the proper conduct of its business.

**SEC. 5.** Port District—The Authority may, from time to time, submit to the President, through the National Economic and Development Authority, applications for the declaration of specific areas as Port District. Such applications shall be accompanied by a survey plan indicating the geographical location of the area or areas to be declared as Port Districts with their respective boundaries properly delineated.

##### **SEC. 6.** Corporate Powers and Duties—

- a. The corporate duties of the Authority shall be:
  - i. To formulate in coordination with the National Economic Development Authority a comprehensive and practicable Port Development plan for the State and to program its implementation, renew and update the same annually in coordination with other national agencies.
  - ii. To supervise, control, regulate, construct, maintain, operate, and provide such facilities or services as are necessary in the ports vested in, or belonging to the Authority.

- iii. To prescribe rules and regulations, procedures, and guidelines governing the establishment, construction, maintenance, and operation of all other ports, including private ports in the country.
- iv. To license, control, regulate, supervise any construction or structure within any Port District.
- v. To provide services (whether on its own, by contract, or otherwise) within the Port Districts and the approaches thereof, including but not limited to—
  - berthing, towing, mooring, moving, slipping, or docking any vessel;
  - loading or discharging any vessel;
  - sorting, weighing, measuring, storing, warehousing, or otherwise handling goods.
- vi. To exercise control of or administer any foreshore rights or leases which may be vested in the Authority from time to time,
- vii. To coordinate with the Bureau of Lands or any other government agency or corporation, in the development of any foreshore area.
- viii. To control, regulate, and supervise pilotage and the conduct of pilots in any Port District.
- ix. To provide or assist in the provision of training programs and training facilities for its staff, or staff of port operators and users for the efficient discharge of its functions, duties, and responsibilities.
- x. To perform such acts or provide such services as may be deemed proper or necessary to carry out and implement the provisions of this Decree.

b. The corporate powers of the Authority shall be as follows:

- i. To succeed in its corporate name.
- ii. To sue and be sued in such corporate name.
- iii. To adopt, alter, and use a corporate seal which shall be judicially noticed.
- iv. To adopt, amend, or repeal its by-laws.
- v. To create or alter its own organization or any Port Management Unit, and staff such an organization or Port Management Unit with appropriate and qualified personnel in accordance with what may be deemed proper or necessary to achieve the objectives of the Authority.
- vi. To make or enter contracts of any kind or nature to enable it to discharge its functions under this Decree.
- vii. To acquire, purchase, own, lease, mortgage, sell, or otherwise dispose of any land, port facility, wharf, quay, or property of any kind, whether movable or immovable.
- viii. To exercise the right of eminent domain, by expropriating the land or areas surrounding the Port or harbor, which in the opinion of the Authority, are vital or necessary for the total development of the Port District.
- ix. To levy dues, rates, or charges for the use of the premises, works, appliances, facilities, or for services provided by or belonging to the Authority, or any other organization concerned with port operations.

- x. To reclaim, excavate, enclose, or raise any part of the lands vested in the Authority.
- xi. To dredge or provide dredging services, within a Port District or elsewhere.
- xii. To acquire any undertaking affording or intending to afford facilities for the loading and discharging or warehousing of goods in the Port Districts.
- xiii. To supply water or bunkers for ships.
- xiv. To obtain insurance for or require the insurance of any property, movable or immovable, belonging to the Authority and/ or goods in the custody of the Authority.
- xv. To do all such other things and to transact all such business directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the Authority.
- xvi. Generally, to exercise all the powers of a corporation under the Corporation Law insofar as they are not inconsistent with the provisions of this Decree.

**SEC. 7. Board of Directors—**

- a. The corporate powers of the Authority shall be vested in a Board of Directors, which shall consist of the following members:
  - i. The Secretary of Public Works, Transportation and Communications, who shall act as Chairman.
  - ii. The General Manager of the Authority, who shall act as Vice-Chairman.
  - iii. The Director-General of National Economic and Development Authority.
  - iv. The Secretary of Finance.
  - v. The Secretary of Natural Resources.
  - vi. The Secretary of Trade.

The Directors listed under subsections a) (i) to (vi) shall be ex-officio members of the Board of Directors.

- vii. One (1) other person who shall be appointed by the President of the Philippines, representing the private sector, who by reason of his knowledge or experience is, in the opinion of the President, fit and proper person to be Director of the Board. *Provided, That, in the absence of the Director appointed in subsections (iii) to (vi), the Director concerned shall designate the officer next in rank to him in his department or office to act on his behalf as a Director.*
- b. The Director from the private sector shall hold office for a period of three years from the date of his appointment and shall be eligible for reappointment upon the completion of such period.
- c. The members of the Board or their respective alternates shall receive a per diem as it may approve for each Board meeting actually attended by them: *Provided, That, such per diems shall not exceed one thousand pesos during any one month for each member: Provided further, That no other allowances or any form of compensation shall be paid them, except actual expenses in traveling to or from their residences to attend Board meetings.*