Mr. Speaker:

The Committees on Higher and Technical Education, Appropriations, and Ways and Means, to which was referred House Bill No. 6439, introduced by Rep. Rufus B. Rodriguez, entitled:

“AN ACT
UPGRADING AND STRENGTHENING THE PHILIPPINE MERCHANT MARINE ACADEMY TO MEET THE STRATEGIC NEEDS OF THE CHANGING INTERNATIONAL AND DOMESTIC MARITIME INDUSTRY, IN EFFECT, ADDRESSING THE GLOBAL ECONOMIC AND NATIONAL DEFENSE SITUATION, AND FOR OTHER PURPOSES”;

have considered the same and recommend that the attached House Bill No. 10449, entitled:

“AN ACT
DECLARING THE PHILIPPINE MERCHANT MARINE ACADEMY AS THE NATIONAL MARITIME ACADEMY, EXPANDING ITS POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR”


Respectfully submitted,

ERIC GO YAP
Chairperson
Committee on Appropriations

MARK O. GO
Chairperson
Committee on Higher and Technical Education

JOEY SARTE SALCEDA
Chairperson
Committee on Ways and Means

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10449
(In Substitution of House Bill No. 6439)


AN ACT
DECLARING THE PHILIPPINE MERCHANT MARINE ACADEMY AS THE NATIONAL MARITIME ACADEMY, EXPANDING ITS POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Short Title. - This Act shall be known as the “Philippine Merchant Marine Academy BiCentennial Charter”.

SEC. 2. Declaration of Policy. – The State shall establish, maintain and support a complete, adequate, and integrated system of maritime education, training, and research relevant to the needs of the country and at par with international standards. It shall also advance and develop the maritime competency of the nation.
To this end, the Philippine Merchant Marine Academy shall be declared as the National Maritime Academy with a mission of molding merchant marine professionals imbued with nationalism, leadership traits, and positive character development and who constantly pursue excellence in their professions, and endeavor to contribute positively to society and their respective communities.

SEC. 3. Philippine Merchant Marine Academy. - The Philippine Merchant Marine Academy (PMMA) is hereby declared as the National Maritime Academy.

As the national maritime academy of the country, the PMMA shall take the lead in setting academic standards and initiating innovations and with the following objectives:

a) To produce efficient and well-trained merchant marine professionals whose technical capacities are comparable to their counterparts in other progressive countries and who can ably respond to the needs of domestic and international trade and commerce;

b) To produce a pool of highly trained manpower to serve as naval, maritime law enforcement, and hydrographic officers for the country;

c) To provide baccalaureate and graduate degree programs in maritime education and related fields of study; train, assess, and certify to the respective levels of competency of students and for merchant marine ratings; and issue the corresponding certificates and diplomas in accordance with Republic Act No. 10968, otherwise known as the "Philippine Qualifications Framework (PQF) Act", with the standards and certification requirements of international treaties and regulations;

d) To serve as the center for research in maritime and allied fields, enabling the PMMA to support knowledge accumulation and policy development for the maritime sector; and

e) To serve as a regional and global academy in cooperation with international maritime organizations, networks of universities, scholarly and professional associations in the Asia Pacific region and around the world.

SEC. 4. Academic Freedom and Institutional Autonomy. – The PMMA shall enjoy academic freedom and institutional autonomy pursuant to paragraph 2, Section 5 of Article XIV of the Constitution.

The PMMA shall be under the supervision of the Commission on Higher Education (CHED) which shall determine its teaching, research and extension thrusts, plans, policies, programs and standards in accordance with the policies, standards and guidelines of the CHED.

SEC. 5. National Maritime Research and Policy Center. – As part of its commitment to national development, the PMMA shall establish a National Maritime Research and Policy Center, hereinafter referred to as the Center, which shall engage in research for the development and advancement of the maritime industry.

The Center shall have the primary responsibility of generating policy research for maritime industry development, security and law enforcement. It shall also serve as the direct link of the PMMA to the
private sector and the different government departments, agencies, and instrumentalities, including
government-owned-or-controlled corporations (GOCCs).

Through the Center, the PMMA, with the approval of its Board of Trustees, as mentioned in Section 7 of this Act, shall harness the expertise of the members of its community and other individuals, and regularly study the state of the nation in relation to its quest for national development in the primary areas of maritime education and training, maritime administration, trade, and law enforcement, among others.

SEC. 6. Academic Offerings. - The PMMA shall develop, design, deploy, and confer degrees as appropriate, in accordance with the Philippine Qualifications Framework (PQF) Level II to VII and covering technical-vocational education and training (TVET), undergraduate, and graduate programs in the fields of maritime and allied disciplines.

Graduates of the PMMA may be appointed by the CHED to serve as technical evaluators upon acquiring Management Level Certificates.

In order to meet the needs of the national government and domestic and international trade, the PMMA may add, remove, or revise any undergraduate and graduate degree programs and technical-vocational certificate or diploma courses within the maritime field according to its capabilities as the Board of Trustees may deem necessary to carry out its objectives: Provided, That no undergraduate and graduate degree programs shall be offered without the approval of the CHED and the Maritime Industry Authority (MARINA) and that the undergraduate and graduate programs shall comply with the minimum requirements of the CHED and the MARINA: Provided further, That no TVET program shall be offered without the approval of and compliance with the minimum requirements of the Technical Education and Skills Development Authority (TESDA).

SEC. 7. Board of Trustees. - The governance of the PMMA is vested in its Board of Trustees, hereinafter referred to as the Board, which shall be chaired and co-chaired by the Chairperson of the CHED and the PMMA Superintendent, respectively. Its members shall include the following:

a. Chairperson of the Senate Committee on Higher, Technical and Vocational Education or the authorized representative;  
b. Chairperson of the House Committee on Higher and Technical Education or the authorized representative;  
c. Secretary of the Department of Transportation (DOTr) or the authorized representative;  
d. Director General of the National Economic and Development Authority or the authorized representative;  
e. Director General of the TESDA or the authorized representative;  
f. Flag Officer of the Philippine Navy (PN);  
g. Commandant of the Philippine Coast Guard (PCG);  
h. Administrator of the MARINA;  
i. President of an accredited association of manning agents;  
j. President of the duly recognized federation of alumni associations of the PMMA;  
k. President of the duly recognized federation of faculty associations of the PMMA representing all personnel and who shall serve for a term of two (2) years;
1. President of the duly recognized federation of midshipmen who shall serve for a term of one (1) year;
2. President of the Society of Naval Architects and Marine Engineers, Inc.;
3. Two (2) other trustees from the business sector who have distinguished themselves in the maritime profession to be appointed by the Board, as recommended by the search committee constituted by the Board, and who shall serve a term of two (2) years.

**SEC. 8. Board Secretary.** – The Board shall appoint a Secretary, upon the recommendation of the PMMA Superintendent, who shall serve as such for both the Board and the PMMA.

The Board Secretary shall keep all official records of the PMMA and send the notices of regular meetings, special sessions, and other undertakings of the Board.

**SEC. 9. Powers and Functions of the Board.** - The Board shall have the following powers and functions in addition to its general powers of administration:

a. Promulgate policies, as may be necessary, to carry out the purposes and functions of the PMMA and in accordance with the declared State policies on education, other pertinent provisions of the Constitution on education, agriculture, science and technology, and the policies, standards and thrusts of the CHED under Republic Act No. 7722, otherwise known as the "Higher Education Act of 1994";

b. Approve the curricula, instructional programs, and rules of discipline drawn by the Administrative and Academic Councils herein provided;

c. Appoint, upon recommendation of the Superintendent of the PMMA, Deputy Superintendents, deans, directors, heads of departments, faculty members and other officials and employees of the PMMA;

d. Appoint and commission the corps of officers, faculty members and other officials and employees, to draw up a position classification and compensation plan for its faculty and staff and notwithstanding the provision of any law to the contrary, to fix and adjust salaries and benefits of the faculty members and other employees of the PMMA;

e. Extend, with their consent, the tenure of faculty members of the PMMA beyond the compulsory retirement age, notwithstanding the provision of any law to the contrary, on recommendation of the concerned units upon endorsement of the Superintendent of the PMMA, whenever their services are especially needed: Provided, however, That no extension of tenure shall be made beyond the age of seventy (70);

f. Fix and adjust the salaries of the corps of officers, faculty members, administrative officials and employees, subject to the provisions of the Revised Compensation and Position Classification System and other pertinent budget and compensation laws governing hours of service, and such other duties and conditions as it may deem proper; grant, at its discretion, leaves of absence under such regulations as it may promulgate, notwithstanding the provision of any existing law to the contrary; and remove them for cause in accordance with the requirements of due process of law;

g. Set the policies on admission and graduation of midshipmen;
h. Fix the tuition fees and other necessary school charges, such as matriculation, graduation and laboratory fees, as the Board may deem proper to impose, after due consultation with the concerned sectors. The fees and charges, including government subsidies and other income generated by the PMMA, shall constitute special trust funds, and shall be deposited in any authorized government depository bank. All interests that shall accrue therefrom shall form part of the same funds for the use of the PMMA.

i. Adopt and implement a socialized scheme of tuition and other school fees for greater access for poor but deserving students in accordance with Republic Act No. 10931 or the “Universal Access to Quality Tertiary Education Act”;

j. Receive and appropriate sums as may be provided by law, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the PMMA;

k. Establish research and extension centers to promote the development of the PMMA and contribute to national development;

l. Adopt modern and innovative modes of transmitting knowledge for the promotion of greater access to education such as the use of information technology, ladderized education, dual training system, open distance learning, and community laboratory;

m. Forge academic arrangements for institutional capability building with appropriate institutions and agencies, public and private, local and foreign, and to appoint experts or specialists as consultants, part time or visiting or exchange professors, scholars, and researchers, as the case may be;

n. Develop consortia and other economic forms of linkages with local government units, institutions and agencies, both public and private, local and foreign, in furtherance of the purposes and objectives of the PMMA;

o. Collaborate with the governing bodies of other state universities and colleges and local universities and colleges in the country, especially service academies such as the Philippine Military Academy and the Philippine National Police Academy under the supervision of the CHED and in consultation with the Department of Budget and Management (DBM), in restructuring the PMMA to make it more efficient, relevant, productive and competitive;

p. Authorize an external management audit of the PMMA, to be financed by the CHED, subject to the rules and regulations of the Commission on Audit (COA), and institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;

q. Import economic, technical, and cultural books and publications;

r. Enter into joint ventures with business and industry for the profitable development and management of economic assets, the proceeds of which shall be used for the development and strengthening of the PMMA;
s. Receive subsidies, trust, legacies, gifts and donations of real and personal properties of all kinds and to
administer and dispose of the same when necessary for the benefit of the PMMA, and subject to the
limitations, directions and instructions of the donor, if any, and to the following conditions:

Such donations, including from the GOCC subsidies and other income generated by the PMMA,
shall constitute special trust funds and shall be deposited in any authorized government depository bank,
and all interests that shall accrue therefrom shall form part of the same funds for the use of the PMMA;

Notwithstanding any provision of existing laws, rules and regulations to the contrary, any income
generated by the PMMA from tuition fees and other charges, as well as from the operation of auxiliary
services and land grants shall be retained by the PMMA, and may be disbursed by the Board for its
instruction, research, extension or other programs or projects: Provided, That all fiduciary fees shall be
disbursed for the specific purposes for which these are collected;

If, for reason beyond its control, the PMMA shall not be able to pursue any project for which funds
have been appropriated and allocated under its approved program of expenditures, the Board may
authorize the use of said funds for any reasonable purpose which, in its discretion, may be necessary and
urgent for the attainment of the objectives and goals of the PMMA.

t. Extend the term of the Superintendent of the PMMA beyond the age of retirement but not beyond the
age of seventy (70), based on the guidelines, qualifications and standards set by the Board: Provided, That
the performance of the Superintendent has been rated by the Board as outstanding and a unanimous
recommendation for such extension has been decided upon by the search committee;

u. Establish policy guidelines and procedures for participative and transparent decision-making within the
PMMA;

v. Privatize the management of nonacademic services such as health, food, building or grounds or property
maintenance, and such other similar activities where most advantageous to the PMMA;

w. Authorize the construction or repair of its buildings, machinery, equipment and other facilities, and the
purchase and acquisition of real property and other school property such as the necessary supplies,
materials and equipment; and

x. Promulgate rules and regulations not contrary to law, as may be necessary, to carry out the purposes
and functions of the PMMA.

SEC. 10. Meetings of the Board. – The Board shall regularly convene at least once every quarter.
However, the Chairperson of the Board may, upon three (3) days' prior written notice, call a maximum of
four (4) special meetings whenever necessary.

A quorum of the Board shall consist of the majority of all its members holding office at the time of
the meeting: Provided, however, That the Chairperson of the CHED or the Superintendent of the PMMA
is among those present in the meeting.
In case the Chairpersons of the Congressional Committees on Education shall not be able to attend the Board meeting, they may duly designate their respective representatives to attend the said meeting, who shall have the same rights and responsibilities as a regular member of the Board.

The members of the Board shall not receive any salary, but shall be entitled to reimbursements for actual and necessary expenses incurred, either in their attendance to meetings of the Board or in connection with their official business authorized by resolution of the Board, subject to pertinent existing laws and regulations.

SEC. 11. Superintendent. - The PMMA shall be headed by a Superintendent who shall render full-time service and shall be selected and appointed by the Board based on the results of the selection process of a duly constituted search committee.

The Superintendent shall have a term of four (4) years and be eligible for reappointment to another term: Provided, That in order to effect a smooth transition upon the effectivity of this Act, the incumbent PMMA Superintendent shall continue to serve as such until the completion of the unexpired term prior to the effectivity of this Act.

The Superintendent shall preferably be an alumnus of the PMMA’s undergraduate degree program who has meritoriously excelled in a chosen field of endeavor in an executive or managerial position in the maritime industry, may it be in the private or government sector. The person must possess a graduate degree in any maritime field of specialization from a recognized institution.

Upon election by the Board, the Superintendent shall enjoy the rank, benefits and compensation of a Rear Admiral of the Navy during the first term, and a Vice Admiral during the second term.

The powers and duties of the Superintendent of the PMMA, in addition to those specifically provided under this Act, shall be those usually pertaining to the Office of the Superintendent or Office of the President of a chartered institution for higher education, and those delegated by the Board.

Within six (6) months before the expiration of the term of office of the incumbent Superintendent of the PMMA, the Board shall constitute the Search Committee for Superintendence.

In case of a vacancy in the Office of the Superintendent by reason of death, compulsory retirement, resignation, removal for cause or incapacity of the Superintendent to perform the functions of the office, the Board shall designate an Officer-in-Charge (OIC) of the PMMA within six (6) months from the date of vacancy, pending the appointment of a new Superintendent: Provided, That the OIC is an alumnus of the undergraduate degree program of the PMMA and shall come from its line officers.

The successor or OIC shall serve only the unexpired portion of the term of the Superintendent.

SEC. 12. PMMA Organization. - The PMMA organization shall be a regimental civilian armed uniformed academic unit similar to the PCG with a military-naval rank for its corps of officers and may be integrated into the PCG or the Armed Forces of the Philippines (AFP) in times of war or national emergency, upon the directive of the Commander-In-Chief.
The PMMA organization shall be composed of the PMMA corps of officers, its civilian employees, and the PMMA corps of midshipmen.

The PMMA Corps of Officers shall be composed of the officers assigned to undertake administrative services, research services, and technical faculty who shall be further categorized as line officers, maritime professors, and technical officers.

The civilian employees shall be composed of personnel who shall undertake administrative and support functions, and categorized as administrative support, technical support and faculty and specialized personnel.

The PMMA corps of midshipmen shall be composed of all undergraduate midshipmen who have satisfactorily completed their probationary period unless otherwise deleted from the roster following due process.

The PMMA shall, in consultation with the CHED, DBM, and the Department of National Defense (DND) formulate its organizational structure and staffing pattern.

A Table of Organization Seniority, and a Lineal List shall be submitted annually by the PMMA to the Board for its approval.

SEC. 13. Technical Faculty, Employees and Consultants. - To ensure quality, relevant and up-to-date education, the PMMA shall maintain a pool of local and international part-time faculty members teaching technical subjects, and employees and consultants performing technical work. These technical faculty, employees and consultants must possess special knowledge, skills and know how on the various fields of the maritime industry. They shall enjoy just and commensurate compensation comparable to the compensation of their counterparts in the private sector, as may be deemed appropriate by the Board. They shall also have the privilege to arrange their specific work schedules.

SEC. 14. Administrative Council. – An Administrative Council shall be created which shall be composed of the Superintendent as Chairperson, Deputy Superintendents, Assistant Superintendents, deans, directors, and other officials of equal rank as members. The Administrative Council shall review and recommend, in accordance with the direction of the Board, appropriate policies governing the administration, management and development planning of the PMMA.

SEC. 15. Academic Council. – An Academic Council shall be created with the Superintendent as Chairperson, the Deputy Superintendent for Academics as Vice-Chairperson, and all the members of the faculty with the rank of not lower than assistant professor as members.

In accordance with Section 4, paragraphs (i) and (o) of Republic Act No. 8292, otherwise known as the “Higher Education Modernization Act of 1997”, the Academic Council shall exercise the following powers:

a. Determine, review and recommend for approval of the Board the course offerings of the PMMA;

b. Devise, draft, review and recommend for approval of the Board the rules of discipline of, and for the PMMA; and
c. Fix the requirements for the admission of students to the PMMA as well as for their graduation and the conferment of degrees, and submit the same to the Board for review and approval in accordance with Section 4, paragraph (j) of Republic Act No. 8292.

SEC. 16. **Industry-Academe Council.** – There shall be established an advisory body to be called the Industry–Academe Council (IAC) chaired by the Superintendent, with the Deputy Superintendent for Academics as Vice Chairperson, two (2) members representing the merchant maritime industry, one (1) member each from the CHED, PN, PCG, National Mapping and Resource Information Authority (NAMRIA)-Hydrography Branch, Bureau of Fisheries and Aquatic Resources (BFAR) and the TESDA Director General, the Undersecretary of the Department of Education (DepEd) for senior high school, and the Chairperson of the Board of Naval Architects.

The IAC shall exercise the following powers:

a. Review curricular offerings of the PMMA and recommend enhancement thereof to the Academic Council;
b. Determine and monitor research projects jointly undertaken by the PMMA and the industries for the Board’s information and action; and
c. Serve as clearing house for project proposals involving the academe and the industries and to recommend appropriate action to the Board.

SEC. 17. **Regular Campuses.** - The PMMA may establish regular campuses in strategic areas in the country, to further fulfill its academic mission of providing technical-vocational courses, undergraduate, and graduate degree programs and its commitment to national development: Provided, That the PMMA shall comply with the requirements of the CHED on the establishment of campuses.

SEC. 18. **Multi-Role Training Vessel.** - The PMMA shall acquire and maintain at least one (1) state-of-the-art, diesel-hybrid multi-role training vessel to serve as a training ship for midshipmen and in carrying out such activities as patrols, research studies, and surveys in line with its role in, and commitment to national development.

Upon the directive of the President of the Republic of the Philippines, the multi-role training vessel shall be used for humanitarian, diplomatic and disaster response operations: Provided, That the expenses incurred for such operations shall be charged against the concerned government agencies and instrumentalities as may be directed by the appropriate authority.

The multi-role training vessel shall be designated as a Naval Reserve Affiliate Vessel under the Naval Reserve Command.

SEC. 19. **Admissions.** - The Board, upon the recommendation of the PMMA Superintendent, shall determine the basic requirements for admission to the PMMA undergraduate and graduate degree programs. It shall preferably be patterned after the standard qualifications of the AFP.

The PMMA may coordinate with the CHED, TESDA, DepEd, DND, and the Department of the Interior and Local Government in the use of the facilities and equipment of the said departments in carrying out the selection and admission requirements of the PMMA.
SEC. 20. Congressional Billet. - To ensure the proportional distribution throughout the country of the midshipmen availing the quality education and opportunities in the PMMA, a congressional billet of one (1) midshipman per congressional seat and three (3) midshipmen per member of the Senate is hereby established: Provided, That applicants must pass the basic requirements of admission: Provided further, That for a province or highly urbanized city where there is only one (1) congressional district, three (3) cadets shall be selected therefrom: Provided, finally, That only upon determination that there is no qualified applicant from a certain congressional district shall another qualified applicant, irrespective of domicile, be considered for the said slot.

SEC. 21. Midshipmen Benefits. - All PMMA midshipmen shall enjoy full scholarship and shall pay no tuition, laboratory, lodging, uniform, and miscellaneous fees while enrolled in the PMMA.

SEC. 22. Regulatory Licenses. - The PMMA is hereby established as an assessment center for certification and licensing of maritime professionals. It shall also incorporate the process for assessment or certification in its educational programs leading to the assessment of its candidates prior to their graduation.

All PMMA graduates shall be exempt from complying with other Philippine flag and national regulatory requirements such as the theoretical and practical examinations for OIC of Navigational Watch and Engineering Watch, respectively.

SEC. 23. Mandatory Service Obligation. - Upon effectivity of this Act, graduates of the undergraduate degree programs of the PMMA who will opt to work in the merchant marine industry, either in domestic or international trade, shall be required to provide a minimum of four (4) years cumulative full-time service to the government in any of its agencies or instrumentalities, including GOCCs, within ten (10) years after graduation.

Government service shall primarily be within the maritime industry and shall include the following services: consultants, researchers, instructors, and professors in the DND through the PN, the MARINA of the DOTr, PCG, Department of Environment and Natural Resources through the NAMRIA, or the Department of Agriculture, through the BFAR: Provided, That the concerned departments and agencies, in coordination with the PMMA, shall provide compensation for their service.

All PMMA graduates of the Bachelor of Science in Marine Transportation or Bachelor of Science in Marine Engineering programs shall serve as CHED technical evaluators or inspectors upon acquiring management level certificate. The PMMA shall monitor and maintain a list of graduates that have already acquired a management level certificate and submit the same to CHED as deemed appropriate. The CHED shall then appoint and maintain a pool of technical evaluators from the submitted list in accordance with its rules and regulations.

A PMMA graduate who fails to comply with the mandatory service obligation within ten (10) years after graduation shall be compelled to refund, at present value, all tuition, uniform, lodging, miscellaneous and laboratory expenses provided by the government. In the event that the mandatory service obligation is short of the required four (4) years, the amount to be refunded shall be computed by fraction, ratio, and proportion based on services accrued.
Failure to refund tuition fees and other government expenses shall be grounds for non-renewal of all travel documentations for any employment, foreign or domestic, and shall constitute a breach of contract.

SEC. 24. Service to the DND. - Graduates of the undergraduate degree programs of the PMMA shall be commissioned as officers of the PN Naval Reserve Command with the rank of ensign and shall be called to serve by the Commander-in-Chief in times of war or national emergency.

The PN, through the Naval Reserve Command, shall provide institutional mechanisms to mobilize graduates of the PMMA to help provide technical, tactical and intelligence information to the PN in times of war or national emergency. A special unit under the Ready Reserve Component is hereby established specifically to liaison and mobilize graduates of the PMMA and to provide mechanisms for their continued professional development and career advancement.

All PMMA graduates shall report annually to their special mobilization center for updating of their whereabouts.

Graduates who are not originally part of the PN Billet and who shall opt to join the PN after graduation shall be eligible for direct commissionship to the Regular Force of the AFP and categorized as a graduate of a Service Academy as basis for commissionship and in accordance with the Seniority and Lineal List: Provided, That they shall still undergo the required minimum training prior to being commissioned to the naval service: Provided, further, That the acceptance of their application for commissionship into the PN shall be based on the actual technical needs of the PN and the prevailing vacancy and recruitment quota at the time of application for commission.

SEC. 25. Land Grants and Other Real Properties. - The State shall support the PMMA as the national maritime academy in the form of a lump sum amount, through general appropriations and other financial benefits, and in kind, through land grants and donations and use of other real properties. To carry out the intent of these grants, income derived from the development of all land grants and real properties shall be used to further the mission, goals, and objectives of the PMMA as herein provided and as may be decided by the Board. Such parcels of land ceded by law, decree or presidential issuance to the PMMA are hereby declared to be reserved for the purposes intended. The absolute ownership of the PMMA over these landholdings, including those covered by original and transfer certificates of title in the name of the PMMA and their future derivatives, is hereby confirmed. If the issuance of proper certificates of title for these landholdings is pending, the appropriate government office shall expedite the issuance thereof within six (6) months from the date of effectivity of this Act: Provided, That all registration requirements necessary for the issuance of the said titles have been submitted and complied with.

The Board may plan, design, approve or cause the implementation of land leases: Provided, That such mechanisms and arrangements shall sustain and protect the environment in accordance with the law, and be exclusive of the academic core zone of the campuses of the PMMA: Provided, further, That such mechanisms and arrangements shall not conflict with the academic mission of the PMMA.

The Board may allow the use of the income coming from real properties of the PMMA as security for transactions to generate additional revenues when needed for educational purposes. The Board may
approve the implementation of joint ventures: *Provided*, That in the event real properties of the PMMA are involved, only the income derived by the PMMA from the use of the real properties shall be the subject of its participation or obligation in the joint ventures: *Provided, further*, That no joint venture shall result in the alienation of the real properties of the PMMA and any plan to generate revenues and other income from land grants and other real properties entrusted to the PMMA shall be consistent with the academic mission and orientation of the PMMA, as well as protect it from undue influence and control of commercial interests: *Provided, further*, That such programs, projects or mechanisms shall be approved by the Board subject to a transparent and democratic process of consultation with the constituents of the PMMA: *Provided, finally*, That funds generated from such programs, projects or mechanisms shall not be meant to replace, in part or in whole, the annual appropriations provided by the national government to the PMMA.

SEC. 26. Safeguards on Assets Disposition. - The preservation of the value of the assets of the PMMA shall be of primordial consideration.

The sale of any existing real property of the PMMA shall be prohibited: *Provided*, That the Board may alienate real property donated after the effectivity of this Act if the terms of the donation specifically allow it.

Notwithstanding the provision of any law to the contrary, the lease of more than five (5) years of the assets of the PMMA and any transaction referred to in Section 25 shall be subject to the following conditions and procedures:

(a) The transactions shall be discussed with the members of the Board, in any of its formally convened regular or special meetings, at least one (1) month before a decision is to be made;

(b) The transactions shall be based on a multi-year comprehensive development plan, crafted and developed by professionals having at least five (5) years’ experience, with prior consultations with and concurrence of third-party experts and duly approved by a majority vote of all the members of the Board;

(c) The transactions shall be subject to competitive and public bidding as provided for under Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act";

(d) In the case of two (2) failed biddings and negotiated transactions, if undertaken, the Board, when considering the approval of any such transaction, shall secure a fairness opinion report from an independent third-party body. This body shall have five (5) members, three (3) of whom shall be nominated by the Bankers Association of the Philippines (BAP), Investment House Association of the Philippines (IHAP), Trust Officers Association of the Philippines, or the Financial Executives Institute of the Philippines. The members shall be entitled to a reasonable per diem, as may be specified by the Board.

The fairness opinion report shall contain a statement expressing the opinion of the body as to fairness to the PMMA of the terms of the proposed transaction, particularly its financial terms. The report shall include a review and analysis of the proposed transaction, financial statements, industry information, economic conditions assumptions using management projections and the assumptions used therein, and a comparison of similar transactions: *Provided*, That if the Board differs with the fairness opinion report, they shall justify their decision in writing and make this available to the community of the PMMA:
Provided, further, That this provision shall not apply to leases granted to faculty and staff as part of their benefit and those for academic purposes; and

(e) If the contract or transaction involves an amount more than One hundred million pesos (P100,000,000.00), it shall be approved by three-fourths (3/4) of all the members of the Board: Provided, That the splitting of contracts, or the breaking up of a contract into smaller quantities or amounts or the division of contract implementation into artificial or arbitrary phases or subcontracts for the purpose of circumventing this provision, shall not be allowed.

SEC. 27. Management of Funds. - There shall be an independent trust committee to be composed of the PMMA Superintendent as Chairperson, and with the following as members: one (1) representative from the BAP; one (1) representative from the IHAP; and two (2) representatives from the duly recognized alumni association. The members shall be entitled to a reasonable per diem allowance as the Board may specify.

The independent trust committee shall recommend to the Board five (5) universal banks selected on a prudent basis whose respective trust departments shall manage the corporate and other funds of the PMMA through trust agreements on a non-directed basis: Provided, That any such agreement shall be for a period of not more than two (2) years. The independent trust committee shall provide the Board with direction on appropriate investment objectives and permissible investments with the view to preserving the value of the funds while allowing the PMMA to earn a reasonable return thereon.

SEC. 28. Tax Exemptions. - The provisions of any general or special law to the contrary notwithstanding:

(a) All revenues and assets of the PMMA used for educational purposes or in support thereof shall be exempt from all taxes;

(b) All grants, bequests, endowments, donations and contributions made to and used actually, directly and exclusively for educational purposes by the PMMA shall be exempt from the donor's tax and the same shall be considered as allowable deductions from gross income for purposes of computing the taxable income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended;

(c) Importation by the PMMA of ships, equipment, lifesaving appliances, machineries, computer hardware and software used, pursuant to its academic objectives, shall be exempt from customs duties in accordance with the provisions of Republic Act No. 10863, otherwise known as the “Customs Modernization and Tariff Act (CMTA)”;

(d) Importation by the PMMA of economic, technical, vocational, scientific, philosophical, historical and cultural books, supplies and materials duly certified by the Board and the CHED, including scientific and educational computer and software equipment, shall be exempt from customs duties in accordance with the provisions of Republic Act No. 10863, otherwise known as the “Customs Modernization and Tariff Act (CMTA)”; and
(e) The PMMA may avail of the tax expenditure subsidy administered by the Fiscal Incentives Review Board, subject to the provisions of Title XIII (Tax Incentives) of the National Internal Revenue Code of 1997, as amended.

SEC. 29. Reportorial Requirements and Auditing of Accounts. - The PMMA shall submit an annual report to Congress containing the financial statement, statement of assets and liabilities, actual projected income from tuition fees and other revenue sources, contracts, investments entered into pursuant to the provisions of this Act, and programs of expenditure. All accounts and disbursements of the PMMA shall be audited by the COA.

SEC. 30. Rules of Construction. - Nothing in this Act shall diminish the powers, rights, privileges and benefits accorded to the PMMA or those enjoyed at present under other issuances modified or repealed under this Act, or by subsequent legislation that expressly provides for their repeal, amendment or modification. Any doubt in the interpretation of any of the provisions of this Act shall be resolved in favor of the academic freedom and fiscal autonomy of the PMMA.

SEC. 31. Appropriations. - The amount necessary to carry out the implementation of this Act shall be charged against the current year’s appropriations and other internal funds of the PMMA. Thereafter, such amount shall be included in the annual General Appropriations Act.

SEC. 32. Filing of Report. – On or before the fifteenth (15th) day of the second (2nd) month after the opening of the regular classes each year, the Board shall file, with the Office of the President of the Philippines, through the Chairperson of the CHED, and with both Houses of Congress, a detailed report on the progress, condition and needs of the PMMA.

SEC. 33. Suppletory Application. - The provisions of Republic Act No. 8292, otherwise known as the “Higher Education Modernization Act of 1997”, shall be an integral part of this Act and shall serve as part of the governing charter of the PMMA.

SEC. 34. Parity Clause. – All other powers, functions, privileges, responsibilities, and limitations of national academies and their officials under existing laws shall be deemed granted to or imposed upon the PMMA and its officials, whenever appropriate.

SEC. 35. Implementing Rules and Regulations. – Within sixty (60) days from the approval of this Act, the Board shall, in consultation with the CHED, DND, DOTr and other relevant government agencies and stakeholders, formulate the rules and regulations necessary to implement the provisions of this Act.

SEC. 36. Separability Clause. - If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 37. Repealing Clause. - Republic Act No. 3680, entitled “An Act Converting the Present Philippine Nautical School into the Philippine Merchant Marine Academy, Conferring the Degrees of Bachelor of Science in Marine Transportation, Major in Navigation and Seamanship, and Bachelor of Science in Marine Transportation, Major in Steam Engine and Electrical Engineering, Providing for a Merchant Marine Academy Board, Defining the Board’s Responsibilities and Duties, and For Other
Purposes”, is repealed. All other laws, decrees, orders, rules and regulations or other issuances or parts thereof, inconsistent with the provisions of this Act are repealed or modified accordingly.

SEC. 38. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,
FACT SHEET

House Bill No. 10449
(In substitution of House Bill No. 6439)

AN ACT
DECLARING THE PHILIPPINE MERCHANT MARINE ACADEMY AS THE NATIONAL MARITIME ACADEMY, EXPANDING ITS POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR


Committee Referral: COMMITTEE ON HIGHER AND TECHNICAL EDUCATION
Committee Chairperson: REP. MARK O. GO

OBJECTIVES:

● To strengthen the Philippine Merchant Marine Academy (PMMA) and declare it as the National Maritime Academy
● To establish an integrated maritime education, training, and research institution whose quality of instruction is at par with international standards, and whose
mission, goals and objectives are attuned to the development aspirations of the country

KEY PROVISIONS:

- Establishes a Board of Trustees, chaired and co-chaired by the Chairperson of the Commission on Higher Education (CHED) and the PMMA Superintendent
- Grants full scholarship to PMMA midshipmen, which includes tuition and miscellaneous fees, laboratory, lodging, and uniform, while enrolled in the PMMA
- Ensures that there shall be proportional distribution of midshipmen availing of quality education and opportunities in the PMMA by establishing a congressional billet of one (1) midshipman per congressional district and three (3) midshipmen per member of the Senate, provided that for a province or highly urbanized city where there is only one (1) congressional district, three (3) cadets shall be selected therefrom
- Provides that the PMMA shall be headed by a Superintendent, who shall be selected and appointed by the Board of Trustees based on the results of the selection process of a duly constituted search committee and to render full time service with a term of four (4) years and eligible for reappointment to another term; preferably an alumnus of the PMMA’s undergraduate degree program who has meritoriously excelled in a chosen field of endeavor in an executive or managerial position in the maritime industry, in the private or government sector, and must possess a graduate degree in any maritime field of specialization from a recognized institution;
- Establishes a National Maritime Research and Policy Center, which shall engage in research for the development and advancement of the maritime industry and serve as the direct link of the PMMA to the private sector and the different government departments, agencies, and instrumentalities, including government-owned-or -controlled corporations
- Establishes the Industry-Academe Council, an advisory body chaired by the Superintendent, which shall review curricular offerings of the PMMA and recommend enhancement thereof to the Academic Council; determine and monitor research projects jointly undertaken by the PMMA and the industry for the Board’s information and action; and serve as clearing house for project proposals involving the academe and the industries and recommend appropriate action to the Board
- Provides that the PMMA may establish regular campuses, specifically in the strategic areas in the country, to further fulfill its academic mission and commitment to national development, provided that the said establishment shall comply with CHED requirements
- Directs the PMMA to acquire and maintain at least one state of the art, diesel-hybrid multi-role training vessel to serve as a training ship for its midshipmen and in carrying out national development commitments such as patrols, research, and surveys
- Creates an independent trust committee composed of the Superintendent as Chairperson; one (1) representative each from the Bankers Association of the
Philippines, the investment House Association of the Philippines, and two (2) representatives from the duly recognized alumni association

- Mandates that upon effectivity of this Act, graduates of the undergraduate degree programs of the PMMA who will opt to work in the merchant marine industry, either in domestic or international trade, shall be required to provide a minimum of four (4) years cumulative full-time service to the government in any of its agencies, and instrumentalities, including GOCCs, within ten (10) years after graduation
- Provides that graduates of the undergraduate degree programs of the PMMA may, upon application, be commissioned as officers of the Philippine Navy Naval Reserve Command, shall be given the rank of ensign, and shall be called by the Commander-in-Chief to render service in times of war or national emergency

RELATED LAWS:

- Republic Act No. 8292 (Higher Education Modernization Act of 1997)
- Republic Act No. 3680 (PMMA Charter)
- Republic Act No. 7722 (Higher Education Act of 1994)
- Republic Act No. 10931 (Universal Access to Quality Tertiary Education Act)
- Republic Act No. 10968 (Philippine Qualifications Framework Act)