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INTERIM RULES AND REGULATIONS/GUIDELINES ON THE MANAGEMENT AND OPERATION OF ANY PORT WITHIN THE CAGAYAN FREEPORT

CEZA ADMINISTRATIVE ORDER NO. 001, S. 2002, NOVEMBER 15, 2002, November 15, 2002

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Pursuant to Republic Act No. 7922, otherwise known as the "Cagayan Special Economic Zone Act of 1995", and in view of the turnover of management and operation of Port Irene from the Philippine Ports Authority (PPA) to the Cagayan Economic Zone Authority (CEZA), the following rules and regulations and guidelines in the management and operation of any port within the Cagayan Freeport, amending CEZA Administrative Order No. 001, series of 1998, are hereby adopted.

ARTICLE I

Preliminary Provisions

SECTION 1. Title. — These rules and regulations/guidelines shall be known as "CEZA Administrative Order No. 001-2002.

SECTION 2. Declaration of Policy. — CEZA, the government entity mandated to supervise and manage the operation of the Cagayan Special Economic Zone and Freeport (the "Cagayan Freeport"), shall conform with the international standards in the operation of the port, and shall adopt policies that will ensure effective and efficient management and operation of the port resulting in competitive service to both foreign and domestic port users. CEZA shall strictly implement policies to ensure legal and smooth port operations, and at the same time, provide competitive service to port users, thereby setting the rules and regulations and guidelines on the management and operation of the port.

SECTION 3. Aims/Objectives. — These rules and regulations aim to:

a. Establish a system of operation for the port;

b. ensure smooth flow of operation in the port;

c. define functions and responsibilities of every agency involved in the operation of the port;

d. safeguard the Cagayan Freeport from illegal and anomalous activities;

e. regulate fees and services in the Cagayan Freeport;

f. effectively and efficiently provide competitive service to port users; and

g. properly regulate activities in the port.

SECTION 4. Applicability. — These guidelines shall apply to all port personnel, port users, and other entities doing business in the Cagayan Freeport.

SECTION 5. Definition of Terms. — For the purpose of this Administrative Order, the terms used herein shall

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mean as follows:

1. RA 7922 — shall refer to Republic Act No. 7922, otherwise known as the "Cagayan Special Economic Zone Act of 1995", the law creating the Cagayan Special Economic Zone and Freeport.

2. Cagayan Freeport — shall refer to the Cagayan Special Economic Zone and Freeport, defined in Section 3 of RA 7922 as a separate customs territory covering the entire area embraced by the Municipality of Santa Ana and the islands of Fuga, Barit and Mabbag in the Municipality of Aparri, all in the province of Cagayan.

3. CEZA shall refer to the Cagayan Economic Zone Authority, a government corporate body established pursuant to RA 7922.

4. BOC shall refer to the Bureau of Customs.

5. BID shall refer to the Bureau of Immigration and Deportation.

6. BOQ — shall refer to the Bureau of Quarantine, Department of Health.

7. BPI — shall refer to the quarantine division of the Bureau of Plant Industry.

8. BAI — refers to the quarantine division of the Bureau of Animal Industry.

9. Port — shall refer to any port within the Cagayan Freeport.

10. Port District shall refer to the territorial jurisdiction under the control, supervision or ownership of CEZA over an area (land and/or sea) declared as such in accordance with Republic Act No. 7922.

11. Port User — shall refer to shipping agent, shipper and vessel owner authorized by CEZA to use the port for shipment of cargoes and/or passengers, or for any other legal purpose like ship repair and shelter.

12. Accreditation — shall refer to the authorization to render services or the exercise of the profession.

13. Certificate of Accreditation — shall refer to the certificate issued by CEZA evidencing the firms' accreditation to operate at the port.

14. Harbor Pilot shall refer to any person providing pilotage services within the Cagayan Freeport.

15. Pilotage Service shall refer to the service of rendering advice to the Master of Vessel by pilots for the safe navigation of the vessels within the harbor limits.

16. Vessel shall refer to any shipping vessel weighing 100 gross tons or more.

17. Lesser Container Load (LCL) shall refer to the goods inside the container belonging to more than one (1) shipper/consignee.

18. Full Container Load (FCL) shall refer to all goods inside the container belonging to a single consignee, and meant for door to door delivery.

19. Container — shall refer to a structure designed to hold and keep articles, materials and products together inside a hold in the form of boxes, tanks, or the like, for singular or unit handling and transport, generally having any internal volume or capacity of not less than one (1) cubic meter.

20. Tonnage — shall refer to the size of the vessel

21. Revenue Tonnage (RT) shall refer to 1,000 kgs. or 1.1326 cubic meters (40 cu. ft.) whichever yields the greater amount of revenue.

22. Gross Registered Tonnage (GRT) shall refer to the gross tonnage of the vessel as indicated in the ship

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registry.

23. Wharfage — shall refer to a charge on all the cargoes, whether containerized or not, coming in/going out or transshipped through a port on the basis of the total metric or revenue tonnage whichever is applicable.

24. Dockage (at Berth) shall refer to the amount assessed against a vessel engaged in international or foreign trade, including those engaged in barter trade, for mooring or berthing at a pier, wharf, bulkhead-wharf, river or channel marginal wharf at any national port in the Philippines.

25. Dockage (at Anchorage) shall refer to the amount assessed against a vessel engaged in international or foreign trade, including those engaged in barter trade, that do not berth but drop anchor at either a government or privately-owned port whether operated exclusively or commercially.

26. Palletized shall refer to types of cargoes which utilize wood staves or slats as their base and were being shipped as a unit or were held together as a set.

27. Anchorage shall refer to a place with sufficient depth of water where vessels maneuver, anchor or may ride at anchor within the harbor.

28. Berthing shall refer to the maneuvering of a vessel from the anchorage or pilot station to a berth, including the action to make fast the vessel alongside.

29. Cargo Handling Operator shall refer to accredited arrastre and/or stevedoring firm in the port.

30. Arrastre shall refer to all work performed on the dockside of the vessel, including receiving and loading of cargo from and to ship's tackle with the use of dock gang and cargo handling equipment.

31. Stevedoring shall refer to all work performed on board a vessel, that is the process or act of loading and unloading cargo, stowing inside hatches, compartments and on deck or open cargo spaces on board vessel.

32. Ancillary Services Operator shall refer to legal and juridical entity engaged in services aside from those activities mentioned above.

33. Authorized Users of the Port shall refer to legal and juridical entities allowed to use the port for port activities.

34. Storage Area refer to open areas within the port including unoccupied stockpiling areas.

35. ETA shall refer to the expected time of arrival of the vessel.

36. ETS shall refer to the expected time of start of cargo-handling operation.

37. ETC shall refer to the expected time of completion of cargo-handling operation.

38. ETD shall refer to the expected time of departure of the vessel.

39. Dangerous Cargoes shall refer to goods liable to cause damage to the vessel or to endanger human lives as well as those which are a source of danger to other cargo.

40. Lay-up Fee is the amount levied against vessels that have been decommissioned or otherwise unemployed and idle while waiting for better business prospects for their operations or when so authorized by the Authority.

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ARTICLE II

Guidelines on the Use of the Port

SECTION 6. Application to Use the Port. — All port users, prior to undertaking any activity at the port, shall secure permission from CEZA. The port user shall submit the duly notarized application form (PI-01 Form attached as Annex "A)[1] at the following CEZA offices:

a. Manila Offices at 7/F Westar Building, 611 Shaw Boulevard, Pasig City. Telephone Numbers (02) 636-5780/6365782; Fax Number (02) 631-3997.

b. Santa Ana Office at Centro Santa Ana, Cagayan.

c. Tuguegarao Office at No. 12 Main Avenue San Gabriel Village, Tuguegarao City; Telephone Numbers (078) 8447190 and (078) 8447192; Telefax Number (078) 8447189

The application form shall be accompanied with documents, which include the following:

a. SEC Registration or DTI Registration;

b. Board Resolution for Authorized Representative; and

c. Processing Fee of P500.00

Furthermore, submission of application shall be made only during the first shipment. Consequent shipments shall require the port user to file a request for Vessel Entry Pass.

SECTION 7. Evaluation of Application. — Upon receipt of the application, CEZA has the option to call for a pre-approval meeting to evaluate the application. CEZA shall decide whether the entity is allowed or prohibited from using the port based on the following criteria;

a. Cargo is not prohibited under Philippine Laws;

b. Applicant is a legal entity allowed to conduct business in the Philippines;

c. Intention to comply with the rules and regulations of CEZA for the port;

d. The operation of the entity will not greatly overburden existing infrastructure or would require an unacceptable amount of CEZA investment to build necessary infrastructure;

e. Cargo and/or vessel will not have a serious detrimental effect on the environment, and destructive impact on the safety and security of the Cagayan Freeport, or the country as a whole; and

f. The applicant does not have a known record of criminal activity.

SECTION 8. Issuance of Permit to Use — Upon approval of application, the port user shall be issued a Permit to Use (PI-02 Form attached as Annex "B)[[2],] and shall be included in the list of Authorized Users of the port. Those included in the list of Authorized Users of the port need not apply, as well as undergo a pre-approval meeting for consequent shipments prior to the issuance of the Vessel Entry Pass.

ARTICLE III

Entry and Exit of Vessel

SECTION 9. Filing of Vessel Pass by Authorized User of the Port. — The port user or agent shall file an Entry Pass (PI-03) Form attached as Annex "C)[3] 72 hours prior to the ETA of the vessel. Particulars of the vessel,

cargo and other pertinent information, and terms and conditions in operating at the port shall be detailed in the Vessel Entry Pass.

Required import or export documents shall be submitted together with the Vessel Entry Pass. The following is the list of documentary requirements for importation and exportation:

A. For Importation of CSEZFP Registered Enterprises:

1. Bill of Lading;

2. Commercial Invoice;

3. Packing List; and

4. Supporting documents from authorities concerned (such as BFAD, DENR, BFAR, Quarantine, etc.)

B. For Exportation of CSEZFP Registered Enterprises:

1. Bill of Lading;

2. Commercial Invoice;

3. Packing List; and

4. Supporting documents from authorities concerned (such as BFAD, DENR, BFAR, Quarantine, etc.)

SECTION 10. Approval of Entry Pass. — Upon submission of all the required supporting documents, the application for Vessel Entry Pass shall be evaluated based on the following criteria:

a. Cargo is not prohibited under Philippine Laws;

b. Application includes all proper documents; and

c. Cargo will have no deleterious effect on the port and the environment.

Should the Vessel Entry Pass merit approval, it shall be signed by the authorized CEZA signatory.

SECTION 11. Pre-Arrival Meeting. — A pre-arrival meeting shall be conducted at least 48 hours prior to ETA of the vessel to plan the activities to be undertaken before and during shipment. The following should be present during the pre-arrival meeting:

a. Port User;

b. CEZA Representative; and

c. Cargo-Handling Operator.

The agenda for the pre-arrival meeting shall include:

a. General Information:

i. Type of cargo (heavy lift, dangerous cargoes);

ii. Type of vessel (self-sustaining, non-sustaining);

iii. Tonnage, discharging and loading;

iv. Estimated Time of Arrival (ETA), Estimated Time of Start (ETS) of cargo handling operations, Estimated Time of Completion (ETC) of cargo handling operations, and Estimated Time of Departure (ETD);

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v. Stowage plan; and

vi. Advance copy of Manifest;

b. Cargo Handling Operation:

i. Manpower Complement (list of employees);

ii. Assigned supervisors;

iii. Loose gears and equipment needed;

iv. Productivity standards; and

v. Type of delivery (landside or delivery to other vessel);

c. Safety and security inside the Port area;

d. Documents needed before arrival:

i. Inward Foreign Manifest; and

ii. Bill of Lading;

e. Documents needed before departure (Loading List, Outward Foreign Manifest);

f. Notification of the Boarding Party for availability of respective officers to conduct boarding formalities (PI-04 Form attached as Annex "D)[4]; and

g. Other related matters.

SECTION 12. Port Tariff for the Cagayan Freeport. — The port user shall settle all obligations/port charges/fees with CEZA's authorized cashier or collection officer prior to applying for exit clearance. The Port Tariff for the Cagayan Freeport, as prescribed below, shall be followed in the computation and collection of charges:

1. Foreign vessel that enter the port shall be charged port dues as follows:

Port Dues (per GRT) US$0.046

2. Foreign vessel that berth at the port shall be charged dockage fee at berth as follows:

Dockage Fee at Berth (per GRT/day or a fraction thereof) US$0.035

3. Foreign vessel that drop anchor at the port shall be charged dockage fee at anchorage as follows:

Dockage Fee at Anchorage (per GRT/day or a fraction thereof) US$0.017

4. Domestic vessel that berth or drop anchor at the port shall be charged usage fee as follows:

Usage Fee

Below 6 GRT (per day)

No charge

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6 to 100 GRT (per day)

P51.00

Over 100 GRT (per GRT/day or a fraction thereof)

0.50

5. Domestic vessels that are authorized to temporarily lay-up and anchor at the port shall be charged lay up fee as follows:

Lay Up Fee

6 to 100 GRT (per day)

P25.50

Over 100 GRT (per GRT/day or a fraction thereof)

0.25

Idle vessels occupying dockside berth of any port within Cagayan Freeport despite a shifting order from CEZA to give way to an incoming operating vessel, shall be assessed a charge of 300% of applicable dockage fee for a foreign vessel and 500% of the applicable usage fee for domestic vessel, provided that payment shall be made by the owner, agent or representative prior to departure from berth.

The following shall be the rate of charges on cargoes at the port:

1. Foreign cargoes coming in, going out or transshipped through the port shall be charged wharfage fee for the use of port facilities as follows:

Non-containerized Foreign Cargoes

Wharfage Fee

Imported

Exported

Foreign

Transshipment

Cargoes in Sack/Bag/Bulk

Uncrated Live Animals/Steel Product

Logs and Lumber/Heavy Lift

P36.65/MT

P18.35/MT

US$0.833/MT

Others

P30.55/MT

P15.25/RT

US$0.694/RT

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Minimum charge for non-containerized foreign cargo shall be US$1.00

Containerized Foreign Cargoes

Wharfage Fee

Imported

Exported

Foreign

Transshipment

20-ft

P519.35

P259.70

US$1/TEU

35-ft

656.85

329.95

US$1/TEU

40-ft

779.05

391.05

US$1/TEU

45-ft

916.50

458.25

US$1/TEU

If cargoes in a container are owned by more than one (1) shipper/consignee, that is, LCL containers, the wharfage for non-containerized cargoes shall apply.

No wharfage shall be charged on empty containers.

2. All domestic cargoes shall be charged wharfage fees as they enter or leave the port as follows:

Non-containerized Domestic Cargoes

Wharfage Fee

Cargoes in Sacks/Bags/Bulk/Uncrated Live Animals/Steel

Products, Logs and Lumber/Heavy Lift

P5.00/MT

Others

4.00/MT

Minimum charge for non-containerized shall be P10.00

Containerized Domestic Cargoes

Wharfage Fee

10-ft box or shorter

P21.05

20-ft

42.10

35-ft

52.65

40-ft

63.15

45-ft

73.70

If cargoes in a box are owned by more than one shipper/consignee (LCL), the wharfage for non-containerized cargo shall apply.

No wharfage shall be charged on an empty box.

All foreign and domestic cargoes whether containerized or not that are loaded or discharged from a vessel at anchor without using the wharf of the port shall be charged one-half (1/2) of the corresponding wharfage fee.

SECTION 13. Exemption from Port Charges. — The following shall be exempted from port charges:

1. Vessel which has suffered engine trouble, marine accident, or has met a typhoon or other natural calamities or disaster during voyage that forced the vessel to call at the port for repair, medical help or shelter, or those calling at the port for humanitarian reasons shall be exempted from all vessel charges.

2. Donations from international or local organizations duly authorized or registered by the DSWD or the Office of the President shall be exempted from port charges.

3. Vessel and cargo under special arrangement by the Philippine government with a foreign government shall be exempted from port charges, provided that the arrangement is covered with proper documents.

4. BOI registered firm with an incentive of exemption from wharfage fee as stipulated in their certificate of registration shall be exempted from payment of export wharfage of the registered product only.

5. All vessels of other government agencies used exclusively for training purposes and non-income generating/commercial activities are exempted from the payment of usage fee.

SECTION 14. Exit Clearance. — CEZA shall conduct pre-departure inspection based on the Checklist for Exit (attached as Annex "E)[3] for departure clearance. Outward Cargo Manifest, Bill of Lading and other documentary requirements shall also be included in the Checklist for Exit.

Master, owners and agents of vessels or owner/consignees of goods shall be responsible for the prompt payment

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of all bills submitted by CEZA and cargo handling operator. Failure to do so, the vessel or her sister vessel may be banned from entering the port or without prejudice to the power of CEZA, to detain such vessel or cargo for non-payment of the bills.

Requirements of other government agencies must be complied with, prior to the issuance of the CEZA Exit Clearance.

SECTION 15. Penalties for Vessel without Exit Clearance. — No vessel shall leave the port unless in possession of the CEZA Exit Clearance. Master of vessel through the agent or port user, whose vessel depart from the port without clearance from CEZA shall be held administratively liable and shall be subject to a fine of:

a. First Offense — Five Thousand Pesos (P5,000.00)

b. Second Offense — Ten Thousand Pesos (10,000.00)

c. Third Offense — Denial of entry from the port.

If the vessel depart from the port with unsettled bills, the vessel or her sister vessels shall be banned from entering the port. A legal case shall also be filed Against the port user and/or master of the vessel.

ARTICLE IV

Pilotage Services

SECTION 16. Compulsory Pilotage. — All vessels navigating towards the port to be under pilotage and the Master of the vessel shall comply with the requirements for pilotage.

SECTION 17. Pilotage Fees. — Pursuant to Executive Order No. 1088 and Republic Act No. 7922, all accredited harbor pilots shall follow the prescribed rate of pilotage fees or charges based on tonnage for services rendered to both foreign and domestic vessels. The pilotage fees or charges are as follows:

a. Foreign Vessels (Per Movement)

Less than 500 GT

$30.00

500 GT

to

2,500 GT

43.33

2,500 GT

to

5,000 GT

71.33

5,500 GT

to

10,000 GT

133.67

10,000 GT

to

15,000 GT

181.67

15,000 GT

to

20,000 GT

247.00

20,000 GT

to

30,000 GT

300.00

30,000 GT

to

40,000 GT

416.67

40,000 GT

to

60,000 GT

483.33

80,000 GT

to

100,000 GT

616.67

100,000 GT

to

120,000 GT

666.67

120,000 GT

to

130,000 GT

716.67

130,000 GT

to

140,000 GT

766.67

Over 140,000 gross tonnage $0.05 every excess tonnage. Rate for docking and undocking, anchorage, conduction and shifting and other related special services is equal to 100%. Pilotage services shall be compulsory.

b. Domestic Vessels (Per Movement)

100 and under 500 gross tons

$1.54

500 and under 600 gross tons

2.05

600 and under 1,000 gross tons

2.58

1,000 and under 3,000 gross tons

5.16

3,000 and under 5,000 gross tons

7.21

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5,000 and over gross tons

11.11

Payment of pilotage services shall be made in dollars or in pesos at the prevailing exchange rate as prescribed by the Bangko Sentral ng Pilipinas. The above rates are subject to change.

SECTION 18. Accreditation of Harbor Pilots. — No person shall be authorized as a harbor pilot of any vessel calling at the port, unless he has passed the required examinations therefor given by the proper agency of the government (e.g. Maritime Industry Authority). Furthermore, only CEZA accredited harbor pilots shall be allowed to render services at the port.

SECTION 19. Requirements for Accreditation. — The applicant for accreditation shall accomplish and submit PI-05 (attached as Annex "F",[5] accompanied by the following documents:

a. Certified True Copy of the License/Certificate from Maritime Industry Authority (MARINA);

b. NBI Clearance;

c. Certificate of Membership/Endorsement from the United Harbor Pilots' Association of the Philippines (UHPAP); and

d. Application/Processing Fee in the amount of P1,000.00.

SECTION 20. Evaluation of Application. — Complete application shall be reviewed upon completion of the requirements and shall be further evaluated based on the negative criteria described below:

a. The applicant has a known record of criminal activity, including convictions, which may be grounds for rejection depending on the severity; and

b. Below average over-all performance of the applicant based on the following criteria:

i. Education

ii. Relevant Training Courses

iii. Harbor Pilot Examination Rating

iv. Outstanding Accomplishment/Other Maritime Positions Held

v. Length of Service as Shipmaster

vi. Average Tonnage of Vessels Handled as Shipmaster

vii. Average Tonnage of Vessels Handled as Harbor Pilot

viii. Experience as Shipmaster on the Waters of the Cagayan Freeport

ix. Interview

SECTION 21. Performance Bond. — If the application merits approval, a performance bond amounting to Fifty Thousand Pesos (P50,000.00) shall be submitted in favor of CEZA prior to the issuance of the Certificate of Accreditation.

SECTION 22. Issuance of Certificate. — Should the application for accreditation merit approval, a Certificate of Accreditation (pro-forma copy attached as Annex "G"[6] shall be issued by CEZA within ten (10) working days following the submission of the performance bond. Liabilities, obligations and responsibilities of grantee shall be

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stipulated in the said certificate. In case of denial of the application, the applicant shall be notified within ten (10) working days from the date of filing of application.

SECTION 23. Accreditation of More Than One Harbor Pilot (Non-Exclusivity). — CEZA may accredit more than one (1) harbor pilot in order to provide better service to port users through healthy competition. Port users shall then have the option to contract with their choice from among the accredited harbor pilots.

SECTION 24. Orientation of Harbor Pilot. — Harbor pilot shall undergo an orientation/familiarization on the situation of the port prior to performance of any pilotage service. CEZA and/or a person referred by the United Harbor Pilot Association of the Philippines shall conduct the orientation.

SECTION 25. Validity of the Certificate. — The Certificate of Accreditation shall be effective for a period of one (1) year from the date of issuance thereof.

SECTION 26. Renewal of the Certificate. — The Certificate of Accreditation may be renewed for one (1) year, subject to the submission of renewal form and payment of P1,000.00 and evaluation of CEZA. The accredited harbor pilot shall apply for renewal one (1) month prior to the expiration of the certificate. The pilot shall cease and desist from rendering services until renewal is made.

SECTION 27. Responsibilities of the Accredited Harbor Pilot. — The following are the responsibilities of the harbor pilot:

a. The accredited harbor pilot shall maintain good conduct and discipline in rendering pilotage service to all vessels calling at the port based on the Code of Conduct, Appendix L on the Handbook on Philippine Harbor Pilots and Pilotage Practices of the United Harbor Pilots Association of the Philippines.

b. The accredited harbor pilot shall remit a government share from the rendered pilotage service to CEZA. Ten percent (10%) of the gross income shall be remitted for every pilotage service rendered. The accredited harbor pilot shall also submit to CEZA a duly accomplished Certification of Pilotage Services, PI-06 Form. (attached as Annex "H"[6]

c. The accredited harbor pilot shall board the vessel solely in an advisory capacity in order to assist the Master of the vessel in the safe berthing and unberthing of the vessel, and while on board shall not be under the control of the Master/the Owner/Charterer.

d. The accredited harbor pilot shall be liable for damages in the pier arising from the performance of his services.

e. The accredited harbor pilot shall promptly proceed to the port of call to be available to render service at the designated time of vessel’s arrival.

SECTION 28. Responsibilities of CEZA. — The following are the responsibilities of CEZA:

a. CEZA shall verify and countercheck the requirements and qualifications of the applicants prior to official accreditation and appointment.

b. CEZA shall regulate, supervise and ensure the maintenance of good conduct and discipline of all accredited harbor pilots in the Cagayan Freeport.

c. CEZA shall monitor and evaluate performance of the accredited harbor pilots.

d. CEZA shall notify the harbor pilot of the vessel’s date and time of arrival and departure.

SECTION 29. Responsibilities of the Master of Vessel. — The following are the responsibilities of the Master of vessel.

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a. The Master of the vessel shall ensure that the vessel shall not proceed to the pier without the accredited harbor pilot on board directing, advising and assisting in the navigation of the vessel.

b. The Master of the vessel shall ensure that the boarding arrangements for the safety of the pilot as prescribed in the International Maritime Organization requirements are complied with.

c. The Master of the vessel shall remain solely responsible to the Owner/Charterer for the safety and proper navigation of the vessel.

SECTION 30. Periodic Evaluation Report. — CEZA shall make periodic reports on the evaluation of performance of the harbor pilot. Basis of harbor pilot evaluation shall be as follows:

a. Efficiency of harbor pilot in the performance of pilotage services;

b. Compliance with the rules and regulations in all ports within the Cagayan Freeport; and

c. Remittances of government share.

SECTION 31. Withdrawal, Suspension or Cessation of Services. — When an accredited harbor pilot decides to withdraw, suspend or cease his services, written notice thereof shall be sent to CEZA one (1) month prior to the implementation of action.

SECTION 32. Revocation, Suspension or Cancellation of Certificate of Accreditation. — The Certificate of Accreditation issued by CEZA may be revoked, suspended or cancelled on any of the following grounds:

a. Failure to maintain and perform the obligations and responsibilities of an accredited harbor pilot as required in these guidelines;

b. Falsification of documents;

c. Violation of any provision of the Philippine Laws and/or Republic Act No. 7922;

d. Violation of any CEZA memoranda or circular concerning accredited harbor pilots; and

e. Expiration or violation of the conditions set forth in the Certificate of Accreditation.

SECTION 33. Penalty. — Non-compliance with the compulsory pilotage policy in the Cagayan Freeport shall hold the Port User through the Master or Agent administratively liable and shall be subjected to a fine of:

a. First Offense — Two Thousand US Dollars (US$2,000.00) and suspension of Master from navigating in the Cagayan Freeport for three (3) months.

b. Second Offense — Four Thousand US Dollars (US$4,000.00) and suspension of the Master from navigating in the Cagayan Freeport for six (6) months.

c. Third Offense — Eight Thousand US Dollars ($US8,000.00) and suspension of the Master from navigating in the Cagayan Freeport for one (1) year.

d. Fourth Offense — Denial of vessel entry into the port.

ARTICLE V
Boarding Formalities

SECTION 34. Boarding Formalities. — CEZA, together with the Bureau of Customs, Bureau of Immigration and Deportation, Quarantine Officers, and the shipper/agent shall board a vessel coming from a foreign port to determine the suitability of the vessel for entry. CEZA shall notify the concerned agencies for availability of respective officers to conduct boarding formalities (PI-04 Form attached as Annex "D")[7].

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Boarding Formalities shall be conducted at the anchorage area, save in cases of inclement weather where boarding formalities may be conducted in the berthing area. No person other than the CEZA accredited harbor pilot or authorized government officer(s) may board or disembark from any vessel until it is cleared by CEZA, BOC, BID and BOQ.

SECTION 35. Responsibilities of Other Government Agencies Involved. — Responsibilities of the different agencies involved in the boarding formalities and other port activities shall be as follows:

a. CEZA

i. Confer with other boarding parties for final entry clearance; and

ii. Secure Inward Foreign Manifest and Ship’s Particular;

b. Bureau of Customs shall inspect and verify the following documents:

i. Record of Vessel Boarded;

ii. Master Oath;

iii. Inward Foreign Manifest;

iv. Bill of Lading/Packing List;

v. Ship's Particular;

vi. Ship’s Store List;

vii. Crew List;

viii. Crew’s Declaration;

ix. Free Pratique; and

x. Clearance of Vessel for Foreign Port.

c. Bureau of Immigration and Deportation shall conduct inspection among the officers and crew of the vessel to ensure that they possess the necessary immigration papers. The vessel official shall submit the Crew List and/or Passenger List to the BID Officer.

After verification and documentation of crew, or passengers, the BID Officer shall furnish CEZA with a copy of the Crew List/Passenger with corresponding status.

d. Bureau of Quarantine, Department of Health shall perform the following functions:

i. Determine what disease people on board were exposed to during the voyage;

ii. Ascertain the health and immunization status of persons on board;

iii. Determine if there are any other condition on board which may lead to infection or the spread of diseases;

iv. Issue incoming quarantine clearance and issue outgoing quarantine clearance or report quarantine denial of vessel in port; and

v. Provide CEZA with a copy of the quarantine clearance or denial of vessel in the port.

A vessel arriving from a foreign port is subject to quarantine inspection at its first port of call in the Philippines. Also, a person is permitted to board a vessel only after he is subjected to quarantine inspection.

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c. Bureau of Animal, and Plant Industry — The Bureaus shall coordinate with CEZA to check the legality of transporting live animals and plants from one port to another (domestic shipment). The bureaus shall ensure that the proper documentation and the corresponding veterinary and plant permit, in addition to other required permits from the municipality of origin, are secured relative to the transportation of live animals and plants.

For foreign shipment, the bureaus shall ensure that no live animal/s and plants will be discharged from the vessel of foreign origin at the port unless the animal/s and plants are found to be disease-free and that they will not in any manner affect the local animals and plants.

ARTICLE VI
Loading and Unloading the Vessel

SECTION 36. Discharging and/or Loading the Vessel. — No loading/unloading shall start until the boarding parties have given the clearance for start of cargo handling operations.

A representative from CEZA shall board the vessel to discuss with the Master of the vessel, the ship's agent and cargo handling operator the program of activities stated in the minutes of the pre-arrival meeting, afterwhich cargo handling operation will start.

SECTION 37. Accreditation of Cargo Handling Operator. — Only accredited cargo handling operators shall render services on cargo handling services at the port. No business corporation or firm shall operate unless in possession of a certificate of accreditation from CEZA.

SECTION 38. Requirements for Accreditation. — The applicant for accreditation to operate cargo handling services shall submit PI-08 Form (attached as Annex "I",[8] together with the following:

a. Certified true copies of relevant documentation of legal status of the cargo handling firm (e.g. articles of incorporation and by-laws, partnership agreement, SEC license to do business and other similar documents);

b. Corporation's Board Resolution or partnership authorization designating signatory to cargo handling contract/permit and all transactions to be undertaken in behalf of the company;

c. Registration with Bureau of Internal Revenue and Social Security System.

d. Present or previous PPA contract/permit and performance evaluation from PPA (if any);

e. Complete Financial Statement for the last three years of operation including Income Statement and Balance Sheet (if any);

f. Bank certification of credit line or cash deposit;

g. A non-refundable processing fee of P2,000.00;

h. Notarized statement of confirmation of intent (pro-forma copy attached as Annex "J)[9]; and

i. Such other documents that CEZA may require.

SECTION 39. Incomplete Application. — If the application is not complete it shall be returned to the applicant within forty-eight (48) hours, with a letter specifying needed additions. If the application is still incomplete after being returned by the applicant, CEZA will repeat the procedure requesting in writing the missing information. Upon submission a third-time with incomplete information, CEZA shall reject the application and notify the applicant of the reasons for this decision.

SECTION 40. Evaluation of Complete Application. — If the application is complete CEZA shall issue a receipt to the applicant within forty-eight (48) hours. The application shall be reviewed based on the negative criteria

described below:

a. The operation is prohibited by CEZA or the Philippine law or utilizes specifically prohibited inputs.

b. The operation and equipment would have a serious detrimental effect on the environment.

c. The operation would have a destructive impact on the safety and security of the employees/workers and the Cagayan Freeport.

d. The applicant has a known record of criminal activity, including previous Customs fraud or related convictions, which may be grounds for rejection depending on the severity.

e. Below average over-all performance of the cargo handling operator.

SECTION 41. Approval of Application. — Should the application for accreditation merit approval, a Certificate of Accreditation (pro-forma copy attached as Annex "K"[9] shall be issued by CEZA within thirty (30) calendar days following the submission of all the required supporting documents. Liabilities, obligations and responsibilities of grantee shall be stipulated in the said certificate. In case of denial of the application, the applicant shall be notified within thirty (30) calendar days from the date of filing of application.

SECTION 42. Withdrawal, Suspension or Cessation of Operations. — When an accredited cargo handling operator decides to withdraw, suspend, or cease its operation in the port, written notice thereof shall be sent to CEZA one (1) month prior to the implementation of action.

SECTION 43. Revocation, Suspension or Cancellation of Certificate of Accreditation. — The Certificate of Accreditation issued by CEZA to cargo handling operators may be revoked, suspended or cancelled on any of the following grounds:

a. Failure to maintain and perform the obligations and responsibilities of accredited firm as required in the certificate;

b. Violation of any provision of Philippine laws and/or Republic Act 7922;

c. Violation of the corresponding memoranda or circular for cargo handling operator;

d. Expiration or violation of the conditions set forth in the Certificate of Accreditation.

SECTION 44. Accreditation of More Than One Cargo Handling Operator. — The Authority shall accredit more than one cargo handling operator in order to provide better service to port users through healthy competition. Port users shall also have the option to contract with the operator of their choice among the cargo handling operators.

SECTION 45. Monitoring of Cargo Handling Operator. — The cargo handling operator shall record all cargoes received in the port to determine storage charges. A cargo receipt form (attached as Annex "L"[10] shall be used for this purpose. For cargoes delivered in the stockpiling area/storage area by port user with permit to occupy issued by CEZA, receipt of cargo shall be documented by CEZA.

SECTION 46. Responsibilities of Accredited Cargo Handling Operator. — During loading and unloading, cargo handling operator shall:

a. Summarize records of cargo movements into the Daily Cargo Handling Operation Report (DCHOR) Form attached as (Annex "M",[11] which shall serve as reference for payment. The DCHOR shall include:

i. record of activities undertaken by workers of each ship per hatch;

ii. assigned and applied labor and equipment;

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iii. productive and unproductive time;

iv. problems encountered, if there are any; and

v. balance of work for each hatch.

The DCHOR shall be submitted not later than 9 A.M. of the following day.

b. Ensure above average performance on cargo handling productivity;

c. Submit a list of workers with corresponding position, SSS number and wage rate;

d. Ensure maintenance of cleanliness of the pier;

e. Ensure safety of workers in the dock area and on board vessel, and provide necessary safety gears for the workers; and

f. Keep records of the cargo handling operation and allow CEZA access to these records.

CEZA shall monitor performance and countercheck documents of the cargo handling operator during shipment.

SECTION 47. Cargo Handling Tariff. — Accredited cargo handling operator shall follow the prescribed CEZA Cargo Handling Tariff as prescribed below:

Non-Palletized

Palletized/Unitized

Arrastre

Stevedoring

Arrastre

Stevedoring

General or breakbulk cargoes in crates, boxes cases, drums, bags and other loose cargoes(per Revenue Ton)

P29.20

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P28.90

P22.80

P20.50

Heavy Lift Cargoes (per Metric Ton

P174.50

74.50

Logs (per 1,000 Bd.Ft)

P41.60

57.75

Lumber (per 1,000 Bd.Ft)

41.60

57.75

32.45

40.90

Iron and Steel Products (per Metric Ton)

39.70

27.30

30.95

19.35

Bulk Cargo (per Metric Ton)

45.50

27.60

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Containerized

Rates for FCL containers where cargo handler furnishes equipment

Arrastre

Stevedoring

Loaded

Empty

10 footer and below (per box)

P258.10

P77.50

P93.85

Over 10 to 20 footer (per box)

516.25

206.30

156.50

Over 20 to 35 footer (per box)

903.55

361.50

156.50

Over 35 to 40 footer (per box)

1,032.50

413.15

156.50

Rates where cargo handlers equipment is not utilized or where FCL container are directly loaded unto or unloaded from chassis thereby requiring no other handling

10 footer to below (per box)

167.80

50.30

93.85

Over 10 to 20 footer (per box)

335.60

134.20

156.50

Over 20 to 35 footer (per box)

587.25

234.90

156.50

Over 35 to 40 footer (per box)

671.20

268.50

156.50

Rate of cargo handling for containerized foreign cargo -plus 30%

Other Charges:

1. Checking charges (shipside delivery)/RT

P3.95

2. Stand by Charges

- Stevedoring (per hour/gang)

344.00

- Arrastre (per hour/gang)

254.10

3. Checkers and watchman services/RT

12.00

4. Extra Labor Charges for Extra Labor Requested

a. Gang of 9 men/hour

241.00

b. Gang of 12 men/hour

320.90

c. Gang of 18 men/hour

480.80

d. Checking Services Only

- Head Checker/hour

34.80

- Posting Checker/hour

25.15

- Hatch Checker/hour

23.50

e. Watchman Services Only

- Head Watchman/hour

24.70

- Gangman/hour

22.50

- Hatch and Roving/hour

22.50

5. Shifting of cargo from ship to pier and vice versa or from one hatch to another hatch

200% of applicable stevedoring rates

SECTION 48. Government Share in Cargo Handling Operations. — The cargo handling operator may, upon his discretion, reduce the charges without any effect in the remitted share of the government. The government share from the rendered cargo handling services to be remitted to CEZA shall be as follows:

a. Ten percent (10%) of the listed rates for domestic shipment; and

b. Twenty percent (20%) of the listed rates for foreign shipment.

The cargo handler shall submit proof of payment or contract with the port user upon remittance to CEZA of government share from cargo handling.

CEZA shall not be responsible for the actions of the stevedores regardless of the source of labor supply. Officer of the vessel shall bear the responsibility of any stevedoring operation which shall be carried out under his supervision and shall bear the responsibility for the rigging, unrigging, trimming, as well as the safe working condition of the cargo gear of said vessel, and for consequences arising therefrom.

ARTICLE VII
Storage and Stockpiling

SECTION 49. Storage Area. — Only open areas are available for storage at Port Irene. When cargo is entrusted unto the custody of CEZA and is duly receipted, CEZA shall not be responsible for any damage or deterioration caused to the cargo stored in the open area.

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Free storage period shall be as follows:

a. Domestic Shipment — 5 days prior to ETS.

b. Foreign Shipment — 8 days prior to ETS.

Cargo stored beyond the free storage period shall be subject to prescribed storage charges as indicated in the Port Tariff-CSEZFP as prescribed below:

Non-containerized Foreign Cargoes

Storage Fee

Imported cargoes

P7.50/RT/day

Cargoes for Export

3.75/Rt/day

Foreign Transshipment

US$0.171/RT/day

Foreign Container with or without cargo

Imported

Storage Fee Exported

Foreign Transshipment

20-ft

P240.65

P60.15

US$1.203

35-ft

421.10

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105.30

US$2.106

40-ft

481.30

120.30

US$2.406

45-ft

541.45

134.40

US$2.688

Non containerized Domestic Cargoes

Storage Fee

P5.65/RT/day

Domestic Container with or without Cargo

Storage Fee

10-ft or less

P63.45

20-ft

180.90

30-ft

314.90

40-ft

360.95

SECTION 50. Permit to Occupy. — For the lease of open storage area, users shall secure a Permit to Occupy

(pro-forma attached as Annex "N"[12]. Assignment of lot shall be on a "first come first served basis". This shall be based on the date CEZA issued the "Permit to Occupy".

SECTION 51. Charges on Lease of Open Storage Area. — Holder of permit shall be charged maximum of Fifteen Pesos (P15.00) per square meter per month or Fifteen Thousand Pesos (P15,000.00) per lot per month.

ARTICLE VIII
Environmental Protection of the Port and Surrounding Areas

SECTION 52. Prevention and Control of Pollution. — No port user shall discharge, dump or suffer, permit the discharge of oil or oily mixtures, noxious gaseous and liquid substance, or any refuse matter of any kind or description, and other harmful substances from or out any ship vessel, barge or any floating craft or other man made structures at sea by any method, manner, into or upon territorial and inland navigable waters and surrounding areas of the Cagayan Freeport. The prohibition shall not apply when it is done for the purpose of securing the safety of a ship or saving life and property at sea.

In case of violation of these prohibitions, the spiller shall have the primary responsibility of conducting clean-up operations. CEZA shall, however, be responsible for supervising clean-up operations and rendering assistance as necessary. Supervision shall be done by the authorized personnel of CEZA.

The following administrative penalties shall be imposed upon any vessel (represented by the Master of the Vessel) that violates these prohibitions:

a. First Offense — Five Thousand US Dollars (US$5,000.00)

b. Second Offense — Ten Thousand US Dollars (US$10,000.00)

c. Third Offense — Ten Thousand US Dollars(US$10,000.00) and denial of vessel entry in Port Irene.

SECTION 53. Safety and Security at the Port Area. — To properly regulate the entry of persons and vehicles and prevent the presence of unauthorized entities inside the port, the following rules shall be implemented:

a. No person or vehicle shall be allowed to enter the premises of the port without a permit/pass issued by CEZA.

b. Authorized port users, shipper and cargo handling operator shall submit to CEZA the list of personnel, vehicle and equipment of the company and its service contractor which must have access to the port area for proper issuance of ID.

c. No person shall proceed to the port area unless the Guard on Duty has issued him an ID upon advice from CEZA. Color coding system shall be used in issuing IDs, which is as follows:

Blue - Cargo handling workers, cargo truck drivers, and other ancillary services operator;

Red - Government employees with official function at Port Irene (BOC, BID, BOQ, Coast Guard);

Green - Person from a private agency with official function at Port Irene (shipper, consignee, shipping agent, broker); and

Yellow - Visitor with official business

d. Search shall be undertaken for incoming and outgoing persons and/or vehicles.

e. All incoming and outgoing delivery vehicles shall also furnish CEZA a copy of the Delivery Receipt of Cargo being transported.

f. Firearms and electronic devices/appliances shall be registered before entry.

g. No person shall be allowed to bring in consumer alcoholic beverages inside the port.

h. CEZA shall collect fees from vehicle operating in the port as follows:

Vehicle with capacity of 5 tons and above

Regulatory Fee

P17.50

Vehicle Day Pass

P25.00

Vehicle with capacity of less than 5 tons

Regulatory Fee

P17.50

Vehicle Day Pass

P12.50

Port users may avail of one-week or one-month vehicle pass at 20% less price.

i. Cargo trucks without proper registration shall not be allowed to operate at the port.

j. Signage regarding security and safety shall be placed in proper area.

ARTICLE IX
Supplementary Orders

SECTION 54. Issuance of Circulars and Memoranda. — CEZA shall, from time to time, issue circulars and memoranda necessary for the effective implementation of these rules and regulations and guidelines.

ARTICLE X
Effectivity

SECTION 55. Effectivity. — This order shall take effect on 5 November 2002 and shall supersede all previous CEZA administrative orders pertaining to the operation and management of Port Irene. Furthermore, this order shall be terminated upon commencement of the operation and management of Port Irene by the port concessionaire and approval of the rules, regulations and procedural guidelines submitted by the port concessionaire.

(SGD.) JOSE V. HIPOLITO
Administrator and Chief Executive Officer

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[1] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[2] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[3] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

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[4] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[5] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[6] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[7] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[8] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[9] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.
[10] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.
[11] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

[12] Text Available at Office of the National Administrative Register, U.P. Law Complex, Diliman, Quezon City.

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