IMPLEMENTING GUIDELINES ON THE PROPER ASSESSMENT AND COLLECTION OF THE 1994 PPA PORT TARIFF RATES

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Preamble

Pursuant to Sections 2(f) and 20 of PD 857, as amended and Memorandum Circular No. 121 issued by the Office of the President on November 2, 1990, and in order to ensure the proper assessment and collection of the new port charges under PPA Memorandum Circular No. 07-94, the following regulations are hereby prescribed:

ARTICLE I

Scope

This Circular. shall cover vessels/cargoes that call/are discharged at government/private ports or anchorage areas within the jurisdiction of the Philippine Ports Authority pursuant to P.D. 857 as amended.

ARTICLE II

Definition of Terms

1. Authority — refers to the Philippine Ports Authority.

2. Authorized Shipyard./Repair Operator — refers to a shipyard operator owner or ship repair facility which has been given recognition/accreditation/permit and has registered with the Philippine Ports Authority/Maritime Industry Authority.

3. Container — means any structure so 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. It is further defined according to their uses as dry cargo, refrigerated, liquid bulk, platform, open top, solid bulk, ventilated, etc.

4. Containerized Cargoes — mean cargoes packed in containers for easy handling or transportation of same as a unit.

5. Decommissioned Vessels — Vessels which are not engaged in commercial trade, as certified to by the Maritime Industry Authority (MARINA) or the Philippine Coast Guard (PCG).

6. Dockage (at Berth) — is 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; or for mooring or making fast to a vessel so berthed.

7. Dockage (at Anchorage) — is 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.

8. Domestic Cargoes — are cargoes brought to a pier, wharf or bulkhead to and from a port within the Philippine

waters.

9. Export Cargoes — are cargoes brought to a pier, wharf or bulkhead intended for shipment to a foreign port.

10. Foreign Transshipment Cargo — refers to any article arriving at the port from a foreign port or place and destined for reshipment to another foreign port.

11. Free Storage Period — means the period allowed for any article, baggage and/or container to be stored in any port premises, cargo sheds and warehouses of the Authority without the payment of storage fee.

12. Full Container Load (FCL) — means a container loaded with cargoes belonging to a single consignee and/or covered by only one Bill of Lading.

13. General Breakbulk Cargo — means those that are listed in a number of bills of lading, each consisting of different commodities. These include but are not limited to bagged, cargoes, crates, cylinders, cases, baskets, bales, rolls, drums and such other like or similar types of packing; including vehicles, live animals, crated on uncrated fowls such as chickens, ducks and the like and other loose cargoes.

14. GRT — refers to the gross registered tonnage of the vessel.

15. Import Cargoes — are cargoes coming from a foreign country brought to a pier, wharf or bulkhead by vessel coming from a foreign port.

16. Lay-up Fee — is the amount levied against vessels engaged in domestic trade which are temporarily authorized to lay-up and anchor at designated lay-up areas.

17. Lid-up Vessels — Vessels which have been decommissioned or otherwise unemployed and idle while waiting for better business prospects for their operations or when so authorized by the Authority.

18. Lay-up Areas — The areas designated by PPA for vessels that are laid-up. These are identified by the corresponding coordinates (latitudes and longitudes) in the Nautical Chart produced by the National Mapping and Resource Information Authority (formerly the Bureau of Coast and Geodetic Survey).

19. LCL Container (Less Container Load) — Refers to containerized cargoes owned by or belonging to more than one shipper/consignee and/or covered by more than one bill of lading.

20. Minimum Charge — It is the least amount of payment due from port users based on prescribed rates.

21. Port Charges — refers to port dues, dockage at berth, dockage at anchorage, usage and lay-up fees, wharfage, storage fees assessed on the vessel/cargo.

22. Port Dues — is the amount assessed against a vessel engaged in foreign trade based on its total GRT or part thereof, including those engaged in barter trade for each entrance into and departure from a port of entry in the Philippines.

23. Private Port — For purposes of the 1994 Port Tariff Rates application, a private port is a port duly registered with the PPA and which is owned and operated exclusively or commercially by a private person or entity catering to its own cargo or cargoes owned by third parties.

24. Revenue Tonnage — means 1,000 kgs. or 1.1326 cubic meters (40 cu. ft.) whichever yields the greater amount of revenue.

25. Shut-out Cargoes — are cargoes brought to the port premises, cargo sheds and warehouses of the government, wharf or bulkhead for export or domestic shipment which are not loaded on the intended carrying vessel provided

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that such carrying vessel has actually docked.

26. Storage Charge — is the amount assessed on articles, baggage and containers for storage in the port premises, cargo shed and warehouses of the government.

27. Third Party Cargoes — refer to cargoes not owned by the private pier/wharf owner/operator.

28. Transit Cargo for Export — refers to any article arriving at any domestic port from another domestic port or place and destined for reshipment to a foreign port.

29. Usage Fee — the amount assessed against a vessel engaged in domestic trade for berthing, for making fast to a vessel so berthed or for mooring at an anchorage area.

30. Vessel in Distress — a vessel which has suffered engine trouble, marine accident, or has met a typhoon or other natural calamities or disasters during its voyage that forced her to call at the port for repair, medical help or shelter.

31. Vessels for Drydocking — refer to vessels or watercrafts intending to undergo drydocking/repair as required by the Classification Society or other government agencies.

32. Vessels for Scrapping — refer to vessels or watercrafts which are no longer seaworthy to undertake voyage and are eligible only for breaking up.

33. Wharfage — is a charge on all 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.

ARTICLE III

Specific Guidelines

SECTION A. Port Dues —

1. Subject to the Charge — The following are subject to the payment of Port Dues:

1.1 Vessels entering the port for the purpose of loading/discharging cargo or embarking/disembarking passengers; and

1.2 Vessels entering the port for the purpose of bunkering or taking provisions, repairs or changing members of the crew. Provided that vessels that call on several ports within the same harbor shall be charged only for one call and paid at the first port of call.

SECTION B. Dockage — Dockage at Berth shall be levied on the following:

1.1 Cargo vessels engaged in international or foreign trade which berth for the purpose of discharging and/or loading cargo; and

1.2 Non-cargo vessels engaged in international or foreign trade which berth only for the purpose of loading and/or taking passengers or for taking fresh water supply or receiving bunker fuel or changing members of the crew.

1.3 Provided, however, that vessels engaged in international or foreign trade that do not berth but drop anchor at either a government or registered privately owned port, whether operated exclusively or commercially shall be charged the dockage at anchorage or one-half (½) of the corresponding dockage at berth at a government port, subject to the maximum of 50,000 GRT.

2. Liability of Payment of Dockage — Dockage whether at berth or at anchorage shall be paid by either the owner,

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agent, operator or master of the vessel.

3. Other Conditions —

3.1 A vessel engaged in international or foreign trade which is diverted from a government to a private port by the Port Manager concerned because of congestion or other causes, shall be liable only to 50% of the payment of dockage at government berth.

3.2 The imposition of port charges on vessels with status changed from foreign to coastwise or vice-versa, shall be governed by the following guidelines:

> 3.2.1 For a vessel engaged in international and foreign trade, granted for the first time (original/new applicant) permanent authorization to engage in coastwise trade, the Certificate of Philippine Registry (CPR) and Certificate of Ownership, which will be the basis for the issuance of the Certificate of Inspection by the Maritime Industry Authority (MARINA), shall be required.
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> For old applicants, the Certificate of Inspection, plus, the Certificate of Public Convenience (as an additional requirement) issued by MARINA shall be required.
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> The conversion of said vessel from foreign to domestic shall be reckoned from the date of issuance of the Certificate of Inspection for purposes of determining the applicable port charges such as port dues, dockage at berth or anchorage, or usage fees.
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> 3.2.2 For a bareboat charter, the Temporary Certificate of Philippine Registry (TCPR), the Certificate of Inspection for the vessel's temporary conversion from foreign to domestic status, and a copy of the Special Permit (for the vessel to engage in domestic trade) issued by MARINA shall be submitted.
>
> The conversion shall be reckoned from the date of issuance of the Certificate of Inspection by MARINA to said vessel.
>
> 3.2.3 For a vessel engaged in international or foreign trade granted temporary authorization to operate coastwise, the special permit issued by the Maritime Industry Authority (MARINA) shall be required.
>
> The temporary conversion of said vessel shall be reckoned from the date of effectivity of the special permit issued by MARINA for purposes of determining the applicable port charges.
>
> 3.2.4 For a domestic vessel temporarily authorized to engage in foreign trade, the same special permit issued by MARINA shall be required.
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> Its conversion from coastwise to foreign status shall immediately commence from the time said domestic vessel loads export cargoes at any local port.
>
> Provided, however, that if said domestic vessel does not load any cargo for export inany of its local ports of call, conversion of said vessel shall start from its last domestic port of call before it departs for a foreign port.

4. Assessment of port dues and dockage (at berth or anchorage)

4.1 A fraction of a day shall be counted as one (1) whole day in the assessment of dockage fees, whether at berth or anchorage. However, where a vessel stays at the anchorage and subsequently berths, or berths and subsequently shifts to the anchorage area within the same day but not beyond 12:00 midnight, this shall be counted only as one (1) day and the vessel shall be required to pay dockage at berth.

4.2 Time spent by a vessel at anchorage, while waiting for a dockside berth at either government or private port, shall not be subject to the payment of dockage or usage fee at anchorage provided that no loading or unloading operations are undertaken while at anchorage. Provided that the waiting at anchorage is by reason of strikes,

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natural calamities or pier congestion.

4.3 There is pier congestion when there is no suitable/adequate dockside berth which can safely and/or effectively accommodate a particular vessel, taking into consideration her draft and/or cargo handling requirements or when there are obstructions at the dockside berth such that no vessel operation can be undertaken thereat.

4.4 Long and deep draft vessels waiting at a designated anchorage area, or, in the case of the South Harbor in Manila, at the outside breakwater (OBW), even if a berth is available but is inadequate/not suitable to safely and/or effectively accommodate said vessels, shall be exempted from payment of dockage at anchorage during such waiting time and provided there is no loading/unloading operations undertaken thereat.

4.5 Vessels anchored at a designated anchorage area whose agents opted to wait for a preferred berth even if other suitable berths are available, shall not enjoy the privilege of exemption from dockage at anchorage during the waiting period.

4.6 Exemption from payment of dockage at anchorage or usage fee shall commence from the very first day when the vessel is at anchorage waiting for berth up to the time it is berthed. The assessment of dockage at berth or usage fee, as the case may be, shall be reckoned from the time the vessel is finally berthed up to the time it leaves berth. The assessment of dockage at anchorage starts from the time a vessel, drops anchor up to the time it lifts anchor.

4.7 The foregoing exemption shall not apply to a vessel which has been pulled out from its assigned dockside berth due to completion of loading or unloading operations, but which, at the same time, is not yet ready to depart. In such instances, subject vessel shall be assessed dockage at anchorage or usage fees, as the case may be, while at anchor in addition to the dockage at berth or usage fee while at berth.

4.8 Vessels of more than 50,000 GRT shall be charged a dockage at berth/anchorage equivalent to. 50,000 GRT.

4.9 Port Dues is assessed everytime a vessel calls at the vessel, or part thereof, with no maximum limit. Provided that Port Dues for vessels that call on several ports within the same harbor shall be charged only for one (1) call and paid at the first port of call.

SECTION C. Usage Fee —

1. Subject to the Charge — The following are subject to the payment of Usage Fee:

1.1 Vessels loading or discharging cargo or passengers;

1.2 Vessels at anchorage or at berth for the purpose of bunkering, taking provisions, repair or changing members of the crew;

1.3 Private non-commercial watercrafts;

1.4 Vessels engaged in "Bay and River Trade"; and

1.5 Barges and lighters

2. Provided that vessels engaged in domestic trade that call at PPA registered private port whether operated exclusively or commercially shall be charged at one-half (½) of the usage fee at a government port. Provided, further, that registered bay and river trade vessels shall also be charged one-half (½) of the usage fee.

3. Assessment of Usage Fee —

3.1 A fraction of one day is counted as one (1) whole day in the assessment of Usage Fee;

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3.2 Time spent by vessel waiting for berth is not included in the assessment of Usage Fee. The herein guidelines applicable to foreign vessels regarding exemption from port charges while waiting for berth shall also be applied to the domestic vessels.

3.3 Assessment of Usage Fee starts from the time a vessel makes fast up to the time it lets go the line; or from the time it drops anchor up to the time it lifts anchor for another port.

3.4 Vessels engaged in "Bay and River Trade" shall be charged Usage Fee every time they call at the port subject to the minimum and maximum charges prescribed in the MC No. 07-94 otherwise known as the PPA Port Charges.

SECTION D. Lay-up Fee —

1. Subject to the Charge — The following are subject to the payment of lay-up fee:

1.1 Vessels engaged in domestic trade which are authorized by the Authority to temporarily lay-up and anchor at any designated place at the port; and

1.2 Laid-up vessels which have been decommissioned and idle while waiting for better business prospects for their operations.

Decommissioned vessels are those which are not engaged in commercial trade as certified to by the Maritime Industry Authority (MARINA).

2. Rate of Lay-up Fee Charges — Vessels engaged in domestic trade that are authorized to temporarily lay up and anchor at the designated lay-up area of the port shall be charged a LAY UP FEE corresponding to one-half (½) of the USAGE FEE. The lay-up fee shall be reckoned from the date of approval of the lay-up.

3. Procedures for Laying Up — The normal procedures governing the application for berth and the PPA issuance of the berthing permit shall be followed. The applicant shall request specifically for a berth in the lay-up area and the application should be accompanied by the following:

3.1 Certificate of decommission from MARINA

3.2 Certificate under oath that:

> 3.2.1 The vessel or watercraft shall not be used for dwelling purposes;
>
> 3.2.2 No repair work shall be done on board the vessel while berthed at the lay-up areas.

4. Penalty Relative to Dockage (At Berth) and Usage Fee

4.1 Idle vessels occupying dockside berth at any government port despite a shifting order from the Port Manager or his authorized representative to give way to an incoming operating vessel shall be assessed a charge of Three Hundred (300%) Percent of applicable dockage fee (At Berth) for foreign vessels and Five Hundred (500%) Percent of the applicable usage fee for domestic vessels, provided, that payment of such fees shall be made by the owners, agents or representatives prior to actual departure from berth.

4.2 Vessels occupying dockside berth at any government port, despite shifting order from the Port Manager but are subject of a restraining order, injunction, writ of attachment, and other similar orders by a competent court of authority, shall be assessed a charged of Six Hundred (600%) Percent of the applicable dockage (at Berth) for foreign vessels, and One Thousand (1000%) Percent of the applicable usage fee for domestic vessels provided that the payment of such assessed shall be made by update to the party granted the favorable judgment or order and provided further, that the same is made immediately after the decision by the Court of competent jurisdiction.

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SECTION E. Wharfage —

1. Subject to the Charge — the following are subject to the payment of wharfage fee:

1.1 All cargoes loaded or unloaded at any government or private port. The owner or consignee of the article, or agent of either, is liable for such charge.

2. Assessment of Wharfage —

2.1 The One Hundred (100%) Percent Wharfage rates shall be applicable to all cargoes loaded/unloaded at government wharves/piers. However, only Fifty (50%) Percent shall be imposed on cargoes loaded/unloaded at anchorage or midstream.

2.2 All foreign and domestic cargoes whether containerized or not which are loaded/discharged from a vessel in a private port registered with the Authority shall also be charged Fifty (50%) Percent of the wharfage rate prevailing in the government port.

2.3 Wharfage for containerized cargo (foreign and domestic) shall be applied only on FCL containers. LCL containers shall be charged the rates for non-containers cargoes, except LCL singles where the same shall be charged wharfage on a per box basis, provided no stripping or stuffing is done in port.

As contradistinguished from LCL containers, LCL singles refer to containerized cargo owned by one or more than one shipper/consignee but covered by only one bill of lading.

2 4 Foreign and domestic non-containerized cargoes shall be charged Wharfage every time they are loaded or unloaded in a port based on their total revenue or metric tonnage, whichever is applicable, rounded off to the nearest to in case of non-containerized cargo, or per box basis in case of containerized cargoes.

2.5 Empty containers (domestic or foreign) shall not be charged Wharfage provided such empty containers are owned by the carrying vessel or manifested as commercial cargo shall be subject to wharfage.

2.6 Foreign Transshipment Cargo shall be charged Wharfage only upon entrance at the port per metric ton, revenue ton or per box whichever is applicable, payable by the shipping line/agent. Outgoing Foreign Transshipment Cargo shall no longer be charged Wharfage.

> 2.6.1 Charges on Foreign Transshipment cargoes shall not apply to transshipment of crude oil (LOI No. 1352) and fertilizer both of which were granted special rates by the President. Wharfage for transshipment of crude oil shall be P2.40/M.T. effective 1994 and P2.80 effective April 3,1995 and for fertilizer at P2.30/M.T. effective 1994 and P2.70 effective April 3,1995.
>
> 2.6.2 The new rates for transshipment per metric ton shall apply to imported crude oil intended to be refined/processed and later on re-exported; and per metric ton for imported bulk fertilizer to be bagged in the Philippines and subsequently re-exported.
>
> 2.6.3 When the finished product refined or processed out of imported crude oil or the latter product itself is sold in the local market or consumed locally, the regular rate for import wharfage shall be imposed on such imported crude oil.
>
> 2.6:4 Likewise, the regular rate for import wharfage shall be collected on fertilizer transshipment when sold or consumed locally instead of being transshipped to its destination.

2.7 Import cargo shall be subject to foreign Wharfage rate at the port of entry and coastwise movement of said cargo shall be also subject to domestic wharfage. The reverse shall apply to export cargo.

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2.8 Claims for exemption from payment of wharfage fee under Presidential issuances or laws shall be accompanied with certified copies thereof and other supporting documents which are relied upon as basis for exemption. In case of any doubt as to the interpretation of certain provision/s thereof, insofar as wharfage is concerned, the same shall be referred to the Head Office for final resolution before the exemption shall be granted.

2.9 Insofar as the claims for exemption of firms registered with the Board of Investments is concerned, only exportation of the registered products of said firms registered under R.A. #6135, otherwise known as the Export Incentives Act, the Investment Code of 1987 (E.O. 226 or Presidential Decree No. 1789 as amended by Batas Pambansa Blg. 391) shall be exempt from payment of export Wharfage. Coastwise shipments and importations of these firms are subject to the payment of wharfage.

2.9.1 Only the main products of the BOI registered company appearing in its certificate of registration is/are exempted from the payment of wharfage for export; and

2.9.2 By-products or derivatives of the registered main products are not exempted from wharfage.

2.9.3 The fact of registration of companies/firms claiming exemption from the payment of export wharfage fee shall primarily be ascertained and established from the original or certified true copy of the certificate of registration. The company's registration shall be counterchecked with the "List of BOI Registered Companies", which is furnished from time to time to the PDOS and PMOS by the Commercial Services Department. Said list also includes firms whose certificates of registration have been cancelled by the BOI.

2.9.4 The Certificate of Registration shall be scrutinized to ascertain whether the firm/product is registered under the investment Code of 1987 (E.O. 226 or Presidential Decree No. 1789 as amended by Batas Pambansa Blg. 391) which provides for ten (10) year exemption period reckoned from the date of registration of the export product or start-up of operation, whichever comes later. This is to ensure that no exemption will be granted after the lapse of the period of exemption.

2.9.5 Enterprises registered with the BOI under laws prior to the abovementioned laws shall continue to enjoy the incentives indefinitely. (Refer to PPA MC # 37-91 for further particulars and to the list of BOI Registered Enterprises as to the status of operation of the registered firms.)

2.9.6 In case of doubt as to the eligibility of a BOI registered enterprise to avail of the exemption from export wharfage on its export product, such doubt must be resolved by the PDO/PMO against exemption. Meantime, the appropriate wharfage fees shall be assessed and be required to be paid under protest. All payments under protest made in accordance with this paragraph shall be submitted by the concerned PDO/PMO to the Commercial Services Department for proper disposition in coordination with the Legal Services Department.

SECTION F. Refund of Port Charges —

1. Refund for overpayment or double payment of port charges shall be entertained only after a formal written request is made with the PMO concerned.

2. Vouchers and checks for refund of overpayment or double payments shall be made only after thoroughly ascertaining that in fact a double payment or overpayment did occur.

3. Request for refund shall be filed within three (3) months from the date of actual payment of port charges by the consignee, shipper, or broker, as the case may be. Failure by the claimant to file his claim within this period will cause the forfeiture of his right for refund from the date a Bill of Charge becomes due and payable. The mere receipt of deposit for port charges which are not yet due and payable shall not constitute payment of port charges, rather this receipt shall be considered an advance payment of port charges which shall be applied against the

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corresponding Bill of Charge.

SECTION G. Storage Fee —

1. Subject to the Charge — All cargoes that remain stored within or outside transit sheds or laid in the open yard storage not leased to a private entity in any government-owned port or those stored in the warehouses of the Authority beyond the free storage period are liable to the payment of this charge. Responsibility for the payment of storage fee shall rest on the shipper or the consignee, as the case may be.

2. Assessment of Storage Fee —

2.1 A fraction of a day shall be counted as one (1) whole day in the assessment of Storage Fee.

2.2 The "Free Storage Period" allowed for all types of cargoes are inclusive of Sundays and Holidays. The following shall be observed in the counting of the free storage period:

2.2.1 Imported Cargoes — The six (6) calendar days free storage period shall immediately commence after the day that the last item of cargo is discharged from the carrying vessel.

2.2.2 Export Cargoes — The five (5) calendar days free storage period shall commence on the day the cargo is officially received at the port.

2.2.3 Foreign Transshipment — A total of fifteen (15) calendar days from the day of arrival to the day of departure.

2.2.4 Outbound domestic cargoes — Two (2) calendar days prior to the day that the carrying vessel is scheduled to arrive as announced and approved by the PPA Port Manager.

2.2.5 Inbound domestic cargoes discharged at any port — Two (2) calendar days which shall commence after the day that the last item of cargo is unloaded from the carrying vessel.

Provided, that rice and corn shipments shall be granted additional two (2) calendar days free of storage.

2.2.6 Domestic cargoes that are "Shutout" (not loaded on their scheduled vessel) — Two (2) calendar days which shall commence on the day the vessel where said cargoes are intended to be loaded departs. The corresponding storage charges shall be paid by whoever is at fault.

2.2.7 The storage fee per box shall be applicable only to containers whether or not it contains cargo and shall be determined on the basis of the number of calendar days the container stays in port after the prescribed "Free Storage Period".

2.2.8 The storage fee for Less Container Load (LCL) containers shall be that one for non-containerized cargoes. The storage fee for these shall be determined on the basis of the total revenue tonnage and the number of calendar days that the cargo stays in port after the "Free Storage Period".

2.2.9 Imported cargo staying at the port longer than the "Free Storage Period" while in transit at the domestic port to the final port of destination shall be liable to domestic storage in addition to whatever import Storage Fee it has paid while at the entry port.

2.2.10 Export cargo, while in transit at a domestic port, is liable to domestic Storage Fee.

2.2.11 Foreign Transshipment cargo delivered to local end users shall be treated as imported cargo and shall thereby lose the special benefits for transshipment.

2.2.12 The PPA Board of Directors shall have the power to adjust or suspend the "Free Storage Period" and/or increase the storage charges for ports declared by it as congested. Provided, that foreign transshipment

containers shall not be subject to the said escalation.

SECTION H. Exemptions from Port Charges —

1. All vessels of the Armed Forces of the Philippines and those owned by other government agencies used exclusively for training purposes are exempted from the payment of Usage Fee.

2. Naval, diplomatic and academic vessels owned by any foreign government not carrying cargo or passengers and not for hire shall be exempted from the payment of all vessel charges, provided that said foreign government also grants the same privileges to such vessels owned by the Philippine Government.

3. Vessels in distress or seeking shelter from inclement whether or entering the port for medical help, maritime necessity, and other humanitarian reasons shall be exempted from the payment of all vessel charges.

4. Where the State has arrangements with a foreign government in respect of vessels belonging to that foreign government and such vessels are not normally engaged in the conveyance of cargo or passengers, the same shall be exempted from the payment of all vessel charges.

5. Vessels for drydocking or repair at any duly authorized drydocking or MARINA accredited shipyard facilities shall be exempted from dockage/usage fees from the time it calls at a shipyard facility up to the time the drydocking or repair is completed and the vessels shall have departed.

6. Vessels (foreign or domestic) certified by MARINA for shipbreaking at a duly accredited shipbreaking yard shall be exempted from all vessel charges. Scraps (including engine and other vessel parts, excluding appliances) resulting from shipbreaking of foreign vessels which are re-exported or sold locally shall be exempted from wharfage.

Scraps resulting from shipbreaking of domestic vessels shall likewise be exempted from wharfage.

6.1 The wharfage exemption of scraps resulting from shipbreaking of foreign/domestic vessels shall extend up to the final port of destination. That is, such exemption shall be observed in all the other way ports where the scraps will be loaded and/or unloaded.

6.2 To further help and promote the shipbreaking industry, the exemption from the payment of wharfage shall be observed even when there is a change of ownership of the scraps i.e. from the original shipbreaker to the buyer or buyers thereof, as evidenced by shipbreaking contract and deed of sale of scrap.

6.3 The firm which desires to shipbreak its vessel shall officially notify the Authority prior to the start of the shipbreaking. The following information shall be supplied to the Authority.

6.3.1 GRT and Deadweight Tonnage of the vessel;

6.3.2 Age of the vessel;

6.3.3 Origin of the vessel and place of the shipbreaking yard; and

6.3.4 Estimated volume of the scraps, including engine.

7. Whenever any vessel is stopped by the Authority from discharging/loading cargo to avoid congestion on the piers or wharves or for other justifiable causes, such vessel shall be exempted from the payment of dockage at berth or dockage at anchorage or usage fee during the period of such suspension unless in the meantime it loaded/unloaded at shipside or from the pier or wharf.

8. Donations from international or local organizations duly authorized or registered by the DSWD or the Office of

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the President shall be exempted from wharfage and storage charges provided that for storage charges exemption, there is evidence that the donation is requested for release/delivery within seven (7) days from notice of arrival.

8.1 The exemption of relief goods by the DSWD covered by the diplomatic notes 1071 and 3001 are exempt from port charges.

9. Empty containers which are imported or brought into the Philippines and/or transshipped to other domestic ports for use in the exportation of Philippine products shall be exempt from wharfage.

10. Mailbags shall not be subject to wharfage.

10.1 However, articles or merchandise sent through the mails but not contained in mailbags are subject to wharfage.

ARTICLE IV

Repealing Clause

PPA Memorandum Orders No. 20-83 and 20-83A and all PPA issuances, memoranda, circulars, orders, rules and regulations, policies or parts thereof inconsistent with or contrary to any of the provisions of this Circular are hereby modified or repealed.

ARTICLE V

Separability Clause

If, for any reason, any Section or provision of this Circular is declared to be unconstitutional or invalid, the other sections or provisions of this circular which are not affected thereby shall continue in full force and effect.

ARTICLE VI

Effectivity

This Circular shall be published twice (once a week), for two (2) consecutive weeks in a newspaper of general circulation, and shall take effect fifteen (15) days after its second publication.

Adopted: 5 Jan. 1995

(SGD.) CARLOS L. AGUSTIN
General Manager

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