

IMPLEMENTING GUIDELINES ON THE RATE INCREASE AND CHANGES IN LEVEL AND STRUCTURE

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Pursuant to the Order of the Maritime Industry Board dated 25 October 1990 authorizing an increase in passage and freight rates and providing for changes in the level and structure of interisland liner shipping rates, the following guidelines in implementation thereof are hereby promulgated:

1. Coverage — The following rules and regulations shall apply to all interisland liner service operators:

1.1 The surcharge of .3/10% of the declared value of the commodity is hereby abolished. Henceforth, all commodities are to be charged the corresponding class rate on a weight or volume basis only, whichever is higher.

1.2 The rates for the following cargoes: refrigerated, transit, and livestock, are deregulated. For purposes of rate computation, the following are considered BASIC commodities: rice, palay, corn, corngrits, fruits and vegetables.

2. Only member-companies of the Conference of Interisland Shipowners and Operators and any other operators who have filed applications for rate increase by paying the corresponding filing fee and issued the corresponding Order therefor are authorized to implement the following structure/system and schedule of rates subject to the following conditions:

2.1 Rate structure/system both for passage and freight

A fork tariff system both for passage and freight shall be adopted only by those authorized under paragraph 2 hereof. The new rate, as specified herein, as the indicative or base rate; plus 5% of the base rate as the upper limit (maximum) and minus 5%, as the lower limit (minimum), shall be allowed to be charged.

2.2 Passage Rates

Per Passenger

Distance in Nautical Miles

First Class

Second Class

Third Class

Minimum

Base

Maximum

0 – 100

Unregulated

0.9485

x dist.

0.9984

x dist.

1.0483

x dist.

101 – 300

Unregulated

0.8714

x dist.

0.9173

x dist.

0.9631

x dist.

301 – over

Unregulated

0.7946

x dist.

0.8364

x dist.

0.8782

x dist.

CONDITIONS

- a. A minimum of 50% of the authorized (passenger) capacity of the vessel shall be allocated and maintained as Third Class accommodation.
- b. The service standards prescribed by the Inter-Island Passenger Service Standards Project for First, Second and Third class accommodations are hereby adopted and made part hereof.
- c. The passage rates to be prescribed for distances greater than the upper limits of the distances categories, i.e., 100 and 300 nautical miles, shall in no case be lower than the rates for shorter distances (in a lower distance category).

2.3 Freight Rates

Class A

Class B

Distance in N.M.

Minimum

Base

Maximum

Minimum

Base

Maximum

0 — 100

$95.1321 + (.7192 \times \text{dist.})$

$100.1391 + (.7570 \times \text{dist.})$

$105.1461 + (.7948 \times \text{dist.})$

$76.1425 + (.5752 \times \text{dist.})$

$80.1500 + (.6055 \times \text{dist.})$

$84.1575 + (.6358 \times \text{dist.})$

101 — 300

$78.3548 + (.6711 \times \text{dist.})$

$82.4788 + (.7064 \times \text{dist.})$

$86.6027 + (.7417 \times \text{dist.})$

$62.6840 + (.5366 \times \text{dist.})$

$65.9831 + (.5649 \times \text{dist.})$

$69.2823 + (.5931 \times \text{dist.})$

300 — over

$61.5777 + (.6232 \times \text{dist.})$

$64.8186 + (.6560 \times \text{dist.})$

$68.0596 + (.6888 \times \text{dist.})$

$49.2810 + (.4977 \times \text{dist.})$

$51.8748 + (.5239 \times \text{dist.})$

$54.4685 + (.5501 \times \text{dist.})$

Class C

Class C (BASIC)

Distance in N.M.

Minimum

Base

Maximum

Minimum

Base

Maximum

0 — 100

$61.8484 + (.4682 \times \text{dist.})$

$65.1036 + (.4929 \times \text{dist.})$

$68.3588 + (.5175 \times \text{dist.})$

$54.9764 + (.4162 \times \text{dist.})$

$57.8699 + (.4381 \times \text{dist.})$

$60.7634 + (.4600 \times \text{dist.})$

101 — 300

$50.9442 + (.4370 \times \text{dist.})$

$53.6255 + (.4600 \times \text{dist.})$

$56.3068 + (.4830 \times \text{dist.})$

$45.2838 + (.3884 \times \text{dist.})$

$47.6671 + (.4088 \times \text{dist.})$

$50.0505 + (.4293 \times \text{dist.})$

301-over

$40.0379 + (.4054 \times \text{dist.})$

$42.1451 + (.4268 \times \text{dist.})$

$44.2524 + (.4481 \times \text{dist.})$

$35.5892 + (.3604 \times \text{dist.})$

$37.4623 + (.3793 \times \text{dist.})$

$39.3354 + (.3983 \times \text{dist.})$

CONDITIONS

In the computation of the freight rate, the computed rate shall be considered the official rate; and the rate for a longer distance than 100 nautical miles or 300 nautical miles as the case may be shall in no case be less than the rate for a shorter distance in a lower distance category.

3. In implementation of the above schedule of rates, the following conditions must be complied with:

3.1 That vessels must have passed the Operational Readiness Evaluation (ORE) and must have complied with SOLAS and other safety requirements to the satisfaction of the Philippine Coast Guard and this Authority.

3.2 That operators shall submit to this Authority a certification showing a list of distances of all their authorized links by the National Mapping and Resources Information Authority (NAMRIA).

3.3 That any matrices of authorized limits of rates shall have to be certified by this Authority.

3.4 That operators shall post in conspicuous places at their terminals, booking stations, and other places of transaction the prescribed rates and/or matrices thereof.

3.5 That operators shall submit to this Authority a quarterly report on actual rates charged.

4. Penalty — Any violation of, or failure of the operators to comply with, the guidelines/conditions hereinabove set forth shall constitute a sufficient ground for the suspension/revocation or cancellation of the vessel's franchise or Certificate of Public Convenience as the case may be, in addition to the penalties prescribed under the Public Service Act, as amended and other relevant rules and regulations of this Authority. DIHETS

This Circular shall take effect on November 12, 1990.

Adopted: 26 Oct. 1990 .

(SGD.) PHILIP S. TUAZON
Administrator

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