

Appendix 16 Port Administration

Appendix 16.1.1 Port Administration

Table A16.1.1 Administration, Management and Operation System of Ports in the Philippines

Classification			Administration		Management		Operation
			Administration	Plan	Construction	Repair/ Maintenance	Cargo Handling
Public Ports	PPA Ports	Base Ports	PPA	PPA	PPA	PPA	Private (Contract)
		Terminal Ports	PPA	PPA	PPA	PPA	Private (Contract)
	CPA Ports	Base Ports	CPA	CPA	CPA	CPA	Private (Contract)
		Out Ports	CPA	CPA	CPA	CPA	Private (Contract)
	Municipal Port (LGUs)	LGUs Ports	LGUs	DOTC	DOTC	LGUs	Private (Contract)
	ARMM (RPAM)	Ports	RPMA	RPMA	RPAM	RPAM	Private (Contract)
	SBMA	Subic Port	SBMA	SBMA	SBMA	SBMA	Private (Contract)
	BCDA (JPDC)	San Fernando Port	JPDC (BCDA)	JPDC (BCDA)	JPDC	JPDC	PPIC (Contract)
	PIA	Port	PIA	PIA	PIA	PIA	Private (Contract)
	CEZA	Ports	CEZA	CEZA	CEZA	CEZA	Private (Contract)
Private Ports	Public	Private	Private License (PPA&CP A)	Private License (PPA&CP A)	Private	Private	
	Private	Private	Private License (PPA& CPA)	Private License (PPA& CPA)	Private	Private	

Source: JICA Study Team

Remarks: " Private License " means that the license is needed for planning and construction

Appendix 16.1.2 Fishing Ports

(1) Outline

The Philippines, surrounded on the East by the Philippine Sea, on the South by the Celebes Sea and on the West by the South China Sea, is blessed with rich sea resources. The Philippines is one of the top fish producing countries in the world and ranks 14th in fish production; 11th in aquaculture production; and 3rd in the production of seaweeds and other aquatic plants. The total fish production increased from 2.60 million tons valued at Ph P 60.03 billion in 1991 to 3.17 million tons valued at Ph P107.19 in 2001. Aquaculture fishery produced 38.5 % of the total, followed by commercial fishery (30.9%) and municipal fishery (30.6%) in 2001. Aquaculture fishery, in particular, has rapidly grown. In 1971, agricultural fishery accounted for only 9.6% of the total production, but innovations in fishing technologies have made them more popular in the Philippines.

Table A16.1.2 Quantity and Value of Fish Production by type of Fishing Operation (1971 to 2001)
(Quantity in thousand tons; value in million pesos)

Year	Total		Commercial Fishery ¹		Inshore Fishery ²		Aquaculture ³	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
2001	3,166.5	107,194.0	976.5	36,089.0	969.5	34,222.0	1,220.5	36,883.0
2000	2,993.3	9,865.8	946.5	33,879.0	945.9	32,596.0	1,100.9	32,183.0
1999	2,923.8	92,322.0	948.8	32,242.2	926.3	31,034.1	1,048.7	29,046.4
1998	2,829.5	85,133.0	940.5	29,737.1	891.1	28,966.5	997.8	26,430.3
1997	2,793.6	80,617.0	884.7	25,935.3	924.5	27,392.9	1,007.7	27,289.0
1996	2,796.0	83,275.0	879.1	24,555.3	909.2	25,373.2	940.6	33,347.0
1995	2,805.9	83,187.0	893.2	23,065.4	972.0	26,463.8	919.8	33,658.0
1994	2,721.0	80,192.1	859.3	20,714.5	992.6	24,474.9	869.1	35,002.7
1993	2,632.0	70,215.8	824.4	18,021.2	1,014.0	22,031.4	793.6	30,163.2
1992	2,625.6	65,443.5	804.9	16,800.7	1,084.4	22,656.4	736.4	25,986.5
1991	2,599.0	60,033.3	759.8	15,244.6	1,146.8	22,132.6	692.4	22,656.1
1981	1,772.9	13,953.8	494.8	4,124.6	938.6	6,963.7	339.5	2,865.5
1971	1,023.1	2,331.0	382.3	879.2	542.9	1,123.8	97.9	328.0

Note; Figures have been rounded off.

¹ Production from commercial fishing vessels

² Production from capture activities in coastal sea and inland (fresh) water such as lakes, rivers, etc.

³ Production from aquaculture activities in brackishwater and freshwater fishponds, freshwater and marine fishpens and freshwater and marine fishcages.

Source: 1971 to 1979, Bureau of Fisheries and Aquatic Resources;

1980 onwards, Bureau of Agricultural Statistics

Fishing ports have been developed to support these fisheries. As of December 1999, the total number

of fishing ports in the country was 462 and out of which 421 ports were in operation.

Table A16.1.3 Numbers of Fishing Ports in Philippines

Region	Fishing Ports	Operational Fishing Ports
NCR	3	3
Region I	19	17
Region II	24	22
Region III	18	16
Region IV	81	72
Region V	61	58
Region VI	49	49
Region VII	44	38
Region VIII	40	35
Region IX	21	21
Region X	21	16
Region XI	18	17
Region XII	10	8
Region XIII	35	31
ARMM	18	18
Total	462	421

Source: Quinquennial Inventory of Ports in 2000

(2) Major fishing ports

BFAR (Bureau of Fisheries and Aquatic Resources) of the Ministry of Agriculture is in charge of fishery administration. PFDA (Philippine Fisheries Development Authority) is mainly responsible for the development of fishery infrastructure.

Fishing ports are managed by PFDA, PFDA and LGUs jointly, or LGUs.

1) Fishing Ports managed by PFDA

Only eight (8) fishing ports complexes are managed by PFDA in the Philippines.

Seven (7) of them were constructed by the loans from OECF (Overseas Economic Cooperation Fund) of Japan under "A national fishing port project (package I and II)."

Table A16.1.4 Fishing Ports managed by PFDA

	Fishing Port	Region	Start of Operation	Loan
1	Navotas	NCR	1977	ADB
2	Iloilo	VI	1987 (in 1991/Ice plant)	OECF
3	Zamboanga	IX	1989 (in 1992/ Ice plant)	OECF
4	Camaligan	V	1991	OECF
5	Lucena	IV	1992 (since 1995, open for commercial ships and passenger ships)	OECF
6	Sual	III	1992	OECF
7	Davao	IX	1995	OECF
8	General Santos	XI	1998	OECF

*NCR=National Capital Region.

Table A16.1.5 Regional Fishing Ports Complexes (1/3)

No	Fishing Ports	Complexes
1	Navotas	5 Market Halls
		4 Finger Piers
		2 Electrical Substations
		Fuel Depot
		Boat Repair Area
		MWSS Water Distribution System
		Rock Mounted Breakwater &-Landing Quays
		Municipal Fishermen's Jetty
		Ice Plants & Cold Storages
		Landing Quay & Navigational Aid
		Waterhouse & Commercial Spaces
2	Iloilo	Fish Market
		Waste Water Treatment Plant
		Landing Quays & Breakwater
		Fresh & Sea Water Pump Houses
		Processing, Facilities for Aquatic Products
		Carpentry, Foundry & Fabrication Shops
		Ice Plant, Contact & Air Blast Freezers & Cold Storages

Table A16.1.5 Regional Fishing Ports Complexes (2/3)

No	Fishing Ports	Complexes
3	Zamboanga	Navigational Aids & Landing Quays
		Ice Plant & Cold Storages
		Contact, Brine and Air Blast Freezers
		Fish Market
		Waste Water Treatment Plant
		Slipway/ Shipyard
		Fabrication, Foundry & Carpentry Shops
		Processing Facilities for Aquatic Products
		Fresh & Sea Water Pump Houses
4	Camaligan	Multi- Purpose Wharf
		Fish Market
		Ice Plant & Cold Storages
		Contact Freezer
		Portable Contact Freezer
		Wharf Reservoir
5	Lucena	Slipway
		Multi-Purpose Pier & Breakwater
		Landing Quays & Fish Market
		Fresh & Sea Water Pump Houses
		Fabrication, Carpentry & Foundry Shops
		Ice Plants, Contact Freezer, & Cold Storages
6	Sual	Fish Market
		Slipway
		Ice Plants, Contact Freezers & Cold Storages
		Foundry, Carpentry & Fabrication Shops
		Multi- Purpose Pier & Navigational Aid
7	Davao	Navigational Aids Wharf Landing and Breakwater
		Fresh & Sea Water Pump Houses
		Ice Plant, Contact Freezers and Cold Storages
		Waste Water Treatment Plant
		Fish Market
		Cargo Handling Equipment
		Fishing Gear/ Net Mending Shop
		Processing Facilities for Aquatic Products

Table A16.1.5 Regional Fishing Ports Complexes (3/3)

No	Fishing Ports	Complexes
8	Gen. Santos	Fish Market
		Water Supply Facilities
		Navigational Aid
		3 Port Basins & Breakwater Groin
		Waste Water Treatment Plant
		Fishing Gear/ Net Mending Facilities
		Ice Plant, Brine & Contact Freezers , & Cold Storages
		Landing Preparation, Lay-By & Multi- Purposes Wharves

2) Fishing Ports managed jointly by PFDA and LGUs

There are four (4) fishing ports managed jointly by PFDA and LGUs.

Table A16.1.6 Fishing Ports managed jointly by PFDA and LGUs

Region	Fishing Port	Source of Fund	Capacity & Status	Remarks
IV	1	Rosario, Cavite	FSP 8,623.0 sq.m. Started=Dec.1994 Completed=Sept.1995	Started joint operation on October 1, 1995 with 50:50 income sharing
	2	Infanta, Quezon	GATT 7,553.50 sq.m. Started=Aug.27,1999 Completed=Apr. 6,2001	Started joint operation on July 1, 2001 with 65:35 income sharing
	3	Puerto Princesa, Palawan	GATT 5,285.35sq.m. Started=Dec.31,1999 Completed= Apr. 30,2001	Started operation on June 2001
IX	1	Tukuran, Zamboanga del Sur	GATT 2,488.0sq.m. Started=Mar. 30,2001 Completed= Mar. 11,2002	Started joint operation on Nov. 2002 with 50:50 in income sharing

3) Fishing Port managed by LGUs

Twenty-six (26) fishing ports were transferred from PFDA to LGUs and four (4) fishing ports are going to be managed by LGUs.

Table A16.1.7 Fishing Ports turned over to LGUs (1/2)

Region		Fish Port	Source of Fund	Capacity & Status	Remarks
III	1	Orani, Bataan	FSP	7,200.0sq.m. Started=1992 Completed=1993	Started joint operation on Mar. 1993 with 50:50 share income. Turned over to LGU on Mar. 1996 with 7.5% royalty fee.
	2	Abucay, Bataan	FSP	138.60sq.m. Started=Apr.7,1992 Completed=Apr.26,1993	Solely manage by LGU
	3	Bagac, Bataan	FSP	630.0sq.m. Started= Apr.7,1992 Completed= Apr.26,1993	Solely managed by LGU
	4	Malolos, Bulacan	GATT	1,296.0sq.m. Started=June 21,2001 Completed=Apr.18,2002	Solely managed by LGU
IV	1	Baler, Aurora	GATT	3,000.0sq.m. Started=Jan.6,2000 Completed=Sept.1,2000	Solely managed by LGU with 7.5% royalty fee.
	2	San Jose, Mindoro Occidental	GATT	2,400.0sq.m. Started=Jan.17,2000 Completed=Dec.20,2000	Solely managed by LGU with 10% royalty fee effective Jan. 2002
	3	Atimonan, Quezon	FSP	5,250.0sq.m. Started=June 1995 Completed=Oct.1995	Solely managed by LGU with 10% royalty fee to PFDA.
	4	Cardona, Rizal	GATT	1,205.0sq.m. Started=Feb.19,1998 Completed=May15,1999	Started joint operation on June 16, 1999 and was turned over to LGU on June 21, 2000 with 10% royalty fee
V	1	Tabaco, Albay	FSP	6,841.46sq.m. Started=Feb. 1994 Completed=Nov. 1995	Started joint operation on Dec. 1995 with 50% share in income. Turned over to LGU on Mar. 16, 1999
	2	Pilar, Sorsogon	FSP	2,066.0sq.m. Started=Feb.1994 Completed=Apr. 1995	Solely managed by LGU
	3	Bulan, Sorsogon	FSP	4,000.0sq.m Started=Jul. 1995 Completed=Mar. 1996	Jointly managed effective April 1 1996 with 50 % income sharing ratio and was turned over to LGU on Oct. 16, 1998
	4	Mercedes, Camarines Norte	GATT	11,900.0sq.m. Started=Sept.1,1997 Completed=Nov.15,1998	Solely managed by LGU with 10% royalty fee.
	5	Castilla, Sorsogon a. Const. of Castilla Rockcauseway & b. Reclamation and reconstruction of existing structure	GATT	300.00sq.m. Started=Apr.17,1997 Completed=Sept.14,1997 Rockcauseway with bulkhead 40.1m	Solely managed by LGU implemented by DPWH Sorsogon, Sorsogon
			GATT	300.0sq.m. Started=May 29,1998 Completed=June 22,1998	
	6	Castilla, Sorsogon a. Improvement of Macalaya Fish Port and Concreting of Access Road b. Additional reclamation and repair of existing causeway.	GATT	113.0sq.m. Date Started=Apr.17,1997 Completed=Nov.2,1997	Solely managed by LGU implemented by DPWH Sorsogon, Sorsogon
			GATT	35.0sq.m. Date Started=July 20,1998 Completed=Sept.16,1998	
7	Casiguran, Sorsogon	GATT	700.0sq.m. Started=Feb.10.1998 Completed=July 19,1998	Solely managed by LGU	
8	Guirayongar Quezon	Ginintvang Masagana Ari	1,980 sqm Started=July 4 2002 Completed=May 25, 2003	Solely managed by LGU	

Table A16.1.7 Fishing Ports turned over to LGUs (2/2)

Region		Fish Port	Source of Fund	Capacity & Status	Remarks
VI	1	Estancia, Iloilo	National Equity, FSP	6,096.0sq.m.	Solely managed by LGU effective December 16, 1994
	2	Carles, Iloilo	CDF	Rockcauseway 180.1.m. Started=Apr.3,1998 Completed=Dec.23,1998	Solely managed by LGU
	3	Concepcion, Iloilo	GATT	3,300.0sq.m. Started=June 8,1998 Completed=Apr.28,1999	Started its joint operation on Aug. 16, 1999 Turned over to LGU on Aug 2000 with 10% royalty fee
	4	Oton, Iloilo	Ginintuang Masaganang Ani	565.0sq.m. Started= April 21,2002 Completed= Oct.17, 2002	Solely Managed by LGU Effective Nov. 2003
	5	Roxas City, Capiz	GATT	12,687.0sq.m. Started=June 8, 1998 Completed=Sep. 30, 1999	Jointly managed-Nov. 1989. Turned over to LGU on Dec. 1990 with 10% royalty fee to PFDA.
VII	1	Basay, Negros Or.	National Equity	1,236.0sq.m. 70% completed. Construction of Market Hall was not implemented due to the restraining order on the release of CDF.(Implemented by LGU)	Solely managed by LGU
	2	Jagna, Bohol	GATT	781.06sq.m. Started=Dec. 8, 1997 Completed=May 16, 1998	Solely managed by LGU
	3	Minglanilla, Cebu	GATT	765.0sq.m. Date Started=Aug.18.2000 Completed=Apr.24, 2001 Additional Started=Oct.18,2001 Completed=Dec.1,2001	Solely managed by LGU
VIII	1	Sogod, So. Leyte	DPWH	2,156.25sq.m.	Solely managed by LGU with 7% royalty fee to PFDA
IX	1	Dopolog, Zambo. Del Norte	FSP	6,765.74sq.m. Started=Sep. 21, 1997 Completed=Feb, 1999	Jointly manage with LGU effective May 1, 1999 with 60:40 income sharing ratio. Turned over to LGU on July 13, 2000 with 10 % royalty fee .
	2	Dapitan City, Zambo. Del Norte	GATT	1,464.0sq.m. Started=June 1999 Completed=Apr. 2000	Solely managed by LGU starting June 13, 2000 with 10 % royalty fee to PFDA.
	3	Jolo, Sulu	Ginintuang Masaganang Ani	Started=May 14, 2001 Completed=Feb.21, 2002	Solely managed by LGU
On-Going Projects					
	1	Sta. Ana, Cagayan	Ginintuang Masaganang Ani	1,200.0sq.m.	
	2	Obando, Bulacan	Ginintuang Masaganang Ani	1,060.0sq.m.	
	1	Daorban tayar Cebu	Ginintuang Masaganang Ani	sqm Started=march 17, 2003 Completed= Oct 17, 2003	Solely Managed by LGU
	1	Macroban So. Leyte	Ginintuang Masaganang Ani	1,088 sqm Started=march 9, 2003 Completed=July, 2003	Solely Managed by LGU
	1	Cotarman Camiguin	MakaMASA	1,330 sqm Started=May 10, 2002 Completed= July, 2003	Solely Managed by LGU

(3) Classification of fishing port facilities

Fishing port facilities can be roughly classified as follows (Table 1.3.1);

Table A16.1.8 Classification of fishing port facilities

Description	Fishing port facility	Facility
Basic facilities	External protective facilities	Breakwater, retaining wall, seawall, etc.
	Mooring facilities	Quay, landing facility, piled pier, slipway (large repairs of fishing boats are not made)
	Harbor facilities	Basin, waterway, anchorage
Functional facilities	Transport facilities	1. Road, 2. Parking lot, etc.
	Navigation aid facilities	3. Light beacons, etc.
	Land for fishing port facilities	4. Land for various fishing port facilities
	Supply facilities	5. Water supply facilities, 6. Fuel supply facilities
	Fish distribution facilities	7. Fish market 8. Marine products warehouse 9. Open storage yard, etc.
	Fish storage facilities	10. Ice plant and cold storage
	Fish processing facilities	11. Processing shop
	Fishing boat and gear maintenance facilities	12. Fishing boat repairing dock, 13. Net & gear area, etc.
	Fishing port administration facilities	14. Administration office 15. Check point, etc.
And so on		

(2.4) Commercial Use of Fishing Ports

Although fishing ports are basically used for fishing activities, many ports are also used for transporting the commercial goods other than fishery product and the passengers living in isolated islands. In 1995, PPA and PFDA reached an agreement whereby commercial cargo or non-fish commodities could be handled at fishing ports.

The memorandum is as follows.

TableA16.1.9 Memorandum of the port combined the fishing port between PPA and PFDA

WHEREAS, PPA is mandated by its Charter to implement all integrated program for the planning, development, financing, and operation of ports or port district for the entire country in view of which it shall ensure the smooth flow of waterborne commerce passing through the country's ports, whether public or private, in the conduct of international and domestic trade.

WHEREAS, any and all other powers, and rights, duties and function and jurisdiction vested in any government agency, authority or instrumentality pertaining to every matter concerning port facilities, port operation, or works be vested in PPA..

WHEREAS it is recognized that fish is the staple food and major source of protein of the Filipino people in view of which there is an imperative need to increase fish supply and stabilize consumer price through the improvement of handling and marketing practices in fish landing and fish markets throughout the country thus necessitating the creation of the Philippine Fish Marketing Authority, the precursor of the PFDA;

WHEREAS, the development, operation and maintenance of fishing port complexes constitutes an essential component of fisheries development to provide adequate and essential facilities for the efficient and effective handling of the production and harvest of fishery operators thru the PFDA

WHEREAS, fishing port complexes have in the spirit of accomodation, made themselves open to commercial cargoes that at normally handled in PPA port facilities either because the latter are congested or there are nor port facilities being maintained by PPA near such complexes.

NOW THEREFORE for and in consideration of the premises, the parties hereto have agreed as they hereby agree to enter into mutual covenants and stipulations hereinafter provided to wit;

1. THE PFDA SHALL;

1.1 Allow handling of commercial cargo or non-fish commodities at its fishing port complexes under the following instances:

1.I.1. When a prior permit to operate is secured by interested cargo handling equipment from PPA, or

1.I.2 When PPA due to congestion in nearby government ports or they cannot accommodate commercial cargo requests PFDA that be handled at the fishing port complexes.

1.2 Impose its own fees, rates and charges on commercial cargo or non-fish commodities allowed to be handled at the fishing port complexes including the on docked/berthed thereat. The amount collected shall be its exclusive account as compensation in recognition of the use of its property.

1.3 Refuse issuance of berthing permit to vessels engaged in the transport of commercial cargoes or non-fish commodities except when such vessels are in possession of a PPA authority to proceed to a specified

fishing port complex issued by the PPA Port Manager concerned.

1.4 Allow existing cargo handling operator at the fishing port complex to continue handling commercial cargoes thereat subject to the issuance by PPA of a cargo handling contract / permit / authority which shall be coterminous with the PFDA permit. Accordingly, PFDA shall advise said operator to apply to PPA for issuance of an authority to render handling services for commercial cargoes thereat. It is understood that failure of said operator to submit such application to PPA within three (3) month from action of this MOA "ipso facto" constitute as a PFDA order for said operator to cease and desist from handling commercial cargoes at the complex.

1.5 Cease and desist from allowing commercial vessels to dock / berth at the Lucena Fishing Complex including the handling of commercial cargoes upon from PPA General Manager Of specifying the date when PPA shall commercial operation. It is understood that the Lucena fishing Port Complex commercial cargoes / Vessels when any of the instances provided them provisional in 1.1. (1. 1. 1. and 1. 1.2) is present and the condition prescribed in 1.3 is satisfied.

2. THE PPA SHALL;

2.1 Grant / issue a cargo handling authority to an operator intending to handle commercial cargo at a fishing port complex if the following condition are met ;

2.1.1 The nearby PPA port is congested or in case of emergency

2.1.2 PFDA authorizes the handling of such cargoes ; and

2.1.3 Vessel carrying commercial cargoes is in possession of a PPA Authority to proceed to the intended fishing port complex issued assured by the PTA port manager concerned.

2.2 Recognize the authority of PFDA to impose its prescribed fees, rates and charges on vessel / and cargoes when commercial operation is allowed by the herein parties to be conducted at any fishing complex.

2.3 Assist PFDA on operational problem that may be encountered when commercial vessel / cargoes are allowed to call at the fishing port complex upon mutual consent of the herein parties.

3. COMMON PROVISION

3.1 Should there be a disparity in interpretation of this MOA or any of the provisions hereof be same shall be resolved by the parties or their respective representatives in recognition of the fact that both belong to government and that its interest shall be the primary consideration in arriving at a solution.

3.2 Any damage or injury that may be incurred to cargoes or property in the conduct of commercial operation at the fishing port shall be governed exclusively by the respective rules and regulations of the herein parties applicable to the port where operation is undertaken.

3.3 Commercial cargoes allowed to be handled at the Fishing port Complex and commercial vessel permitted to dock / berth thereat shall not be imposed corresponding fees, rates or charges below that imposed by PPA in its ports.

IN WITNESS WHEREOF, the Parties have here at affixed their signature this 24th day of July 1995 in the City of Manila, Philippines.

Appendix 16.1.3 DOTC Organization

(1) Department of Transportation and Communications

Table A16.1.10 Section 4 and Section 5 of EO125

Section 4. Mandate The ministry shall be the primary policy, planning, programming, coordinating, implementing, regulating, and administrative entity of the Executive Branch of the government in the promotion, development, and regulation of dependable and coordinated network transportation system,

Section 5. Power and function (e) Coordinate with the Department of public works and Highways in the design, location, development, rehabilitation, improvement, construction, maintenance and repair of all infrastructure projects and facilities of the Department. However, government corporate entity attached to the Department shall be authorized to undertake specialized telecommunications, ports, and railways project and facilities as directed by the President of the Philippines or as provided by law.

These two provisions identify the following three points/items

- Port is one type of infrastructure under the full control of DOTC
- It isn't necessary for ports development under PPA/CPA to coordinate with DPWH.
- Therefore, DOTC has to undertake port development of LGU ports.

Although the port development by attached corporations (PPA & CPA) is mentioned clearly in the provisions, development of LGU ports by DOTC is not included. The reason for this is explained below.

The President of the Philippines signed the E.O. No.125-A on April 23rd in 1987, and the E.O. took effect immediately. At that time, feeder-port project, fishing port project and LGUs port development continued to be undertaken by DPWH. In 1990 NEDA approved the delineation of institutional responsibility in the port administration. In 1991, A Memorandum of Agreement by and between two Departments was entered into, and port related projects moved from DPWH to DOTC. However, there was no need to change the provisions of the E.O. No.124-A. Consequently, no revised E.O. was promulgated.

Accordingly, the functions of DOTC cover planning through maintenance/repair works but do not include management and operation. DOTC turns over ports to respective LGU for management and operation after completion of construction works.

To carry out its mandate, at present the Department has five sectoral / line offices, nine attached corporations and six attached agencies.

The organization chart of the office of the Secretary of the DOTC is shown in Figure 8.1.2.1 A, the names of the attached corporations and attached agencies are shown respectively.

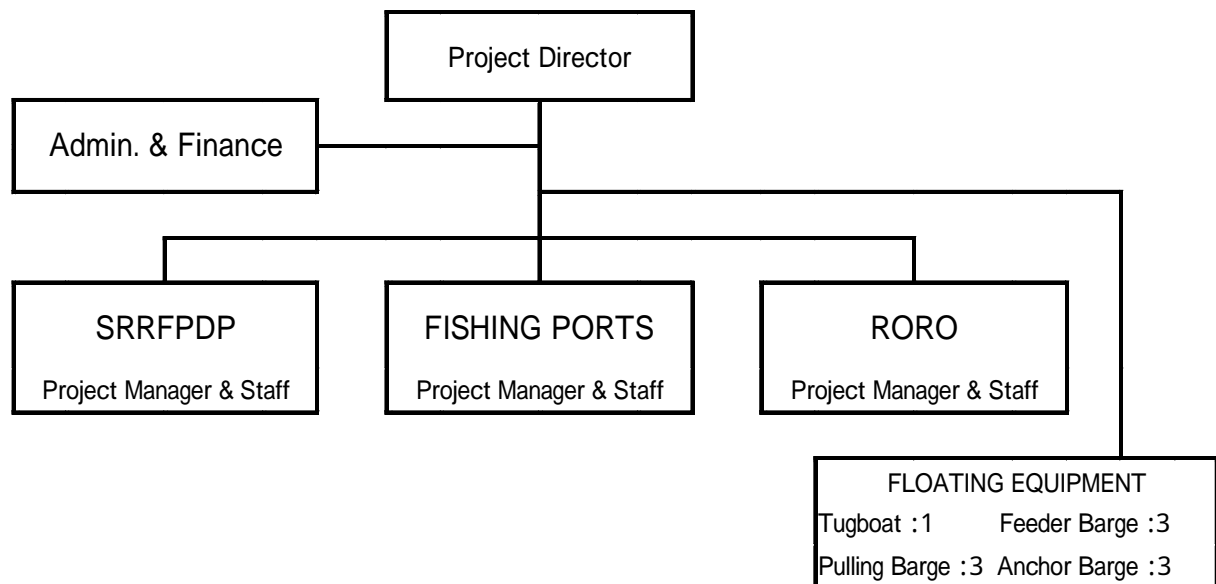
Among these organizations, those that are related to port development are Water Transport Division of Transportation Planning Service, PMO-Ports and Project Management Service. These three belong to the Office of the Secretary.

Both PPA (Philippine Ports Authority) and CPA (Cebu Port Authority) of attached corporations are also in charge of port development.

The history, purpose of establishment, function, kinds of work, and policies of these five organizations are mentioned below.

(2) PMO-Ports

Organization Chart is shown below..



SRRFPDP : Social Reform Related Feeder Ports Development Project

Total Number of Personnel = 120

Figure A16.1.3 Organization Chart of PMO-Ports

DOTC ORGANIZATIONAL CHART

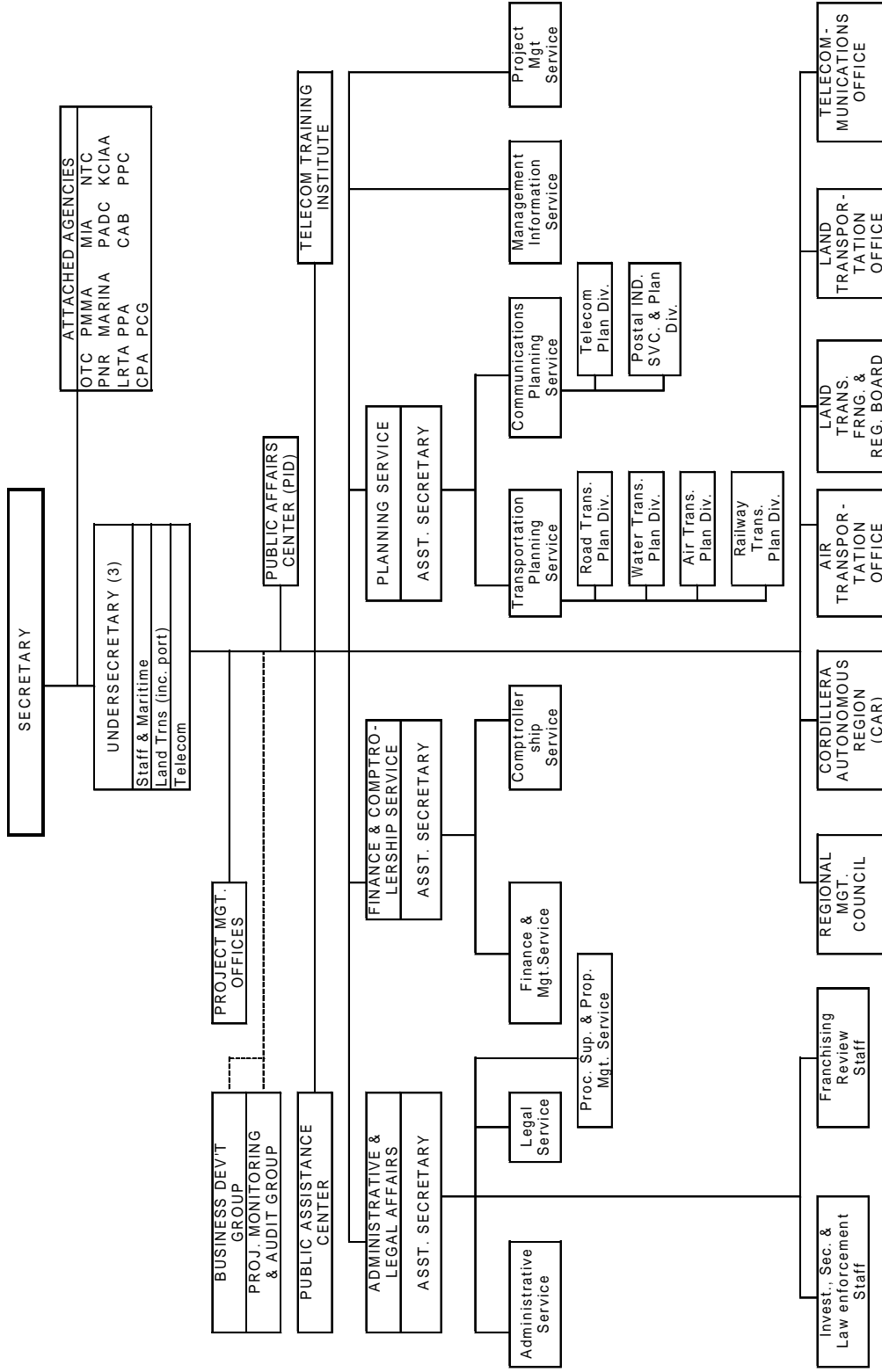
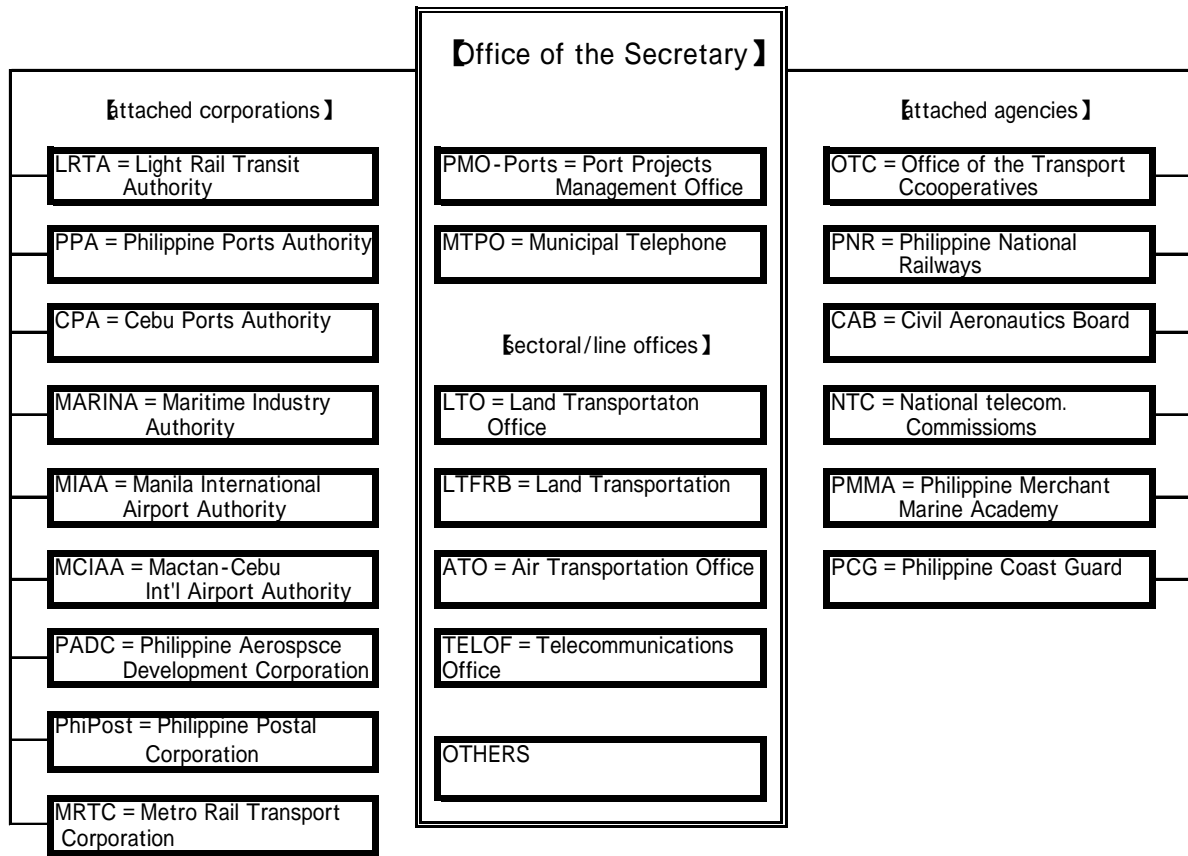


Figure A16.1.1 DOTC Organizational Chart

ORGANIZATIONS THAT CONSIST OF DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS



Source: JICA study team

Figure A16.1.2 Attached Corporations & Attaches Agencies of DOTC

Appendix 16.1.5 PPA (Philippine Ports Authority)

Section 6 also deals with port management.

Table A16.1.11 Section 6 of PPA Charter

<p>SECTION 6. CORPORATE POWERS AND DUTIES</p> <p>a) The corporate duties of the Authority shall be</p> <p>(iii) To prescribe rules and regulation, procedures, and guidelines governing the establishment, construction, maintenance, and operation of all port, including private ports in the country.</p> <p>(iv) To license, control, regulate, supervise any construction or structure within any Port District.</p> <p>b) The corporate powers of the Authority shall be as follows:</p> <p>(vi) To make or enter contract of any kind or nature to enable it to discharge its function under this Decree</p> <p>(vii) To acquire, purchase, own, lease, mortgage, sell, or otherwise dispose of any land, port facility, wharf, quay, or property of any kind, whether movable or immovable.</p> <p>(viii) To exercise the right of eminent domain, by expropriating the land or area surrounding the port of harbor, which in the opinion of the Authority, are vital or necessary for the total development of the Port District.</p> <p>) To levy dues, rates or charge for the use of the premises, works, appliances, facilities, or for services provided by or belonging to the Authority or any other organization concerned with port operations</p>

There are no other sections that prescribe port management. So it is clear that PPA manages any port of both inside and outside PPA port system.

There is no other provision in PPA Charter that clearly sets out port activity from planning through to operation and management.

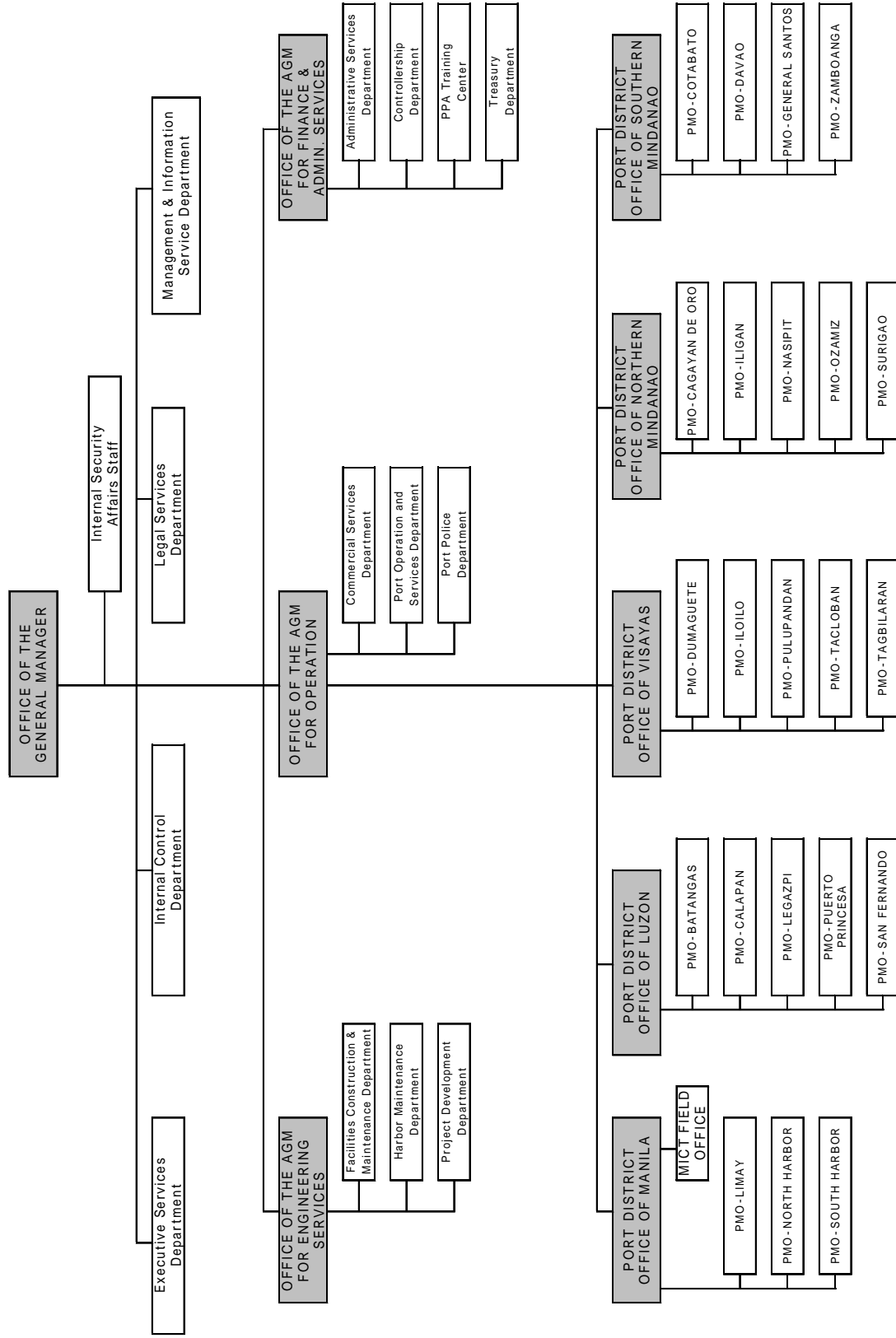


Figure A16.1.4 Organization Chart of PPA

Source: PPA

Number of PPA Staff

Table A16.1.12 Number of PPA Staff (Head Office)

Description	Regular				Casual / Contractual		
	Positions Filled	Positions Vacant	Not Authorized	Total Staffing	Positions Filled	Positions Vacant	Total Staffing
Office of the Corporate Board Secretary	4	2		6			
Office of the General Manager	9	3		12			
Public Affairs Staff	5	0		5			
Internal Security Affairs Staff(old SP)	4			7			
Internal control Department	15	4		19			
Strategic Planning Department	15	6		21			
Legal Services Department	15	4		19			
Management & Information Services Dept.	30	13		43			
Office of the AGM-Operations (Proper)	5	3		8			
Port Operations & Services Department	27	12		39			
Commercial Services Department	23	12		35			
Port Police Department(old SP)	20	-		17			
Office of the AGM-Eng'g (Proper)	5	3		8			
Project Development Department	32	31		63	18	7	25
Facilities Construction & Maintenance Dept.	25	26		51	64	12	76
Batangas Port Development Project-Phase II	-	-		-	30	0	30
Harbor Maintenance Department	44	32		76			
Office of the AGM-FA(Proper)	7	1		8			
Human Resource Management Dept.	35	8		43			
Administrative Services Department	68	15		83			
PPA Training Center	30	12		42			
Controllership Department	36	5		41			
Treasury Department	20	7		27			
TOTAL Head Office Personnel	474	199	0	673	112	19	131

Note: PERSONNEL INVENTORY AS OF 30 SEPTEMBER 2002

Source : PPA Personnel Division

Table A16.1.13 Number of Staff (Head Office and Port District Office)

Description	Recapitulation							
	Regular				Casual / Contractual			Grand Total
	Positions Filled	Positions Vacant	Not Authorized	Total	Positions Filled	Positions Vacant	Total	
Head Office	474	199	0	673	112	19	131	804
Port District Offices	1,848	1,492	0	3,340	191	12	203	3,543
Total	2,322	1,691*1	0	4,013	303	31*2	334	4,347

Source: PPA

Note: *1 Total 1,691 regular positions are vacant due to *Deviations are due to ongoing placements in various PPA units which will eventually be filled-up.*

Note: *2 Total 31 Casual/Contractual Positions are vacant due to *Provision for casual positions are authorized to complement the manpower requirements of various engineering projects/programs in PPA.*

Table A16.1.14 Number of Staff (Port District/Management Office) 1/2

Description	Regular				Casual / Contractual		
	Positions Filled	Positions Vacant	Not Authorized	Total Staffing	Positions Filled	Positions Vacant	Total Staffing
Port District Office-Manila /Northern Luzon (PDO-Manila)	77	16			0	0	0
PMOs:	San Fernando	51	46	97	4	0	4
	Limay	48	39	87	0	0	0
	Manila-International (South Harbor) (old SP)	215	42		15	0	15
	Manila-Domestic (North Harbor) (old SP)	212	58		15	0	15
Total Port District of Manila/Northern Luzon	603	201	0	804	34	0	34
Port District Office-Southern Luzon	43	34		77	0	0	0
PMOs:	Batangas	76	51	127	33	0	33
	Calapan	32	64	96	0	0	0
	Masbate	4	66	70	0	0	0
	Legazpi	59	65	124	0	0	0
	Puerto Princesa	50	59	109	3	3	6
Total Port District of Southern Luzon	264	339	0	603	36	3	39

Table A16.1.14 Number of Staff (Port District/Management Office) 2/2

Port District Office– Visayas		40	40		80	6	0	6
PMOs:	Iloilo	86	69		155	24	2	26
	Dumaguete	48	52		100	16	0	16
	Tacloban	91	110		201	22	0	22
	Tagbilaran	47	71		118	0	0	0
	Pulupandan	53	59		112	6	2	8
Total Port District of Visayas		365	401	0	766	74	4	78
Port District Office –Northern Mindanao		47	32		79	0	0	0
PMOs:	Cagayan de Oro	67	85		152	10	0	10
	Iligan	44	46		90	5	0	5
	Nasipit	56	50		106	3	0	3
	Surigao	54	69		123	5	5	10
	Ozamis	42	60		102	0	0	0
Total Port District of Northern Mindanao		310	342	0	652	23	5	28
Port District Office –Southern Mindanao		38	39		77	0	0	0
PMOs:	Davao	84	28		112	12	0	12
	Zamboanga	104	44		148	0	0	0
	General Santos	51	50		101	12	0	12
	Cotabato	29	48		77	0	0	0
Total Port District of Southern Mindanao		306	209	0	515	24	0	24
Total Port District Personnel		1,848	1,492	0	3,340	191	12	203

Source: PPA

Staff Training

PPA has a lot of training system. It is planned by PPA Training Center every year. It is consisted with

- 1) In-House Training
- 2) Non-Organic Training
- 3) TNA/Career Development /Local Scholarships
- 4) Local Scholarships for PDO s/PMO s
- 5) GAD Seminars / Courses

It was spent P10million inclusive of P 2million for travel for training in 2002. According to this system, PPA plans individual training courses which was 18 in-house courses and 28 non-organic courses.

Table A16.1.15 Trainees of PPA in 2001 and 2002.

Year	Training Program	PPA	PDO	PMO	TMO	Total	Other (Port Users)
2002	78	174	25	80	0	279	
2001	60	118	13	652	0	886	1,027

Source: PPA

Appendix 16.1.6 CPA (Cebu Port Authority)

CPA spun off from PPA in 1992 as part of the government policy of decentralization. This is prescribed in CPA Charter, the section 6 of R.A. No. 7621 known as "Charter of the Cebu Port Authority" as follows.

Table A16.1.17 Section 6 of CPA Charter

Section 6. Territorial Jurisdiction. The territorial jurisdiction of the Authority (CPA) shall include all seas, lakes, rivers and all other navigable inland waterways within the Province of Cebu, including the City of Cebu and all highly urbanized cities which may hereafter be created therein.

Prior to the creation of CPA, these 14 ports were included in the PPA port system. Port of Cebu was called base port and other 13 ports referred to as terminal ports.

Functions

Therefore the Authority shall have the power and responsibility to;

- (a) Have perpetual succession under its corporate name until otherwise provided by law.
- (b) Prescribe its bylaws and such rule and regulations as maybe found necessary to promote or enhance the business of the Authority;
- (c) Adopt and use a seal;
- (d) Sue and be sued in any court
- (e) Enter into contract, transaction, and undertakings of whatever nature, which are

necessary or incidental to its functions and objectives, with any natural or juridical persons or with any government institutions, domestic or foreign;

- (f) Acquire, own, hire, use, operate and dispose of personal property and to acquire, own, use, lease, operate and dispose of real property and interests thereon and to make improvements on such real property, including the reclamation, for port purpose, of foreshore and submerged lands within its territorial jurisdiction; which reclaimed land shall */pso facto* be deemed transferred in ownership to the Authority; and to enter into contract with any public or private entity for such reclamation under such terms and conditions as it may deem to be for the public interest;
- (g) Purchase, hold alienate, mortgage, pledge or indebtedness created by any other corporation or co-partnership of this or any other country, and while the owner of said stock, to exercise all the right of ownership, including the right to vote thereon.
- (h) Exercise the right of eminent domain;
- (i) Exercise all other power not contrary to law which may be necessary or incidental to the effectuation of its authorized purposes or the exercise of any of the foregoing powers, except the power to levy taxes or assessments and, in general, to exercise in connection with property within its control all power which may be exercised by a natural or juridical person over its property and affairs;
- (j) Levy dues and impose rates and charge for the use of the premises, works, appliances, facilities, or for services provided by or belonging to the Authority, or any other organization concerned with port operations;
- (k) Make expenditure in foreign countries to pay commissions and hire or contract expert and consultants, both foreign and local;
- (l) Make expenditure for promotion of the business affairs of the Authority, and
- (m) Exercise all the powers of a corporation under the Corporation Law insofar as they are not inconsistent with the provision off this Act.

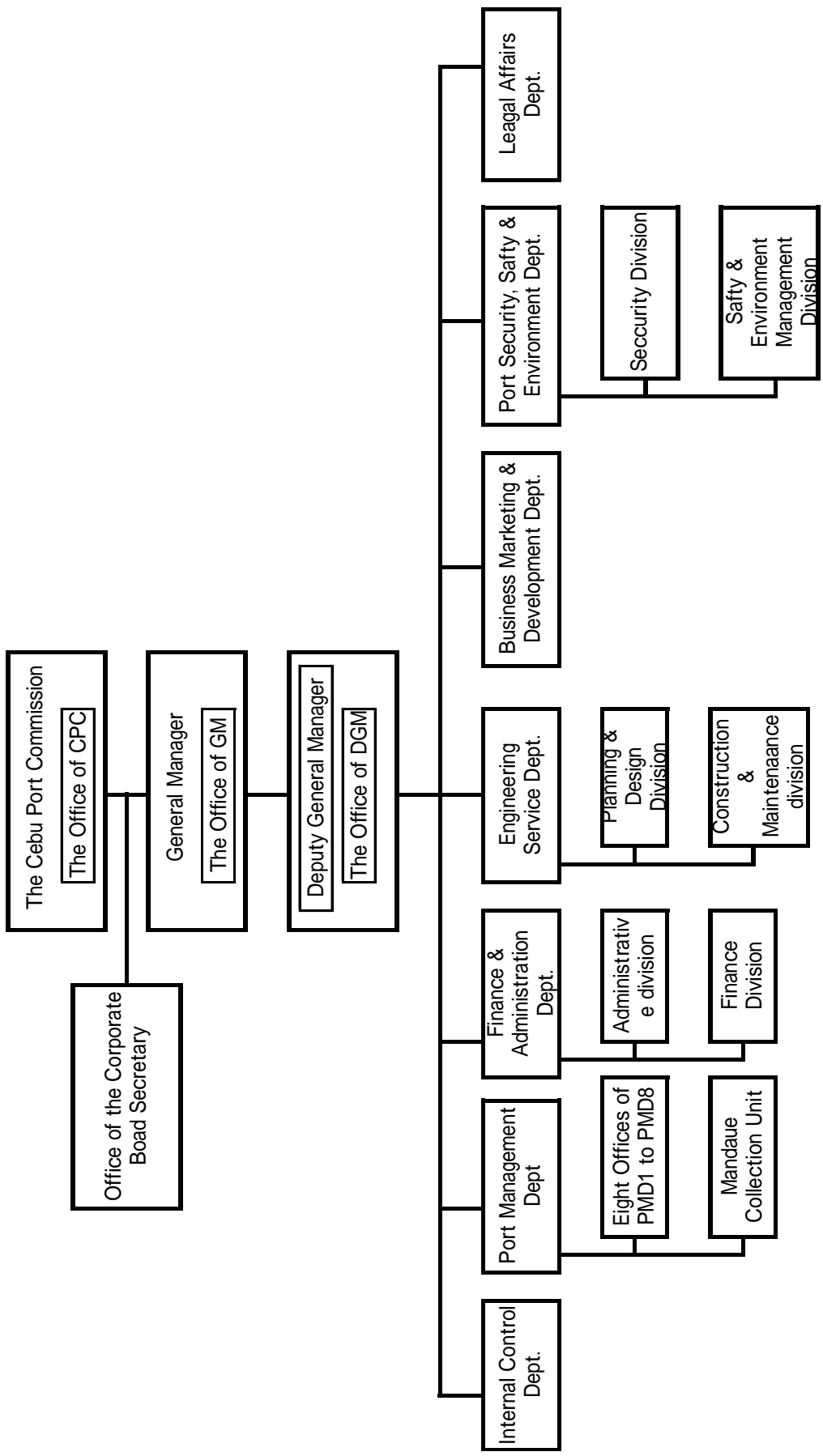


Figure AP16.1.5 CPA Organization Structure

Appendix 16.1.7 Base Conversion Development Authority (BCDA) and John Hay Poro Point Development Corporation (JPDC)

JPDC

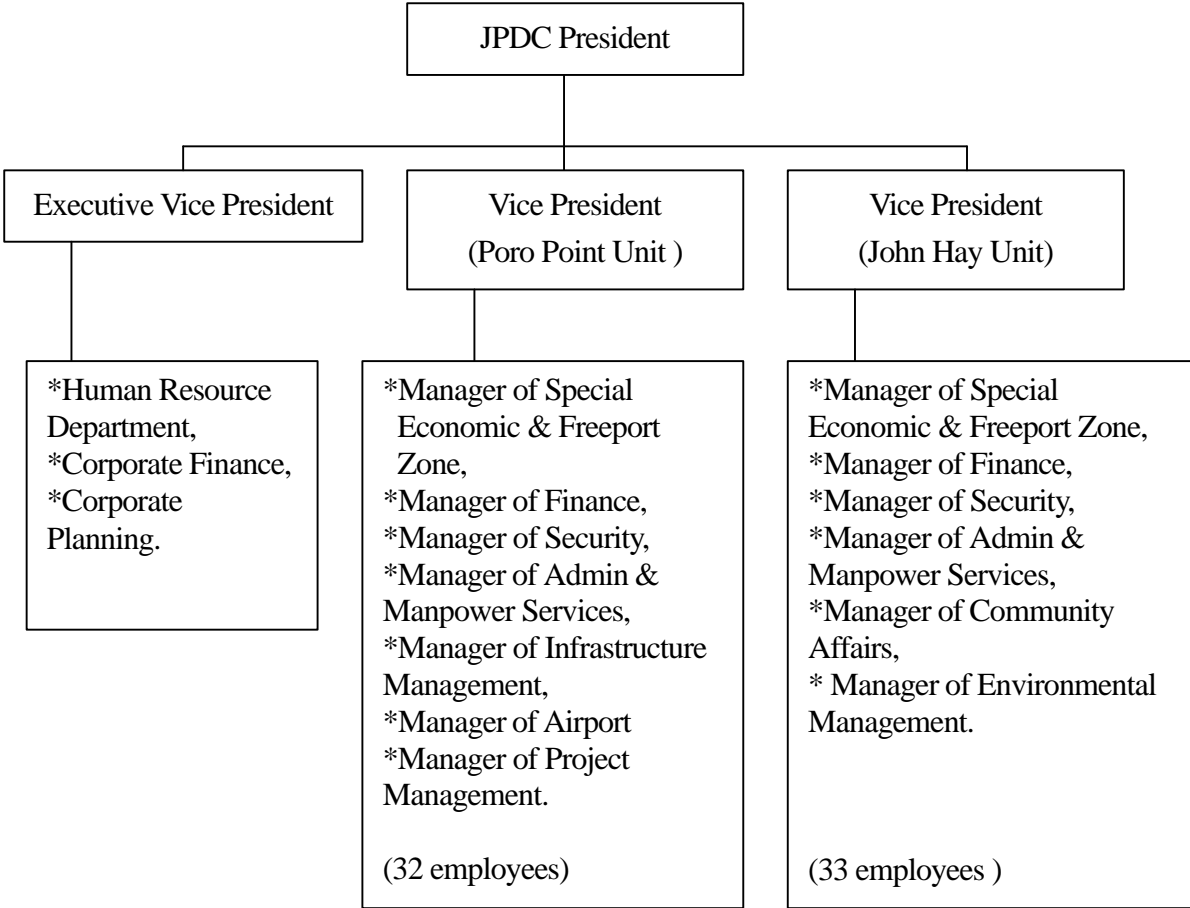


Figure A16.1.6 Organization Chart of JPDC

Appendix 16.1.7 Subic Bay Metropolitan Authority

Port Development

The container port development in Subic bay was proposed in JICA's development survey undertaken a few years ago. And the project was adopted as one of JBIC special yen loan projects in the fiscal year 2000. The container port development is now under construction.

The purpose of this project is to promote the smooth distribution of goods in Central Luzon Area by increasing the volume of cargoes handled at Subic Port, to expedite the regional development and to alleviate the congestion of the Port of Manila.

Appendix 16.1.8 Phividec Industrial Authority(PIA)

The development of these sites is in accordance with the Philippine Government's policy to disperse industries to the countryside as a means of equitably distributing resources, and as a vehicle to catalyze and sustain social and economic development in the Philippines.

The PIA is empowered to assess and collect real property taxes and port fee; collect businesses, such as subsidiaries and joint ventures.

Port Development

It is necessary to develop a container terminal with modern container handling equipment to cope with increasing container cargoes since container handling equipment in existing nearby ports is insufficient. The port is expected to be the biggest base port of Northern Mindanao. Container terminal is a fundamental infrastructure that can contribute to the development of the regional economy and attract investment from foreign countries and other regions as well. This project is one of the special yen credit projects. The Container terminal has almost completed and said that the terminal will starts operation by late autumn this year

Appendix 16.1.9 Philippine Fisheries Development Authority (PFDA)

Programs related to fishing ports by PFDA

1) Regional Fishing Ports Program

This is a program to construct regional fishing ports equipped with functions such as landing, freezing, processing, and a market.

2) Inshore Fishing Ports Program

This is a program to assists the activities of fishermen at inshore fishing ports by providing markets and landing facilities for their catch.

3) Ice Plants and Cold Storage Program

This is a program to provide ice plants and cold storages indispensable to fishery. PFDA not only manages and operates the facilities but also lease all facilities to the private sector. Some facilities are handed over to LGUs.

4) Small-scale Livelihood Program

Under this program, local fishermen are able to acquire various skills and knowledge in connection with fishery management.

(CY2003)

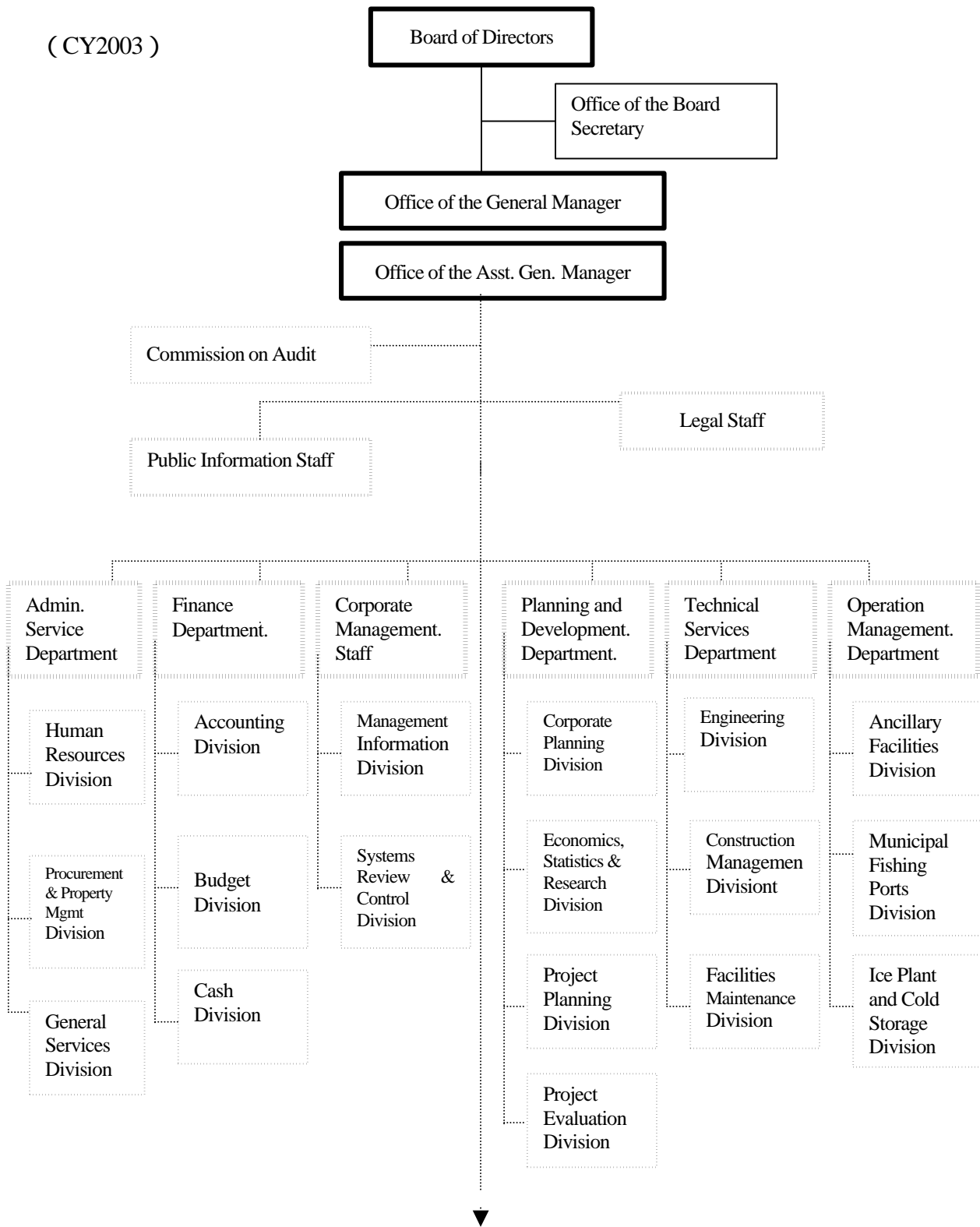


Figure A16.1.7 Organization Chart of PFDA (Philippine Fisheries Development Authority)

Organization Chart of PFDA's Regional Complexes

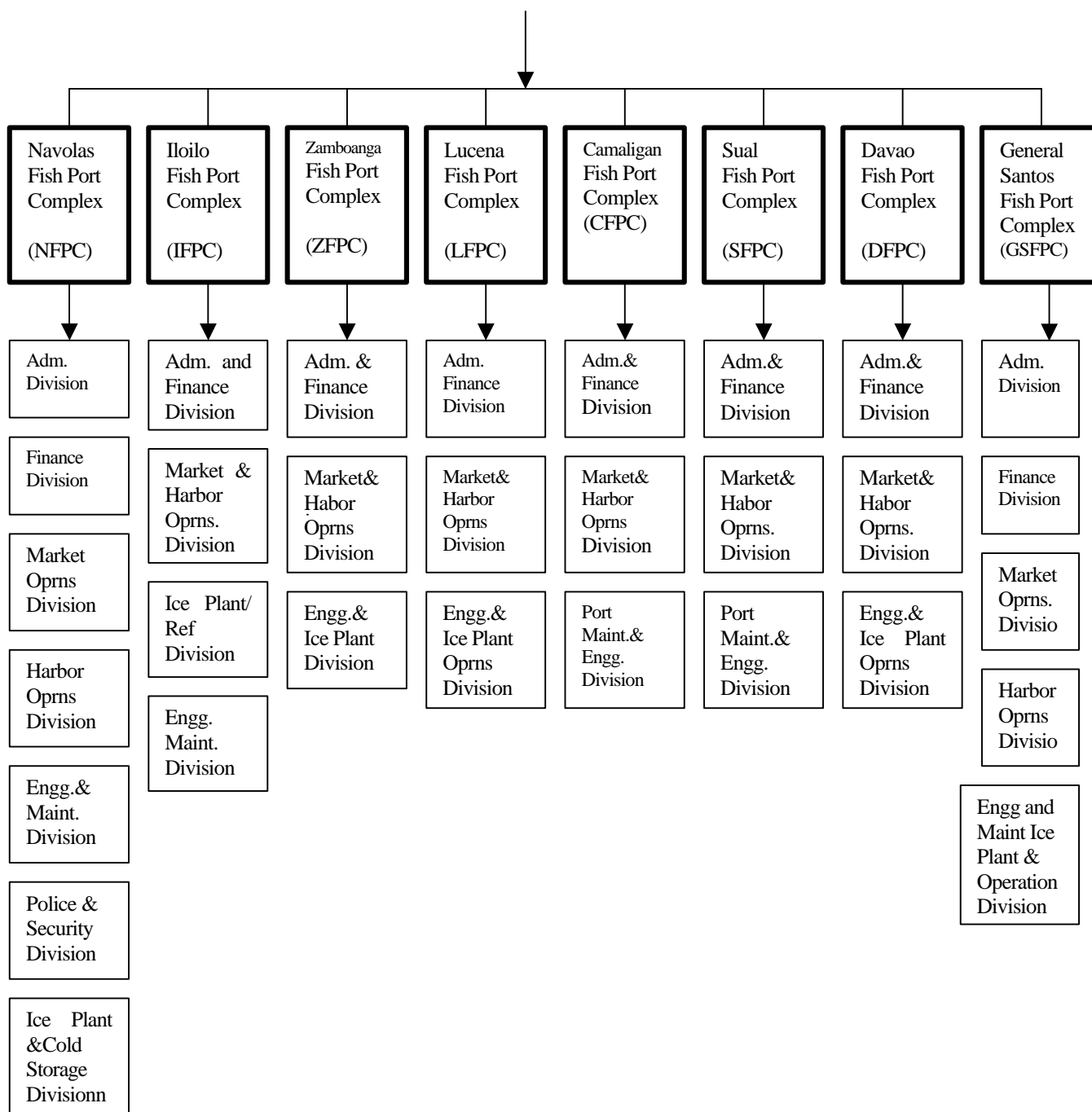


Figure A16.1.7 Organization Chart of PFDA (Philippine Fisheries Development Authority)

Table 16.1.18 Balance Sheet of PFDA in 2001 (1/2)

<Assets> December 31, 2001

(Unit: peso)

Current Assets		
Cash		
Collecting Officers		3,540,140.84
Disbursing Officers		709,495.64
Other Officers, Inter-Agency Transferred Funds		35,042,055.88
Other Banks		87,419,878.63
Other Banks-Time Deposits		25,185,459.27
Treasury Account Current-Deposits		1,058,893.20
Total (1)		152,955,923.46
Short-term Investments (2)		135,244,861.37
Accounts Receivable		
National Government Agencies		486,991.02
Local Government Units		58,825.63
Trades/Business	139,169,752.56	
Less: Allowance for Doubtful Accounts	38,814,775.43	100,354,977.13
Installments		10,859,283.85
Miscellaneous		5,345,748.04
Total (3)		117,105,825.67
Inventories (4)		24,621,011.16
Total Current Assets (5) = (1)+(2)+(3)+(4)		429,927,621.66
Other Assets		
Prepayments		6,160,567.86
Guaranty Deposits		951,888.00
Marginal Deposits		165,517.31
Leasehold Improvements		1,011,221.55
Miscellaneous Deposits		2,778,561.48
Total Other Assets (6)		11,067,756.20
Contingent Assets		
Claims from Accountable Officer for Cash Shortage		71,305.42
Claims for Disallowances		7,020,264.83
Claims for Dishonored Checks		576,411.89
Others		605,379.80
Total Contingent Assets (7)		8,273,361.94
Investment-Other (8)		83,000.00
Acquired Assets (9)		3,587,112.51
Fixed Assets		
Land and Land Improvements	167,666,351.92	
Less: Accumulated Amortization	56,354,745.14	111,311,606.78
Buildings and Structures	132,539,911.01	
Less: Accumulated Depreciation	61,421,087.13	71,118,823.88
Buildings and Structures in Process		4,453,123.64
Furniture and Equipment	107,562,129.32	
Less: Accumulated Depreciation	73,535,217.53	34,026,911.79
Fixed Assets, Net (10)		220,910,466.09
Total Assets (11) = (5)+(6)+(7)+(8)+(9)+(10)		673,849,318.40

Table A16.1.18 Balance Sheet of PFDA in 2001 (2/2)

Liabilities, Capital and Surplus

Current Liabilities		
Payables		
National Government Agencies		38,464,379.68
Local Government		652,200.45
Vouchers Payable		35,462,621.44
Trades/Business		18,793.71
Miscellaneous		3,036,490.29
Current Portion of Long-Term Liabilities		
Loans and Advances Payable-Nat'l Gov't Agencies		409,647,244.65
Total (1)		487,281,730.22
Trust Liabilities		
National Government Agencies		3,030,689.99
Government-Owned or Controlled Corporation		2,444,777.05
Miscellaneous		118,325,899.97
Total (2)		123,801,367.01
Depository Liabilities		
Guaranty Deposits		5,076,343.37
Miscellaneous		21,396,378.97
Total (3)		26,472,722.34
Total Current Liabilities (4)=(1)+(2)+(3)		637,555,819.57
Other Liabilities		
Deferred Credits to Income		17,246,001.61
Miscellaneous		1,891,651.66
Contingent Liabilities		33,452.75
Total (5)		19,171,106.02
Long-Term Liabilities		
Loans Payable-Foreign (6)		46,665,342.16
Total Liabilities (7)=(4)+(5)+(6)		703,392,267.75
Residual Equity		
Paid-in-Capital-Nat'l Gov't Equity Contributions		495,157,212.00
Donated Capital		64,069,696.91
Invested Capital		684,616.09
Contingent Capital		8,321,880.49
Semi-expendables Supplies		418,715.83
Retained Earnings (Deficit)	(604,927,742.27)	
Net Income (Loss)	6,732,671.60	(598,195,070.67)
Total Residual Equity (8)		(29,542,949.35)
Total Liabilities and Residual Equity (9)=(7)+(8)		673,849,318.40

Source: PFDA Accounting Division

Construction of Fishing Ports

Originally, PPDO (Planning and Project Development Office) of DPWTC (Department of Public Works, Transportation and Communications) was responsible for construction of fishing ports. At present, DOTC-PMO is in charge of the construction of fishing ports financed by foreign loans. DOTC-PMS constructs the ports financed with local funds. In addition, PFDA or LGU constructs and maintains fishing ports by FSP, GATT, MakaMASA, CDF, National Equity, PFDA budget or LGU's budget.

Table A16.1.19 Yen loan to fishery sector in the Philippines

Year	Loan Title	Yen Loan (million)
1978.11	Fishing Ports Packages I (Iloilo, Camaligan, Sual, Lucena, Zamboanga)	8,340
1982.5	Fishing Port Construction (Equipment Facilities of three (3) fishing ports.	3,630
1985.12	Ice Manufacture / Cold Storage Plan	175
1987	Small Ports Construction Plan	2,090
1991.3	Fishing Ports Packages II (Cebu, Genaral Santos, Davao)	7,655
1991.3	Fishing Sector Program Loan (Co-loan with ADB)	10,575
1996	Social Reform Support LGUs Port Development Project	5,746
1998	Fishing-Resources Management Plan	2,428

(source : ODA Information, Ministry of Foreign Affairs)

Administration and Operation of Fishing Ports

1) Administration

There are two basic principles to administrate fishing ports.

- (a) To maintain facilities in perfect condition;
- (b) To effectively utilize facilities.

Therefore, safe navigation of fishing boats from and to the port, smooth landing, and easy and swift repair of fishing boats must be secured. And smooth unloading and distribution of fishery products, fair trade, reasonable price formulation, etc. must be attained.

2) Operation

Fishing ports should be operated under a system and method suitable for the characteristics of Philippine fisheries. In addition, new operation system and method should be introduced, considering modernization and rationalization of the fishery.

PFDA, a competent administrator, not only executes operation of fishing ports by itself, but also has other organizations operate some facilities.

Operation	Fishing port facilities
PFDA administrates and operates.	<p data-bbox="836 338 1366 562">Basic facilities (Breakwater, retaining wall, seawall, Quay, landing facility, piled pier, slipway (large repairs of fishing boats are not made), Mooring basin, waterway, anchorage)</p> <p data-bbox="836 568 1366 786">1. Road, 2. Parking area, etc. 3. Light beacons, etc. 4. Land for various fishing port facilities 9. Open storage yard, 13. Net & gear area, 14. Administration office, 15. Check point,</p>
PFDA administrates but other organization such as private enterprise operates	<p data-bbox="836 804 1366 981">5. Water supply facilities, 6. Fuel supply facilities 7. Fish market 8. marine products warehouse , 10. Ice plant and cold storage, and 12. Fishing boat repairing dock.</p>
PFDA owns port area, but other organization such as private enterprise constructs, administrates and operates facilities.	<p data-bbox="836 1043 1366 1081">11. Processing shop</p>

Appendix 16.1.10 Private Company

Development, construction, and operation of private ports is undertaken by the private companies. On the occasion of development of port, the private company must first get approval from and PPA. To obtain approval from PPA, the private company has to conclude a contract with regard to construction, development and operation of the port with PPA. The contract contains a provision that the port will be transferred to the PPA after the contract term (For example, 25 years) expires. During the contract term, the private company as well as shipping company using the port has to pay about ten % of their sales to PPA as a port charge.

Appendix 16.1.11 Development of LGU ports by functions and by organization

From the provisions of P.D., R.A., E.O. and others, the function of port development bodies over LGU ports are summarized in tables below.

Table A16.1.20 Provisional Prescription of Power and Function over LGUs Ports

Ports	Organizations	PPA			CPA		LGUs		DOTC	PMO
LGU Ports	Planning									
	Development									
	Detailed Engineering									
	Construction									
	Supervision									
	Control									
	Maintenance									
	Management									
	Operation									
	Regulation									
	Legal Basis	PD857 Section 37	PD857 Section6	Guide- line	RA7621 Section9	AO 01-2000	Guide- line	AO 01-2001	EO 125 Section4	

However, it is still not clear whether or not LGU ports free from any port development bodies exist.

Appendix 16.1.12 Memorandum of Agreement between PIA and PPA

MEMORANDUM OF AGREEMENT

1. TECHNICAL ASSISTANCE - PPA shall extend assistance to PIA for planning and construction of ports, wharves and piers within the latter's industrial area and shall act as consultant to PIA in the supervision of all facilities and service in all ports wharves, and piers within the said industrial area such as:
 - 1.1 Recommend the adoption of plans and specification of ports to be constructed.
 - 1.2 Conduct upon the request of PIA inspection on all ports and port facilities, and see to it that the same are safe for normal operation.
 - 1.3 Recommend to PIA any other safety measure that may be needed in the said ports and port facilities.

2. CONTROL AND SUPERVISION OF ALL PORT FACILITIES AND SERVICES - For the attainment of its objectives, PIA shall have exclusive control and supervision of all ports, wharves and piers as well as port related services, within the industrial area regardless of their ownership and use.

3. COLLECTION OF PORT FEES, DUES AND OTHER CHARGES - PIA shall collect port fee,

due and charge (including the government share on arrastre/stevedoring income) due the government for the use of all facilities and services in the ports, wharves and piers within its territorial jurisdiction and industrial area using ad basis the rate prescribed by PPA.

4. CARGO - HANDLING SERVICE - All cargo handling service, in and off vessels shall be under the control, regulation and supervision of the PIA as well as the rates and charge in connection therewith using as basis the rates prescribed by PPA.

5. CONSULTANCY FEE - PIA shall pay a Consultancy Fee based on the following schedule of rates:

Period Covered	Consultancy Fee
1981 - 1983	50% of the Gross Income
1984 - 1989	10% of the Gross Income
1990 - 1995 (June)	7 % of the Gross Income
1995(July) and Yearly, Thereafter	5 % of the Gross Income

6. TRAINING AND STUDIES - PPA shall recommend the inclusion of PIA personnel in the attendance of seminars, training and studies on the matters related to port management and / or operations either locally or abroad.

7. TERMINATION - This Memorandum of Agreement may be terminated upon the mutual agreement of both PPA and PIA.

8. EFFECTIVITY OF THE AGREEMENT - This agreement supersedes the previous Memorandum of Agreement dated October 20, 1980 and shall take effect upon approval of the respective Board of Directors of the parties and shall remain in full force and until otherwise mutually terminated.

IN WITNESS WHEREOF, the parties through their authorized representatives have hereunto affixed their signature this day of OCT.16 1995 at Manila

The role sharing between container terminals and Cagayan De Oro port are were arbitrated at NEDE, and decided that full container ship will be dealt with at container terminal, other ships will enter Cagayan De Oro port regardless of cargos transported by cargo passenger ship and RORO vessels. The following are the arbitration of this issue by National Economic Development Authority.

**DELINEATION OF RESPONSIBILITY BETWEEN THE PHILIPPINE
PORTS AUTHORITY (PPA) AND THE PHIVIDEC INDUSTRIAL AUTHORITY (PIA) IN
THE OPERATIONS AND MANAGEMENT OF THEIR RESPECTIVE PORTS IN
NORTHERN MINDANAO**

WHEREAS the NEDA Board Committee on infrastructure (INFRACOM) ensures i) that the activity of agencies including government owned or controlled corporations (GOCCs) involved in infrastructure development are properly coordinated, and ii) that the government policies programs and project concerning infrastructure development are consistent with national development objectives and priorities.

WHEREAS, the PPA operated Cagayan de Oro (CDO) Base Port located in Cagayan de Oro City is constraint both in access and in support land suitable for cargo storage and working space. To complement the said existing CDO Base Port which is operating already beyond its designed capacity, the Mindanao Container Terminal Project (MCTP) Phase I was approved by the investment Coordination Committee (ICC) in 1999, the funding of which was secured from Government of Japan (GOJ) under the first batch of the Japan Bank for international Cooperation's (JBIC's) Special Yen Loan Program (SYLP). In May 2002, the ICC approved the second phase of the project (MCTP II, Bulk and food Terminal Project) which has been submitted for possible funding under JBIC's Special Term Economic Partnership (STEP).

WHEREAS on the occasion of the GOP-GPJ Policy Consultation held last 16-18 October 2002, the Japanese delegation indicated that GOJ will consider fielding the JBIC Fact Finding Mission for the MCTP phase subject to the National Government clarifying the delineation of responsibility between the Philippine Ports Authority(PPA) and the Phividec Industrial Authority (PIA) in the operation and management of their respective ports in the Northern Mindanao that will result to complementation rather than competition.

NOW THEREFORE in consideration of the foregoing, the NEDA INFRACON Resolves, as it is hereby resolved that all passengers ships with containerized and/or bulk/grains cargo will be handled by PPA while ships with purely containerized and/or bulk/grains cargo will be handled by PIA

Appendix 16.2 Port related Organizations

Appendix 16.2.2 PPA

(1) Criteria of PPA Port System

Table AP16.2.1 PPA Port System (Review of Criteria I and II) reviewed in February 2000

Reviewed Criteria	Original Criteria
<p>Criterion I <u>Cargo: Over 50,000 tons</u> (in line with PPAA.O. No.02-98) or <u>Passenger: Over 50,000 passengers</u></p>	<p>Criterion I <u>Cargo: Over 25,000 tons</u> or <u>Passenger: Over 50,000 passengers</u></p>
<p>Criteria II 1. The port has been evaluated by the PMO, PDO, LGU and RDC(Regional Development Council) concerned and has been fully indorsed consistent with the overall Regional Development Plan taking into consideration the following: (a) the influence area of the port proposed for inclusion has high economic growth projection in the next 5 years; (b) if traffic data are available, there must be sustained increase in traffic for the last 3 years; (c) there is good access to the hinterland; if inadequate, a parallel program for providing the same is included in the National / Provincial / Municipal Road / Highway Program; (d) the LGU concerned is not interested in taking over the port in accordance with PPA Admin. Order. No.02-98 and neither are other agencies or the private sector.</p> <p>2. There is no major port project to be developed within 100 km in the next 5 years.</p> <p>3. There exists a natural protection of the port.</p> <p>4. The depth of water alongside berth and passageway must not be less than 4.0 meters.</p> <p>5. If the port is located in a small island, the island's population must be at least 50,000 and no other port in that island is included in the PPA Port System.</p>	<p>Criteria II 1. None of the existing ports in an island is included in the qualified ports under Criterion I and provided that the population of the island is at least 30,000.</p> <p>2. The depth of water along the berth and passageway shall not be less than 4.0 meters.</p> <p>3. There exists a natural protection of the port.</p> <p>4. Good access to the hinterland.</p> <p>5. The distance from any of the qualified ports shall not be less than 100 kilometers with good roads.</p> <p>6. The influence area of the proposed port for inclusion has economic potentials.</p>

Source: PPA

Appendix 16.3 Relevant Laws of Port Related Organizations

Appendix 16.3.1 DOTC

(1) Executive Order 125

Reorganizing the Ministry Transportation and Communications Defining its powers and Functions and Other Purposes

Recalling **that the reorganization of the government is mandated expressly in Article II, Section I (a), and Article III of the Freedom Constitution;**

Having in Mind that pursuant to Executive Order No. 5 (1986), it is directed that necessary, and proper changes in the organizational and functional structures of the government, its agencies and instrumentalities, be effected in order to promote efficiency and effectiveness in the delivery of public services;

Considering that viable and dependable transportation and communications networks are necessary tools for economic recovery;

Considering further that rapid technological advances in communication facilities require a distinct response to the peculiar problems of this field;

Realizing that the growing complexity of the transportation sector has necessitated its division into various sub-sectors to facilitate the regulation and promotion of the sector as a whole ; and

Realizing further that the State needs to regulate these networks and promote their continuous upgrading in order to preserve their viability and enhance their dependability;

Now, therefore, I , Corazon C. Aquino, President of the Philippines, by virtue of the powers vested in me by the sovereign will of the Filipino people and the Freedom Constitution , do hereby order:

Section 1. Title. This executive Order shall otherwise be known as the Reorganization Act of the Ministry of Transportation and Communications.

Section 2. Reorganization . The Ministry of Transportation and Communication is hereby reorganized, structurally and functionally, in accordance with the provision of this Executive Order.

Section 3. Declaration of Policy. The State is committed to the maintenance and expansion of viable, efficient and dependable transportation and communications systems as effective instruments for national recovery and economic progress. It shall not compete as a matter of policy with private enterprise and shall operate transportation and communications facilities only in those areas where private initiatives are inadequate or non-existent.

Section 4. Mandate The Ministry shall be the primary policy, planning, programming, coordinating, implementing, regulating and administrative entity of the Executive Branch of the government in the promotion, development and regulation of dependable and coordinated networks of transportation and communications systems, as well as in the fast , safe efficient and reliable postal, transportation and communications services.

To accomplish such mandate, the Ministry shall have the following objectives:

- (a) Promote the development of dependable and coordinates networks of transportation and communications systems;
- (b) Guide government and private investments in the development of the country's inter-modal transportation and communications systems in a most practical, expeditious, and orderly fashion for maximum safety, service, and cost effectiveness;
- (c) Impose appropriate measures so that technical, economic and other conditions for the continuing economic viability of the transportation and communications entities are not jeopardized and do not encourage inefficiency and distortion of traffic patronage;
- (d) Develop an integrated plan for a nationwide transmission system in accordance with national and international

telecommunications service requirements including, among others, radio and television broadcast relaying, leased channel services and data transmission;

- (e) Guide government and private investments in the establishment, operation and maintenance of an international switching system for incoming and outgoing telecommunications services;
- (f) Encourage the development of a domestic telecommunications industry in coordination with the concerned entities particularly, the manufacture of communications/electronics equipment and components to complement and support, as much as possible, the expansion, development, operation and maintenance of the nationwide telecommunications network;
- (g) Provide for a safe, reliable and efficient postal system for the country.

Section 5. Powers and Functions. To accomplish its mandate, the Ministry shall have the following powers and functions:

- (a) Formulate and recommend national policies and guidelines for the preparation and implementation of integrated and comprehensive transportation and communications systems at the national, regional and local levels;
- (b) Establish and administer comprehensive and integrated programs for transportation and communications, and for this purpose, may call on any agency, corporation, or organization, whether public or private, whose development programs include transportation and communications as an integral part thereof, to participate and assist in the preparation and implementation of such programs;
- (c) Assess, review and provide direction to transportation and communications research and development programs of the government in coordination with other institutions concerned;
- (d) Administer all laws, rules and regulations in the field of transportation and communications;
- (e) Coordinate with the Ministry of Public Works and Highways in the design, development, rehabilitation, improvement, construction, maintenance and repair of telecommunications, ports, airports and railways projects and facilities including navigational aids and implement its development works through competitive biddings, negotiated contracts or other methods as the President may authorize;
- (f) Establish, operate and maintain a nationwide postal system that shall include mail processing, delivery services, and money order services and promote the art of philately;
- (g) Sub-allocate series of frequencies of bands allocated by the International Telecommunications Union to the specific services;
- (h) Accredite foreign aircraft / manufacturer and / or international organization for aircraft certification in accordance with procedures and standards established by the Bureau of Air Transportation;
- (i) Deputize the Philippines Airlines and / or the Airline Pilots Association of the Philippines for licensing of pilots in accordance with rules, procedures and standards established by the Bureau of Air Transportation;
- (j) Perform such other powers and functions as may be prescribed by law.

Section 6. Authority and Responsibility. The authority and responsibility for the exercise of the mandate of the Ministry and for the discharge of its powers and function shall be vested in the Minister of Transportation and Communications, hereinafter referred to as the Minister, who shall have supervision and control over the Ministry and shall be appointed by the President.

Section 7 Office of the Minister. The office of the Minister shall consist of the Minister and his immediate staff.

Section 8 Deputy Ministers. The Minister shall be assisted by four Deputy Ministers appointed by the President upon the recommendation of the Minister, one to be responsible for Attached Agencies and Corporations, one for Transportation, one for Communications and one for Ministry Regional Offices.

Section 9. Assistant Ministers. The Minister shall also be assisted by seven (7) Assistant Ministers appointed by the President upon the recommendation of the Minister, each of whom shall head each of the following:

- (a) Administrative and Legal Service;

- (b) Finance and Management Service
- (c) Planning and Research Service;
- (d) Technical Service;
- (e) Luzon Regional Offices;
- (f) Visayas Regional Offices;
- (g) Mindanao Regional Offices.

Section 10. Structural organization. The Ministry, aside from the Ministry Proper which is comprised of the Offices of the Minister, Deputy and Assistant Ministers, shall be composed of the Bureaus and Ministry Regional Offices.

There shall be four (4) Bureaus, namely: Bureau of Land Transportation, Bureau of Air Transportation, Bureau of Ports, and Bureau of Telecommunications.

The Office of the Minister shall have direct line supervision and control over the Bureaus and Ministry Regional Offices. The Ministry Proper shall be responsible for developing and implementing policies, plans, programs and projects for the Ministry.

The Bureaus shall be essentially staff in character.

Section 11 Ministry Regional Offices. The Ministry shall have two (2) Ministry Regional Offices in each of the administrative regions of the country: the Ministry Regional Office for Transportation and the Ministry Regional Office for Communications. The present Regional Offices of the Bureau of Air Transportation and Land Transportation Commission are hereby abolished and their functions are transferred to the respective Ministry Regional Offices for Transportation. A Ministry Regional Office for transportation shall be headed by a Ministry Regional Director assisted by two (2) Assistant Ministry Regional Directors responsible for air and land affairs, respectively. The present Regional Offices of the Bureau of Post and Bureau of Telecommunications are hereby abolished and their functions are transferred to respective Ministry Regional Offices for Communications. A Ministry Regional Office for Communications shall be headed by a Ministry Regional Director assisted by two (2) Assistant Ministry Regional Directors for Telecommunications and postal services, respectively. The abolition of the herein Regional Offices and the transfer of their functions shall be governed by the provisions of Section 19 (b) hereof.

The Ministry Regional Offices shall be under the direct supervision of the Deputy Minister for Regional Offices. The Ministry Regional Offices shall be essentially line in character and shall be responsible for the delivery of all front line Services of the Ministry.

For such purposes, a Ministry Regional Office shall have, within its administrative region, the following functions:

- (a) Implement laws, and policies, plans, programs, projects, rules and regulations of the Ministry;
- (b) Provide efficient, and effective service to the people;
- (c) Coordinate with regional offices of other ministries, offices and agencies;
- (d) Coordinate with local government units;
- (e) Perform such other function as may be provided by law.

Section 12. Bureau of Air Transportation. The Bureau of Air Transportation, as reorganized herein, shall have the functions of developing, formulating and recommending plans, policies, programs, projects, standards, specifications and guidelines related to air transportation including air space utilization, air traffic control and aeronautics communications and information services, aircraft and air navigational facilities, services, maintenance and operations. For such purposes, it shall, with the approval of the Minister:

- (a) Establish and prescribe rules and regulations for the inspection and registration of aircrafts;
- (b) Establish and prescribe rules and regulations for the issuance of licenses to qualified airmen;
- (c) Establish and prescribe rules and regulations for the enforcement of laws governing air transportation, including the penalties for violations thereof, and for the deputization of appropriate law enforcement agencies in pursuance thereof;
- (d) Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public air utility facilities and services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies or associations recognized by the Philippine Government as the proper arbiter of such charges or rates;
- (e) Administer and operate the Civil Aeronautics Training Center;

- (f) Perform such other functions as may be provided by law.

Section 13. Bureau of Land Transportation. The Bureau of Land Transportation is hereby created and shall have the functions of developing, formulating and recommending plans, programs, policies, standards, specifications and guidelines pertaining to land transportation. For such purposes, it shall, with the approval of the Minister:

- (a) Establish and prescribe rules and regulations for routes, zones and/or areas of operations of particular operators of public land and services;
- (b) Establish and prescribe rules and regulations for the issuance of certification of public convenience for the operation of public and land transportation utilities and services such as motor vehicles, trimobiles, and railroad lines;
- (c) Establish and prescribe rules and regulations for the inspection and registration of public and land transportation facilities such as motor vehicles, trimobiles, and railroad lines;
- (d) Establish and prescribe rules and regulations for the issuance of licenses to qualified motor vehicle drivers, trimobile drives, motor vehicle conductors, train engineers and train conductors;
- (e) Establish and prescribe the corresponding rules and regulations for the enforcement of laws governing land transportation, including the penalties for violation thereof, and for deputization of appropriate law enforcement agencies in pursuance thereof;
- (f) Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public and land utility facilities and services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies or associations recognized by the Philippines Government as the proper arbiter of such charges or rates.
- (g) Establish and prescribe the rules, regulations, procedures and standards for the accreditation of driving schools;
- (h) Perform such other transportations as may be provided by law.

Section 14. Maritime Industry Authority. The Maritime Industry Authority is hereby retained and shall have the following functions:

- (a) Develop and formulate, plans, policies, programs, projects, standards, specifications and guidelines geared toward the promotion and development of the maritime industry, the growth and effective regulation of shipping enterprises, and for the national security objectives of the country;
- (b) Establish, prescribe and regulate routes, zones and/or areas of operation of particular operators of public water services;
- (c) Issue Certificates of Public Convenience for the operation of domestic and overseas water carriers;
- (d) Register vessels as well as issue certificates, licenses or documents necessary or incident thereto;
- (e) Undertake the safety regulation, functions pertaining to vessel construction and operation including the determination of manning levels and issuance of certificates of competency to seamen;
- (f) Enforce laws, prescribed and enforce rules and regulations, including penalties for violation thereof, governing water transportation and the Philippine merchant marine with the aid of other law enforcement agencies;
- (g) Undertake the issuance of license to qualified seamen and harbor, bay and river pilots;
- (h) Determine, fix and/or prescribed charges and/or rates pertinent to the operation of public water transport utilities, facilities all services except cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies associations recognized by the Philippine Government as the proper arbiter of such charges or rates;

- (i) Accredit marine surveyors and maritime enterprises engaged in shipbuilding, shiprepair, shipbreaking, domestic and overseas shipping, ship management and agency;
- (j) Supervise the Philippine Merchant marine Academy as reorganized herein in accordance with its charter, the provisions hereof and applicable laws, rules and regulations under the chairmanship of the maritime administrator;
- (k) Issue and register the Continuous Discharge Book of Filipino Seaman;
- (l) Establish and prescribe rules and regulations, standards and procedures for the efficient and effective discharge of the above functions;
- (m) Perform such other functions as may now or hereafter be provided by law.

Section 15. Bureau of Telecommunications. The Bureau of telecommunications, as reorganized herein, shall develop, formulate and recommend plans, policies, programs, standards, specifications and guidelines to provide telecommunications facilities, including telecommunications systems for purposes of augmenting limited or inadequate existing private telecommunications service; provide telecommunications services in areas where no such services are available; and assist the private sector engaged in telecommunication services. For such purposes, it shall, with the approval of the Minister:

- (a) Established and prescribe rules and regulations for the operation and maintenance of such telecommunications facilities in areas not adequately served by the private sector in order to render such domestic and overseas services that are necessary or proper with due consideration for advances in technology;
- (b) Administer and operate the Telecommunication Training Institute;
- (c) Perform such other functions as may be provided by law.

Section 16. Bureau of Posts. The Bureau of Posts, presently existing, shall have the functions of developing, formulating and recommending plans, policies, programs, standards, specifications and guidelines to provide safe, fast, reliable and efficient postal service in the country. For such purposes, it shall, with the approval of the Minister:

- (a) Establish and prescribe rules and regulations for the enforcement of laws governing, postal service, including the penalties for violation thereof and for the deputization of appropriate law enforcement agencies in pursuance thereof;
- (b) Determine, fix and/or prescribe charges and/or rates for postal services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies or associations recognized by the Philippine Government as the proper arbiter of such charges or rates;
- (c) Establish and prescribe rules and regulations for the operation and maintenance of a nationwide postal systems that shall include mail processing, delivery services, and money order services and the promotion of philately;
- (d) Perform such other functions as may be provided by law.

Section 17. Abolition/Transfer/Consolidation:

- (a) The Land Transportation Commission is hereby abolished and its staff functions are transferred to the Bureau of Land Transportation as provided in Section 13 herein and its Line functions are transferred to the Ministry Regional Offices as provided in Section 11 herein. Such transfer of functions is subject to the provisions of Section 19 (b) herein.
- (b) The National Aero Manufacturing, Inc. and the Philippine Aero Systems, Inc. are hereby transferred from the Ministry of Tourism to the Ministry as an attaché agency in accordance with the provisions of Section 19 (a) hereof.

Section 18. Attached Agencies and Corporations.

- (a) The following agencies and corporations are attached to the Ministry: the Philippine National Railways, the Maritime Industry Authority, the Philippine National lines, the Philippine Aerospace Development Corporation, the Metro Manila Transit Corporation, the Office of Transport Cooperatives, the Philippine Ports Authority, the Philippine Merchant Marine Academy, the Toll Regulatory Board, the Light Rail Transit Authority, the Transport Training Center, the Civil Aeronautics Board, the National Telecommunications Commission and the Manila International Airport, Authority.
- (b) An Airport Security Center is hereby created within the Manila International Airport, Authority, to plan, supervise, control, coordinate, integrate and direct intelligence and operational activities of all police and military units, security and safety service units, government monitoring and intelligence units and other security operating units employed by government entities and/or by private agencies in the Manila International Airport. The center is under the direct supervision and control of the MIAA General Manager. Moreover, the Authority shall be authorized to organize a Manila International Airport Police Force with all the police powers necessary to implement the objectives of the Center. The exercise of supervision and control by the Airport Security Center does not include the transfer of appropriation, equipment and personnel to the said Authority; PROVIDED, that the Airport Security Center may cause the development of equipment and personnel in such manner it deems necessary in the discharge of its functions.

Section 19. Transitory Provisions. In accomplishing the acts of reorganization herein prescribed, the following transitory provisions shall be complied with, unless otherwise provided elsewhere in this Executive Order:

- (a) The transfer of a government unit shall include the functions, appropriations, funds, records, equipment, facilities if any, of the transferred unit as well as the personnel thereof, as may be necessary, who shall, in a hold over capacity, continue to perform their respective duties responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from government service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Construction. Those personnel of the transferred unit whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister or who are not reappointed shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of Section 20 hereof.
- (b) The transfer of functions which results in the abolition of the government until that has exercised them shall include the appropriations, funds, records, equipment, facilities, choses in action, rights, other assets and personnel as may be necessary to the proper discharge of the transferred functions. The abolished unit's remaining appropriations and funds, if any, shall revert to the General Fund and its remaining assets, if any, shall be allocated to such appropriate units as the Minister shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Its liabilities, if any, shall likewise be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Its personnel shall, in a hold-over capacity, continue to perform their duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Its personnel, whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.
- (c) The transfer of functions which does not result in the abolition of the government unit that has exercised them shall include the appropriations, funds, records, equipment, facilities, choses in action, rights, other assets and personnel as may be necessary to the proper discharge of the transferred functions. The liabilities, if any, that may have been incurred in connection with the discharge of the transferred functions, shall be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. Such personnel shall, in a hold-over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Personnel, whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who have not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.
- (d) In case of the abolition of a government unit which does not result in the transfer of its function to another unit, the appropriations and funds of the abolished units shall revert to the General Fund, while the records, equipment, facilities, choses in action, rights, and other assets, thereof shall be allocated to such appropriate units as the Minister shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The liabilities of the abolished unit shall be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations,

while the personnel thereof, whose position are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who have not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.

- (e) In case of merger or consolidation of government units, the new or surviving unit shall exercise the functions (subject to the reorganization herein prescribed and the laws, rules and regulations pertinent to the exercise of such functions) and shall acquire the appropriations, funds, records, equipment, facilities, choses in action, rights, other assets, liabilities, if any, and personnel, as may be necessary, of (1) the units that compose the merged unit or (2) the absorbed unit, as the case may be. Such personnel shall, in a hold over capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from the service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution. Any such personnel, whose positions is not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who is not reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.
- (f) In case of termination of a function which does not result in the abolition of the government unit which has performed such function, the appropriation and funds intended to finance the discharge of such function shall revert to the General Fund, while the records, equipment, facilities, choses in action, rights and other assets used in connection with the discharged of such function shall be allocated to the appropriate units as the Minister shall determine or shall otherwise be disposed in accordance with the Government Auditing Code and other pertinent laws, rules and regulations, The liabilities, if any, that have been incurred in connection with the discharge of such function shall likewise be treated in accordance with the Government Auditing Code and other pertinent laws, rules and regulations. The personnel who have performed such function, whose positions are not included in the Ministry's new position structure and staffing pattern approved and prescribed by the Minister under Section 20 hereof or who have not been reappointed, shall be deemed separated from the service and shall be entitled to the benefits provided in the second paragraph of the same Section 20.

Section 20. New Structure and Pattern Upon approval of this Executive Order, the officers (the term "officer" as used in this Executive Order is intended to be within the meaning of the term "official" as used in the Freedom Constitution and employees of the Ministry shall, in a hold capacity, continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits unless in the meantime they are separated from government service pursuant to Executive Order No. 17 (1986) or Article III of the Freedom Constitution.

The new position structure and staffing pattern of the Ministry shall be approved and prescribed by the Minister, for the Ministry, within one hundred twenty (120) days from the approval of this Executive Order and the authorized positions created thereunder shall be filled with regular appointments by him or by the President as the case may be. Those incumbents whose positions are not included therein or who are not reappointed shall be deemed separated from the service shall receive the retirement benefits to which they may be entitles under existing laws, rules and regulations. Otherwise, they shall be paid the equivalent of one month basic salary for every year of service, or the equivalent nearest fraction thereof favorable to them on the highest salary received, but in no case shall such payment exceed the equivalent of 12 months salary.

No court or administrative body shall issue any writ or preliminary injunction or restraining order to enjoin the separation / replacement of any officer or employee effected under this Executive Order.

Section 21 Prohibition Against Changes. No change in the reorganization herein prescribes shall be valid except upon prior approval of the President for the purposes of promoting efficiency and effectiveness in the delivery of public services.

Section 22. Implementing Authority of Minister. The Minister shall issue such orders, rules, regulations and other issuances as may be necessary to ensure the effective implementation of the provisions of this Executive Order.

Section 23. Notice or Consent Requirements. If any reorganizational change herein authorized is of such substance or materiality as to prejudice third persons with rights recognized by law or contact such that notice to or consent of creditors is required to be made or obtained pursuant to any agreement entered into with any of such creditors, such notice or consent requirement shall be complied with prior to the implementation of such reorganizational change.

Section 24. Funding. Funds needed to carry out the provisions of this Executive Order shall be taken from funds available in the Ministry.

Section 25. Change of Nomenclature. In the event of the adoption of a new Constitution which provides for a presidential form of government, the Ministry shall be called Department of Transportation and Communications and the titles of Minister, Deputy Minister, and Assistant Minister shall be changed to Secretary, Undersecretary and Assistant Secretary, respectively.

Section 26. Separability. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying other portions or provisions hereof, as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

Section 27. Repealing Clause. Presidential Decree No. 390 and Letters of Instruction No. 5, 263 and 371 are hereby repealed. All laws, ordinances, rules, regulations, other issuances or parts thereof, which are inconsistent with this Executive Order, are hereby repealed or modified accordingly.

Section 28. Effectivity. This Executive Order shall take effect immediately upon its approval. Approved in the City of Manila, Philippines, this 30th day of January, in the Year of Our Lord, Nineteen Hundred and Eighty-seven.

By the President:

JOKER P. ARROYO
Executive Secretary

(2) Executive Order 125-A

Amending Executive Order No. 125, Entitled “Reorganizing the Ministry of Transportation and Communications, Defining its powers and Functions, and for other purposes”

Whereas, considering the peculiar situation obtaining in the Department of Transportation and Communications (DOTC), there is a compelling need to clarify and/or modify the structural and functional organization of the Department as provided under Executive Order No. 125 in order to ensure compliance with its mandate and the attainment of the corresponding objectives as specified in Section 4 of said Executive Order.

Now, Therefore, I, Corazon C. Aquino, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

Section 1. Section 5, 8, 9, 10, and 11 of Executive Order No. 125-A, otherwise known as the Reorganization Act of the Ministry of Transportation and Communication, are hereby amended to read as follows:

Section 5. Powers and Functions. To accomplish its mandate, the Department shall have the following powers and functions:

- (a) Formulate and recommend national policies and guidelines for the preparation and implementation of integrated and comprehensive transportation and communications systems at the national, regional and local levels;
- (b) Establish and administer comprehensive and integrated programs for transportation and communications, and for this purpose, may call on any agency, corporation, or organization, whether public or private, whose development programs include transportation and communications as an integral part thereof, to participate and assist in the preparation and implementation of such programs;
- (c) Assess, review and provide direction to transportation and communications research and development programs of the government in coordination with other institutions concerned;
- (d) Administer and enforce all laws, rules and regulations in the field of transportation and communications;
- (e) Coordinate with the Department of Public Works and Highways in the design, location, development, rehabilitation, improvement, construction, maintenance and repair of all infrastructure projects and facilities of the Department shall be authorized to undertake specialized telecommunications, ports, airports and railways projects and facilities as directed by the President of the Philippines or as provided by law;

- (f) Establish, operate and maintain a nationwide postal system that shall include mail processing, delivery services, and money order services and promote the art of philately;
- (g) Issue certificates of public convenience for the operation of public land and rail transportation utilities and services;
- (h) Accredite foreign aircraft manufactures and/or international organizations for aircraft certification in accordance with established procedures and standards;
- (i) Establish and prescribe rules and regulations for identification of routes, zones and/or areas of operation of particular operators of public land services;
- (j) Establish and prescribe rules and regulations for the establishment, operation and maintenance of such telecommunications facilities in areas not adequately served by the private sector in order to render such domestic and overseas services that are necessary with due consideration for advances in technology;
- (k) Establish and prescribe rules and regulations for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, money order services and promotion of philately;
- (l) Establish and prescribe rules and regulations for the issuance of certificates of public convenience for public land transportation utilities, such as motor vehicles, trimobiles and railways;
- (m) Establish and prescribe rules and regulations for the inspection and registration of air and land transportation facilities, such as motor vehicles, trimobiles , railways and aircraft;
- (n) Establish and prescribe rules and regulations for the issuance of licenses to qualified motor vehicle drivers, conductors, and airmen;
- (o) Establish and prescribe the corresponding rules and regulations for the enforcement of laws governing land transportation, air transportation and postal services, including the penalties for violations thereof, and for the deputation of appropriate law enforcement agencies in pursuance thereof;
- (p) Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public air and land transportation utility facilities and services, except such rates and/or charges as may be prescribed by the Civil Aeronautics Board under its charter, and, in cases where charges or rates are established by international bodes of associations of which the Philippines is a participations member or by bodies or associations recognized by the Philippine government as the proper arbiter of such charges or rates;
- (q) Establish and prescribe the rules, regulations , procedures and standards for the accreditation of driving schools;
- (r) Administer and operate the Civil Aviation Training Center (CATC) and the National Telecommunications Training Institute (NTTI); and
- (s) Perform such other powers and functions as may be prescribed by law, or as may be necessary, incidental, or proper to its mandate, or as may be assigned from time to time by the President of the Republic of the Philippines.”

“ **Section 8. Undersecretaries.** The Secretary shall be assisted by four (4) undersecretaries appointed by the President upon the recommendation of the Secretary.

“**Section 9. Assistant Secretaries and Service Chiefs.** The Secretary shall also be assisted by eight (8) Assistant Secretaries appointed by the President upon the recommendation of the Secretary, each of whom shall respectively be responsible for the following four (4) staff offices composed of eight (8) services and four (4) line offices, and shall report to the respective Undersecretaries assigned by the Secretary, which Undersecretary shall have control and supervision over said respective services and offices;

- (a) Office of the Assistant Secretary for Administrative and Legal Affairs:
 - 1) Administrative Service
 - 2) Legal Service
- (b) Office of the Assistant Secretary for Finance and Comptrollership;
 - 1) Finance and Management Service

- 2) Comptrollership Service
- (c) Office of the Assistant Secretary for Planning and Project Development;
 - 1) Planning Service
 - 2) Project Development Service
- (d) Office of the Assistant Secretary for Management Information Service and Project Management;
 - 1) Management Information Service
 - 2) Project Management; Service
- (e) Office of the Assistant Secretary for Land Transportation;
- (f) Office of the Assistant Secretary for Postal Services;
- (g) Office of the Assistant Secretary for Telecommunications;
- (h) Office of the Assistant Secretary for Air Transportation.

Each of the above –named services shall be headed by a service chief appointed by the President upon the recommendation of the Secretary.”

“**Section 10. Structural Organization.** The Department, aside from the Department proper which is comprised of the Offices of the Secretary, Undersecretary and Assistant Secretaries shall include the Department regional offices and the attached agencies and corporations referred to in Section 14 hereof.

The Offices of the Secretary shall have direct line supervision and control over the Department regional offices. The Department proper shall be responsible for developing and implementing policies, plans, programs and projects for the Department.”

“**Section 11. Department Regional offices.** The Department shall have three (3) Department Regional offices in each of the administrative regions of the country: the Department Regional office for Land Transportation, the Department Regional office for Telecommunications and the Regional Office for Postal Services. The present Regional Offices of the Land Transportation Commission are hereby abolished and their functions are transferred to the respective Department Regional offices for Land Transportation. The present Regional offices of the Bureau of Telecommunications are hereby abolished and their functions are transferred to the respective Department Regional offices for Telecommunications. The present Regional offices of the Bureau of Posts are hereby abolished and their functions are transferred to the corresponding Department Regional offices for Postal Services. Each Department Regional office shall be headed by a Department Regional Director and assisted by a Department Assistant Regional Director. The present Airport Offices of the Bureau of Air Transportation are hereby abolished and their functions are transferred to the Department Airport Offices. The abolition of the herein Regional Offices and the transfer of their functions shall be governed by the provisions of Section 15 (b) hereof.

The Department Regional offices shall essentially be line in character and shall be responsible for the delivery of all front line services of the Department.

For such purposes, the Department Regional offices shall have, within their respective administrative regions, the following functions:

- (a) Implement laws, and policies, plans, programs, projects rules and regulations of the Department;
- (b) Provide efficient, and effective services to the people;
- (c) Coordinate with regional offices of other departments, offices and agencies;
- (d) Coordinate with local government units;
- (e) Perform such other functions as may be provided by law.”

Section 2. Section 12,13,15 and 16 of said Executive Order are hereby deleted.

Section 3. Section 14 of said Executive Order is hereby renumbered as Section 12 and amended to read as follows:

“**Section 12. Maritime Industry Authority.** The Maritime Industry Authority is hereby retained and shall have the following functions:

- (a) Develop and formulate plans, policies, programs , projects, standards, specifications and guidelines geared toward the promotion and development of the maritime industry, the growth and effective regulation of shipping enterprises, and for the national security objectives of the country;
- (b) Establish, prescribe and regulate routes, zones and/or areas of operation of particular operators of public water services;
- (c) Issue Certificates of Public Convenience for the operation of domestic and overseas water carriers;
- (d) Register vessels as well as issue certificated, licenses or documents necessary or incident thereto;

- (e) Undertake the safety regulatory functions pertaining to vessel construction and operation including the determination of manning levels and issuance of certificates of competency to seamen;
- (f) Enforce laws, prescribe and enforce rules and regulations, including penalties for violations thereof, governing water transportation and the Philippine merchant marine, and deputize the Philippine Coast Guard and other law enforcement agencies to effectively discharge these functions;
- (g) Undertake the issuance of licenses to qualified seamen and harbor, bay and river pilots;
- (h) Determine, fix and/or prescribe charges and/or rates pertinent to the operation of public water transport utilities, facilities and services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies or associations recognized by the Philippine Government as the proper arbiter of such charges or rates.
- (i) Accredite marine surveyors and maritime enterprise engaged in shipbuilding, shiprepair, shipbreaking, domestic and overseas shipping, ship management and agency;
- (j) Issue and register the continuous discharge book of Filipino seamen;
- (k) Establish and prescribe rules and regulations, standards and procedures for the efficient and effective discharge of the above functions;
- (l) Perform such other functions as may now or hereafter be provided by law.”

Section 4. Section 17 of Executive Order No. 125 is hereby. Renumbered as Section 13 and amended to read as follows:

“Section 13. Abolition / Transfer / Consolidation:

- (a) The Land Transportation Commission is hereby abolished and its staff functions are transferred to the service offices of the Department Proper and its line functions are transferred to the Department Regional Offices for Land Transportation as provided in Section 11 herein. Such transfer of functions is subject to the provisions of Section 15(b) hereof. The quasi-judicial powers and functions of the Commission are transferred to the Department. The corresponding position structure and staffing pattern shall be approved and prescribed by the Secretary pursuant to Section 16 hereof.
- (b) PNL Leasing, Inc. is hereby abolished and its functions are transferred to Philippine National Lines, Inc. subject to the provisions of Section 15 (b) hereof. The Secretary of Transportation and Communications or his designated representative shall be the Chairman of the Board.
- (c) The National Aero Manufacturing, Inc. and the Philippine Aero systems, Inc. are hereby abolished in accordance with the provisions of Section 15 (a) hereof.
- (d) The Civil Aeronautics Board is hereby transferred from the Department of Tourism to the Department as an attached agency in accordance with the provision of Section 15 (a) hereof. The Secretary of Transportation and Communications or his designated representative shall be the Chairman of the Board.
- (e) The Maritime, Training Council’s function of issuing certification of competency to seamen under **1.01** 1404 in hereby transferred to the Maritime Industry Authority.”

Section 5. Section 18, 19, 20, 21, 22, 23, 24, 25 and 26 of said Executive Order are hereby renumbered as Section 14, 15, 16, 17, 18, 19, 20, 21 and 22, respectively.

Section 6. Section 27 of said Executive Order is hereby renumbered as Section 23 and amended to read as follows:

“Section 23. Repealing Clause. Presidential Decree No. 890, Letter of Instruction Nos. 263 and 371 Executive Order No. 1011 dated March 20, 1985 are hereby repealed of modified accordingly. “

Section 7. Section 28 of said Executive Order is hereby renumbered as Section 24.

Section 8. This Executive Order shall take effect immediately upon its approval.

Done in the City of Manila, Philippines, this 13th day of April, in the Year of Our Lord, Nineteen Hundred and Eighty-Seven.

CORAZON C. AQUINO

By the President:
JÓKER P. ARROYO
 Executive Secretary

Appendix 16.3.2 PPA

(1) Presidential Decree No. 857

REVISED CHARTER OF THE PHILIPPINE PORTS AUTHORITY

AS AMENDED BY
EXECUTIVE ORDER NO. 513 DATED 16 NOVEMBER 1978
EXECUTIVE ORDER NO. 546 DATED 23 JULY 1979
LETTER OF INSTRUCTION NO. 1005-A DATED 11 APRIL 1980
EXECUTIVE ORDER NO. 710 DATED 27 JULY 1981
EXECUTIVE ORDER NO. 783 DATED 16 MARCH 1982
EXECUTIVE ORDER NO. 159 DATED APRIL 1987

Tanggapan ng Pangulo ng Pilipinas
Office of the President of the Philippines
Malacanang
Manila

Presidential Decree No. 857
(As amended)

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

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

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

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

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

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

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

Article I. TITLE

SECTION I. TITLE- This Decree shall be known as the Revised Charter of the Philippine Ports Authority created under Presidential Decree No. 505 dated July 11, 1974.

ARTICLE II. DECLARATION OF POLICIES

SECTION 2. DECLARATION OF POLICIES AND OBJECTIVES-It is hereby declared to be the policy of the State to implement and integrated program for the planning, development, financing, and operation of Ports or Port Districts for the entire country in accordance with the following objectives:

- a) To coordinate, streamline, improve and optimize the planning, development, financing, construction, maintenance and operation of ports, port facilities, port physical plants, and all equipment used in connection with the operation of a Port.
- b) To ensure the smooth flow of water borne commerce passing through the country's ports whether public or

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

ARTICLE III. DEFINITIONS

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

- a) "Authority" means the Philippine Ports Authority created by this Decree.
- b) "Board" means the Board of Directors of the Authority appointed by the President under Section 7 of this Decree.
- c) "Functions" includes powers and duties.
- d) "Port District" means the territorial jurisdiction under the control, supervision or ownership of the Authority over an area (land or sea), declared as such in accordance with Section 5 of this Decree including but not limited to any Port within said District.
- e) "Port" means a place where ships may anchor or tie up for the purpose of shelter, repair, loading or discharge of cargo, or for other such activities connected with water-borne commerce, and including all the land and water areas and the structures, equipment and facilities related to these functions.
- f) "Navigable water" means all navigable portions of the seas, estuaries, and inland waterways.
- g) "Anchorage" means a place with sufficient depth of water where vessels anchor or may ride at anchor within the harbor.
- h) "Terminal Facility" includes the seaport and its facilities of wharves, piers, slips, docks, dry-docks, bulkheads, basins, warehouses, cold storage, and loading or unloading equipment.
- i) "Basin" means a naturally or artificially enclosed or nearly enclosed body of water in free communication with the sea.
- j) "Dock" includes locks, cuts, entrances, graving docks, inclined plans, shipways, quays, and other works and things appertaining to any dock.
- k) "Dry-dock" means a dock from which the water can be temporarily excluded, in order to effect repairs to hulls and keels of ships or vessels.
- l) "Pier" means any structure built into the sea but not parallel to the coast line and includes any stage, stair landing place, landing stage, jetty, floating barge or pontoon, and any bridge or other works connected therewith.
- m) "Warehouse" means a building or shed used for the storage of cargo.
- n) "Transit Shed" means a building or shed, which is situated at or near a quay, wharf or pier, and is used for the temporary or short-term storage of goods in transit, or to be shipped or discharged from a vessel.
- o) "Wharf" means a continuous structure built parallel to along the margin of the sea or alongside riverbanks, canals, or waterways where vessels may lie alongside to receive or discharge cargo, embark or disembark passengers, or lie at rest.
- p) "Transport Facility" includes rails and railcars, highways, wheeled vehicles, bridges, tunnels, tramways, subways, passenger or cargo vessels, ferry-boats, lighters, tugs, barges, scows, ramps, and any kind of facilities in use or for use of the transportation, movement, or carriage of goods or passengers.
- q) "Lighter" means a flat-bottomed boat or barge used in loading or unloading cargo to and from vessels.
- r) "Vessel" includes any ship or boat, or any description of a vessel or boat.
- s) "Goods" includes animals, carcasses, baggage, and any movable property of any kind.
- t) "Dues" includes harbor fees, tonnage and wharfage dues, berthing charges, and port dues and any other dues or fees imposed by virtue of existing law or this Decree.
- u) "Rates" means any rates or charges including any toil or rent under existing law or imposed by the Authority by virtue of this Decree for facilities used or services rendered.

ARTICLE IV. ESTABLISHMENT, CONSTITUTION, POWERS AND DUTIES

SECTION 4. CREATION OF PHILIPPINE PORTS AUTHORITY-

- a) There is hereby established a body corporate to be known as the Philippine Ports Authority (hereinafter called the Authority), which shall be attached to the Department of Transportation and Communications for policy and

program coordination (pursuant to Executive Order No. 710 dated 27 July 1981 and Malacanang Administrative Order No. 15 dated February 11, 1987)

- b) The principal office of the Authority shall be located in Metropolitan Manila, but may establish port management units and other offices elsewhere in the Philippines as may become necessary for the proper conduct of its business.

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

SECTION 6 CORPORATE POWERS AND DUTIES-

- a) The corporate duties of the Authority shall be:

- i) To formulate in coordination with the National Economic and Development Authority a comprehensive and practical Port Development Plan for the State and to program its implementation, renew and update the same annually in coordination with other national agencies.
- ii) To supervise, control, regulate, construct, maintain, operate, and provide such facilities or services as are necessary in the ports vested in, or belonging to the Authority.
- iii) To prescribe rules and regulations, procedures, and guidelines governing the establishment, construction, maintenance, and operation of all other ports, including private ports in the country.
- iv) To license, control, regulate, supervise any construction or structure within any Port District.
- v) To provide services (whether on its own, by contract, or otherwise) within the Port District and the approaches thereof, including but not limited to- berthing, towing, mooring, moving, slipping, or docking any vessel; loading or discharging any vessel; sorting, weighing, measuring, warehousing, or otherwise, handing goods.
- vi) To exercise control or administer any foreshore rights or leases which may be vested in the Authority from time to time.
- vii) To coordinate with the Bureau of Lands or any other government agency or corporation, in the development of any foreshore area.
- viii) To control, regulate, and supervise pilotage and the conduct of pilots in any Port District.
- ix) To provide or assets in the provision of training programs and training facilities for its staff, or staff of port operators and users for the efficient discharge of its functions, duties, and responsibilities.
- x) To perform such acts or provide such services as may as be deemed proper or necessary to carry out and implement the provisions of this Decree, INCLUDING ADOPTION OF NECESSARY MEASURES TO REMEDY CONGESTION IN ANY GOVERNMENT PORT, AND IN COORDINATION WITH THE BUREAU OF CUSTOMS IN THE CASE OF PORTS OF ENTRY (As amplified by Exec. Order No. 513)

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

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

- xiii) To supply water or bunkers for ships.
- xiv) To obtain insurance for or require the insurance of any property, movable or immovable belonging to the Authority and/or goods in the custody of the Authority.
- xv) To do all such other things and to transact all such business directly or indirectly necessary, or conducive to the attainment of the purposes of the Authority.
- xvi) Generally, to exercise all the powers of a corporation under the Corporation Law insofar as they are not inconsistent with the provisions of this Decree.

POLICE AUTHORITY - THE AUTHORITY SHALL HAVE POLICE AUTHORITY WITHIN THE PORTS ADMINISTERED BY IT AS MAY BE NECESSARY TO CARRY OUT ITS POWERS AND FUNCTIONS AND ATTAIN ITS PURPOSES AND OBJECTIVES, WITHOUT PREJUDICE TO THE EXERCISE OF THE FUNCTIONS OF THE BUREAU OF CUSTOMS AND OTHER LAW ENFORCEMENT BODIES WITHIN THE AREA. SUCH POLICE AUTHORITY SHALL INCLUDE THE FOLLOWING:

- A) TO PROVIDE SECURITY TO CARGOES, PORT EQUIPMENT, STRUCTURE, FACILITIES, PERSONNEL AND DOCUMENTS; PROVIDED, HOWEVER, THAT IN PORTS OF ENTRY, PHYSICAL SECURITY TO IMPORT AND EXPORT CARGOES SHALL BE EXERCISED JOINTLY WITH THE BUREAU OF CUSTOMS.
- B) TO REGULATE THE ENTRY, TO EXIT FROM, AND MOVEMENT WITHIN THE PORT, OF PERSONS AND VEHICLES, AS WELL AS THE MOVEMENT WITHIN THE PORT OF WATERCRAFT.
- C) TO MAINTAIN PEACE AND ORDER INSIDE THE PORT, IN COORDINATION WITH LOCAL POLICE AUTHORITIES;
- D) TO SUPERVISE PRIVATE SECURITY AGENCIES OPERATING WITH THE PORT AREA; AND,
- E) TO ENFORCE RULES AND REGULATIONS PROMULGATED BY THE AUTHORITY PURSUANT TO LAW. (Par. C) above and all the subparagraphs thereunder as supplemented by Exec. Order No. 513)

SECTION 7 BOARD OF DIRECTORS-

- a) The corporate powers of the Authority shall be vested in a Board of Directors, which shall consist of the following members.
 - i) THE MINISTER (NOW SECRETARY) OF TRANSPORTATION AND COMMUNICATIONS, WHO SHALL ACT AS CHAIRMAN (as provided by Executive Order No. 710 dated 27 July 1981)
 - ii) The General Manager of the Authority, who shall act as Vice- Chairman.
 - iii) The Director- General of the National Economic and Development Authority
 - iv) The MINISTER (NOW SECRETARY) OF PUBLIC WORKS AND HIGHWAYS (As amended by Executive Order No.546 dated 23 July 1979 and further amended by Executive Order No. 710 dated 27 July 1981)
 - v) The Minister (now Secretary) of Finance
 - vi) The Minister (now Secretary) of Natural Resources
 - vii) The Minister (now Secretary) of Trade and Industry
 - viii) The ADMINISTRATORS OF THE MARITIME INDUSTRY AUTHORITY (pursuant to Executive Order No. 783 dated 16 March 1982)
The Directors listed under subsections a) (i) to (viii) shall be ex-officio members of the board of Directors.
 - ix) One (1) other person who shall be appointed by the President of the Philippines, representing the private, who by reason of his knowledge or experience is, in the opinion of the President, fit and proper person to be Director of the Board. Provided, that, in the absence of the Director appointed in subsections (ii) to (viii) the Director concerned shall designate the officer next in rank to him in his department or office to act on his behalf as Director.
- b) The Director from the private sector shall hold office for a period of three years from the date of his appointment and shall be eligible for reappointment upon the completion of such period.
- c) The members of the Board of their respective alternates shall receive a per diem as it may approve for each Board meeting actually attended by them: any one month for each member: Provided further, That no other allowances or any from of compensation shall be paid them except actual expenses in traveling to or from their residence to attend Board meetings.

ARTICLE V. ORGANIZATION AND STAFF SECTION 8. MANAGEMENT AND STAFF-

- a) The President shall, upon the recommendation of the Board, appoint the General Manager and the Assistant General Manager.
- b) All other officials and employees of the Authority shall be selected and appointed on the basis of merit and fitness based on a comprehensive and progressive merit system to be established by the Authority immediately upon its organization and consistent with Civil Service rules and regulations, PROVIDED, HOWEVER, THAT ALL PROFESSIONAL AND TECHNICAL POSITIONS SHALL BE CONSIDERED POLICY DETERMINING, PRIMARILY CONFIDENTIAL AND HIGHLY TECHNICAL IN NATURE. The recruitment, transfer, promotion, and dismissal of all personnel of the Authority, including temporary workers, shall be governed by such merit system (As amended by Exec. Order No. 513)
- c) The General Manager, shall subject to the approval of the Board, determine the staffing pattern and the number of personnel of the Authority, define their duties and responsibilities, and fix their salaries and emoluments. For professional and technical positions, the General Manager shall recommend salaries and emoluments that are comparable to those of similar positions in other government-owned corporations, the provisions of existing rules and regulations on wage and position classification notwithstanding.
- d) The General Manager shall, subject to the approval of the Board, appoint and remove personnel below the rank of Assistant General Manager.
- e) The General Manager of the Authority shall receive a salary to be determined by the Board, and approved by the President.
- f) The number of Assistant General Managers of the authority shall in no case exceed three (3) who shall each receive a salary to be determined by the Board and approved by the President.

SECTION 9. GENERAL POWERS AND DUTIES OF THE GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS.

- a) General Powers and Duties of the General Manager

The General Manager shall be responsible to the Board, and shall have the following general powers, functions and duties:

 - (i) To implement, enforce and apply the policies, programs, guidelines, procedures, decisions, rules and regulations promulgated, prescribed, issued or adopted by the Authority.
 - (ii) To manage the day to day affairs of the Authority, and ensure the operational efficiency of the Ports under the jurisdiction and ownership of the Authority.
 - (iii) To sign contracts, to approve expenditures and payments within the budget provisions, and generally to do any acts or things for the proper operations of the Authority or any of the Ports under the jurisdiction, control or ownership of the Authority.
 - (iv) To submit an annual budget to the Board for Recurrent income and Expenditure and the Estimated Capital Expenditure for its adoption not later than two months before the commencement of the ensuing fiscal year.
 - (v) To undertake research, studies, investigations, and other activities and projects, and to submit comprehensive reports and appropriate recommendations to the Board for its information and approval.
 - (vi) To perform such other duties as the Board may assign from time to time.
- b) General Powers and Duties of the Assistant General Managers- the Assistant General Manager of the Authority and shall have the following general powers, functions and duties:
 - (i) To assist the General Manager in implementing, enforcing, and applying the policies, programs, guidelines, procedures decisions, rules and regulations promulgated, prescribed, issued, or adopted by the Authority.
 - (ii) To assist the General Manager in the performance of his other functions and duties.
 - (iii) To perform such other duties as the General Manager may assign from time to time.

SECTION 9 A NATIONAL PORT ADVISORY COUNCIL

THERE IS, HEREBY CREATED A NATIONAL PORT ADVISORY COUNCIL TO BE COMPOSED OF THE GENERAL MANAGER OF THE PHILIPPINE PORTS AUTHORITY AS CHAIRMAN AND A REPRESENTATIVE EACH FROM THE DEPARTMENT OF LABOR AND EMPLOYMENT, THE BUREAU OF CUSTOMS, CHAMBERS OF COMMERCE AND INDUSTRY, IMPORT AND EXPORT ASSOCIATIONS, THE LOCAL SHIPPING COMPANIES, THE FOREIGN SHIPPING COMPANIES, ARRASTRE AND STEVEDORING COMPANIES, CONSUMERS GROUP, SHIPPING COUNCIL AND SUCH OTHER AGGRUPATIONS AS THE AUTHORITY MAY DEEM EXPEDIENT AS MEMBERS, WHICH SHALL ACT AS AN ADVISORY BODY TO ASSIST THE AUTHORITY IN THE FORMULATION OF ITS POLICIES. (An entirely new Section introduced by Exec. Order No. 513, as amended by Malacanang Administrative Order No. 15 dated February 11, 1987)

ARTICLE VI. CAPITAL, FINANCE AND ACCOUNTS

SECTION 10. CAPITAL-

- (a) The Authorized capital of the Authority IS HEREBY INCREASED FROM THREE BILLION PESOS TO

FIVE BILLION PESOS. (As amended by Exec. Order No. 513)

- (b) The initial paid up capital shall consist of :
 - (i) The value of assets (including port facilities, quays, wharves, and equipment) and such other properties, movable and immovable as may be contributed by the Government or transferred by the Government or any of its agencies as valued at the date of such contribution or transfer and after deducting into account the loans and other liabilities of the Authority at the time of the takeover of the assets and other properties.
 - (ii) The initial cash appropriation of 2 million pesos out of the funds of the National Treasury and such further sums, including working capital, as may be contributed by the Government.

SECTION 11. CREATION OF RESERVES- The balance of any revenue or income of the Authority remaining at the end of each year shall be applied to the creation of a general reserve or such other reserves as the Authority may deem appropriate.

SECTION 12. INVESTMENT OF FUNDS- The Authority may from time to time, invest any of its funds not immediately required to be expended in meeting its obligations or in the discharge of the functions of the Authority in such government securities approved by the Board.

SECTION 13. BORROWING POWERS-

- (a) The Authority may after consultation with the Central Bank and the Department of Finance, and with the approval of the President of the Philippines raise funds, either from local or international sources by way of loans, credits or securities, and borrowing instruments, including the power to create pledges, mortgages and other voluntary liens or encumbrances on any of its assets or properties.
- (b) All loans contracted by the Authority under this Section together with all interests and other sums payable in respect thereof, shall constitute a charge upon all the revenues and assets of the Authority and shall rank pari passu with one another, but shall have priority over any other claim or charge on the revenue assets of the Authority: Provided, That this provision shall not be construed as a prohibition or restriction on the power of the Authority to create pledges, mortgages and other voluntary liens or encumbrances on any property of the Authority.
- (c) Except as expressly authorized by the President of the Philippines, the total outstanding indebtedness of the Authority in the principal amount in local and foreign currency shall not at any time exceed the net worth of the Authority at the relevant time.
- (d) The President of the Philippines, by himself or through his duly authorized representative, is further hereby authorized to guarantee in the name and on behalf of the Republic of the Philippines, the payments of the loans or other indebtedness of the Authority up to the amount herein authorized.
- (e) All interests paid or payable by the Authority on its loans or other forms of indebtedness shall be exempt from taxes of whatsoever nature.

SECTION 14. ANNUAL BUDGET-

- (a) The Board shall every year cause to be prepared and shall adopt annual estimates of income and expenditures and estimates of capital expenditure of the Authority for the ensuing year. The Philippine Ports Authority Board of Directors is hereby authorized to program and approve all capital investments and expenditures on all projects of the Philippine Ports Authority before the same are implemented (As amplified by Executive Order No. 159 dated April 13, 1987).
- (b) Any provisions of law to the country notwithstanding, all revenues of the Philippine Ports Authority generated from the administration of its port or port-oriented services and from whatever sources shall be utilized exclusively for the operations of the Philippine Ports Authority as well as for the maintenance, improvement and development of its port facilities, upon the approval of the Philippine Ports Authority Board of Directors of the budgetary requirements, as exemptions to Presidential Decree No. 1234 and the budgetary processes provided in Presidential Decree No. 1177, as amended (As provided for under Executive Order No. 159, *ibid.*)
- (c) Supplementary estimates may be adopted and/or approved at any of the meetings of the Board (As amended by Executive Order No. 159)

SECTION 15. ANNUAL ACCOUNTS-

- (a) The Board shall cause proper accounts and other records of the Authority in relation thereto to be kept. An annual statement of account shall be rendered in respect to each year. The Authority shall maintain such accounts and other records under a commercial system of accounting.
- (b) The accounts of the Authority shall be kept and made up to 31 December in each year.
- (c) The annual statement of accounts of the Authority shall present a true and fair value of the financial position of the Authority and of the results of the operations of the Authority for the year to which it relates.

SECTION 16. AUDITOR

- (a) In consonance with existing laws and regulations, the Commission on Audit shall be appointed to audit the

- accounts of the Authority. In the fulfillment of international contractual commitments of the Authority, however, the Board, may engage services for any person or firm duly authorized by law to audit the accounts of the Authority.
- (b) The Auditor shall be paid out of the revenue of the Authority such remuneration, compensation or expenses as the Board may determine.

SECTION 17. AUDITOR' S REPORT- The Auditor shall as soon as practicable, but not later than three months after the accounts have been submitted for audit, send an annual report to the Board. The Auditor may also submit such periodical or special reports to the Board as may to him appear necessary.

SECTION 18. ANNUAL REPORT – The Board shall submit to the President of the Philippines together with the Auditor's Report on the relevant accounts, an annual report generally dealing with the activities and operations of the Authority during the preceding year and containing such information relating to the proceeding and policies of the Authority.

ARTICLE VII. DUES AND RATES

SECTION 19. DUES-

The President of the Philippines may upon recommendation of the Authority increase or decrease such dues collectible by the authority. The President of the Philippines may upon recommendation of the Authority increase or decrease such dues, collectible by the Authority to protect the interest of the Government and to provide a satisfactory return on the Authority's assets, and may adjust the schedule of such dues so as to reflect the costs of providing the services. Provided, however, that the rates of dues on all the ports of the Philippines upon the coming into operation of this Decree shall be those now provided under Parts 1,2,3 and 6 of Title VII of Book II of the Tariff and Customs Code, until such time that the President upon recommendation of the Board may order that the adjusted schedule of dues are in effect.

SECTION 20. RATES AND CHARGES-

- a) The Authority may impose, fix, prescribe, increase or decrease such rates, charges or fees for the use of port premises, works, appliances or equipment belonging to the Authority and port facilities provided, and for services rendered by the Authority or by any private organization within a Port District.

Provided that upon the coming into operation of this Decree, the rates of storage and arrastre charges in all ports of the Philippines shall be those now provided under Parts 4 and 5 of Title VII Book II of the Tariff and Customs Code until such time when the President of the Philippines upon recommendation of the Board may order that the revised rates, charges or fees are in effect.

THE GOVERNMENT SHARE FROM ALL CARGO HANDING CONTRACTORS AND PORT RELATED SERVICE OPERATORS SHALL BE At A RATE NOT LESS THAN 10 % TAKEN FROM THEIR GROSS INCOME EARNED FROM SUCH SERVICES (Pursuant to letter of Instruction No. 1005-A dated 11 April 1980).

- b) The Authority shall regulate the rate of charges for port services or port-related services so that taking one year with another, such rates or charges furnish adequate working capital and produce an adequate return on the assets of the Authority. In regulating the rates of charges for individual ports, the Authority shall take into account the development needs of the port's hinterland.
- c) All dues, fees, charges and other sums imposed and collected by the Authority shall accrue to the Authority and shall be disposed of in accordance with the provisions of this Decree.

SECTION 21. REMISSION OF DUES< RATES< OR CHARGES-

No amount due in respect of dues, rates or charges prescribed by the Authority under this Decree shall be waived or reduced except:

- a) 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; and
- b) For vessels seeking shelter from inclement weather or entering the port for medical help and other maritime necessary.

SECTION 22. REMEDIES FOR NONPAYMENT- If the master, owner or agent of any vessel refuses or neglects to pay on demand any dues, rates, or charges made under this Decree or any part thereof, the Authority may, in addition to any other remedy provided by law, restrain or arrest on its own authority such vessel and tackle, apparel or furniture belonging to the vessel, and detain the same until the amount or amounts due have been paid.

SECTION 23. WHEN RATES PAYABLE AND LIEN-

- a) Rates or charges in respect of goods to be landed become payable immediately on landing such goods.
- b) Rates or charges in respect of goods to be shipped are payable before the goods are loaded.
- c) Rates or charges in respect of goods to be removed from the premises of the Authority are payable on

demand.

- d) For the amount of rates of charges leviable under this Decree in respect of goods, the Authority shall have a lien on such goods and is entitled to detain them until the amount or rates or charges is fully paid. Such lien shall have priority over all other liens and claims, except claims for duties and taxes due to the Government and expenses of the sale.

SECTION 24. RECOVERY OF LIEN- Without prejudice to the Authority and rights of the Bureau of Customs in the disposition of property in Customs custody as provided for in the Tariff and Customs Code, as amended, if any goods which have been placed in or on the premises of the Authority are not removed there from within the prescribed period after the legal permit for their withdrawal and/or release from Customs custody, or the authority to load, in case of exports, has been issued by the Bureau of Customs, the Authority, with the prior concurrence of the Bureau of Customs, may dispose of any such goods in the manner as it deems fit in order to recover the lien; Provided, That the proceeds of the sale shall be applied in the following manner;

- a) Firstly, in payment of duties and taxes due to the Government;
- b) Secondly, in payment of expenses of the sale;
- c) Thirdly, in payment of the rates, charges, and fees due to the Authority in respect of the goods;
- d) Fourthly, in payment of freight, lighterage or general average, on the voyage of importation and in case of exports, in payment of domestic freight, lighterage and cartage, of which due notice shall have been given to the Authority;
- e) And finally, in rendering on demand the surplus, if any, to the person legally entitled thereto: Provided, That in case no such demand is made within a period of one year from the date of sale of the goods, the surplus, if any shall become part of the general funds of the Authority , whereupon all rights to the same by such person shall be extinguished.

SECTION 25. EXEMPTION FROM REALTY TAXES- The Authority shall be exempt from the payment of real property taxes imposed by the Republic of the Philippines; its agencies, instrumentalities or political subdivisions; Provided, That no tax exemptions shall be extended to any subsidiaries of the Authority that may be organized; Provided, finally, That investments in fixed assets shall be deductible for income tax purposes.

ARTICLE VIII. PORT REGULATIONS

SECTION 26. POWER TO MAKE PORT REGULATIONS-

- a) The Authority may, after consultation with relevant Government agencies, makes rules or regulations for the planning, development, construction, maintenance, control, supervision and management of any port or port district and the services to be provided therein, and for the maintenance of good order therein, and generally for carrying out the purposes of this Decree.
- b) The Authority may provide separate regulations for each category of ports or port districts.

SECTION 27. DANGEROUS CARGO-

- a) The Authority may make regulations for the conveyance, loading, discharging and storage of dangerous goods within any port, port district, and the approaches to the port.
- b) The Authority may provide separate regulations for each category of port or port districts.

SECTION 28. POWER OF HARBOR MASTER- Further to the provisions of any regulation under Section 26 and 27 of this Decree, the Authority thru the Harbor Master of a Port or Port District may:

- a) Direct where any vessel shall be berthed, moored, or anchored, and the method of anchoring with the port, and the approaches to the port,
- b) Direct the removal of any vessel from berth or anchorage to another berth or anchorage and the time within which such removal is to be effected, and
- c) Regulate the mooring of vessels AND DETERMINE THE SITE OF LOADING AND UNLOADING OF CARGOES WITHIN THE PORT IN COORDINATION WITH THE BUREAU OF CUSTOMS IN THE CASE OF PORTS OF ENTRY AND OTHER GOVERNMENT AGENCIES CONCERNED.

THE BUREAU OF CUSTOMS SHALL CONTINUE TO DESIGNATE THE PORT OF ENTRY FOR INCOMING VESSELS. (As amended by Exec. Order No. 513)

SECTION 29. EXISTING REGULATIONS- Anything to the contrary notwithstanding and until new rules or regulations are promulgated by the Authority under Section 26 and 27 of this Decree, the rules, regulations or orders made under the Customs Code or any other law of the Philippines relating to the matters covered by Sections 26, 27 and 28 shall continue to apply as if they were made under said sections and any reference to a customs official or any other official under any law of the Philippines shall be deemed a reference to an equivalent official of the Authority.

ARTICLE IX. TRANSFER OF ASSETS AND LIABILITIES

SECTION 30. TRANSFER OF EXISTING AND COMPLETED PHYSICAL FACILITIES- In accordance with the transitory provisions of this Decree, there shall be transferred to the Authority all existing and completed public port facilities, quays, wharves, docks, lands, buildings and other property, movable or immovable, belonging to those ports declared as Port Districts for purposes of this Decree.

SECTION 31. TRANSFER OF INTANGIBLE ASSETS- In accordance with the transitory provisions of this Decree, there shall be transferred to the Authority all intangible assets, powers, rights, foreshore rights, interests and privileges belonging to Bureau of Customs, and Bureau of Public Works (now Department of Public Works and Highways) and other agencies relating to the port works or port operations, subject to terms to be arranged by an between the Authority and agencies concerned. Any disagreement relating to such transfer shall be elevated to the President for decision.

SECTION 32. PROJECTS IN PROGRESS- In accordance with the transitory provisions of this Decree, all ongoing projects relating to the construction of ports and port facilities shall be continued by the agency or agencies involved until completion. After completion, such projects shall be transferred to the Authority in accordance with the agreement among agencies concerned. Any disagreement relating to such transfer shall be elevated to the President for decision.

SECTION 33. TRANSFER OF LIABILITIES AND DEBTS- Upon the transfer and acceptance by the Authority of the existing physical facilities, intangible assets, and completed projects referred to in the Sections immediately preceding, all debts, liabilities, and obligations of the Bureau of Customs, Bureau of Public Works and other government agencies or entitles concerned in respect of such physical facilities intangible assets and completed projects within the Port districts shall likewise be transferred to or deemed incurred by the Authority.

SECTION 34. The Philippine Coast Guard shall retain ownership of its properties and facilities which are necessary for the enforcement of laws, rules and regulations pertaining to safety of life and property at sea (SOLAS) found within ports and port districts and shall continue to administer, operate and maintain the same as well as assume the obligations and liabilities pertaining to such properties and facilities. All other properties and facilities of the Philippine Coast Guard found within ports and port districts, including all obligations and liabilities related thereto shall be deemed transferred to the Authority in accordance with Section 33 of this Decree.

Section 35. TRANSFER OF STAFF- Officials and employees of existing offices or agencies, or their subordinate units, which are abolished or reorganized under this Decree may be absorbed by the Authority on the basis of merit and fitness: Provided, That those officials and employees who are deemed qualified under both the Authority and the reorganized office, agency or unit shall have the option to either transfer or remain in their present office, agency or unit, or elect to be separated from the service with all the benefits they may be entitled to under existing laws: Provided, further, That those who do not qualify under the Authority shall be retained in the office or agency in which the unit was abolished.

SECTION 36. GRATUITY AND OTHER BENEFITS- All officials and employees whose services are terminated as a result of this Decree shall be given gratuities, equivalent to one month's salary for every year of continuous satisfactory service rendered but not exceeding twelve months on the basis of highest salary received, in addition to whatever benefits accorded to them existing laws.

ARTICLE X. PORT DEVELOPMENT AND MAINTENANCE

SECTION 37. ANY PROVISIONS OF LAW TO THE CONTRARY NOTWITHSTANDING, THE PHILIPPINE PORTS AUTHORITY SHALL BE RESPONSIBLE FOR THE PLANNING, DETAILED ENGINEERING, CONSTRUCTION, EXPANSION, REHABILITATION AND CAPITAL DREDGING OF ALL PORTS UNDER ITS PORT SYSTEM (As provided for under Executive Order No. 159 dated April 13 , 1987).

Accordingly, the Authority shall be responsible for:

- a) General planning, feasibility, studies, preliminary engineering, and prioritization of construction projects in all ports under its port system;
- b) Detailed engineering of construction projects in ports under its port system;
- c) Construction, including extension, expansion and reconstruction of ports under its port system, whether by contract or force account;
- d) Construction, dredging and reclamation of ports under its port system;
- e) Supervision of construction projects in public ports;
- f) Maintenance dredging of ports under its port system, involving the deepening of fairways, navigational channels and slips to restore them to the original designed depths; and
- g) Repair and maintenance of ports under its port system. (As amended by Executive Order Nos. 513 (dated 16 November 1978) and 159(dated April 13 , 1987).

ARTICLE XI. FINAL PROVISIONS

SECTION 38. TRANSITORY PROVISIONS-

- a) Until the President declares the Authority to be fully operational, the Bureau of Customs and Division of Ports and Harbors of the Bureau of Public Works may continue to perform, in coordination with the Authority, such port operations and port works as may be deemed necessary by the Authority: Provide, always, That the Authority may also, at any time as it deemed necessary, undertake the phased or gradual takeover of such port operations or port works.

N.B. A new Bureau of Ports, Harbors and Reclamations now absorbs the applicable functions of the defunct Bureau of Public Works pursuant to Exec. Order No. 546.

- b) The budget for staff operations and other expenses relating to port operations or port works of the Bureau of customs or the Bureau of Public Works (now Department of Public Works and Highways) as the case may be, during such transitional period, shall be submitted by them to the Authority for information and guidance be before implementation.
- c) All expenses and charges relating to the port operations and port works during transitional period shall be paid out of the funds of the Authority or such other funds as may be allocated to the Authority in the Annual Appropriations Act or other sources. For this purposes, the current budget provisions, funds and allocations of the Bureau of Customs , the Bureau of Public Works and other government agencies concerned pertaining to the expenses, including retirement funds, for personnel involved in port planning, maintenance and operations, the outlays for port works and port development, the existing balances as well as subsequent collections from port operations shall be transferred to the Authority in accordance with transfer arrangements to be negotiated by among the agencies concerned: Provided, however, That in case of disagreement relating to such transfer, the same shall be elevated to the President for decision Provide, further, That all transitional arrangement including transfers of property, funds, rights, powers and liabilities under this Decree shall not extend beyond Fiscal Year 1977.

SECTION 39. BUREAU OF CUSTOMS- The Tariff and Customs Code is hereby modified or amended to the extent that all the powers, duties and jurisdictions of the Bureau of Customs concerning the following matters shall be transferred to and be vests in the Authority:

- a) All dues, fees and rates collectible on vessels and cargoes under Title VII but excluding Part VII of the Code, AS AMENDED BY P.D. 34, REGARDLESS OF THE PORT OF PLACE OF CALL OF THE VESSEL, WHETHER ON GOVERNMENT OR PRIVATE PORT; (As amended by Exec. Order No. 513)
- b) The general supervision, control and regulation of all matters and affairs that pertain to the operation of and the issuance of permits or licenses to construct ports, port facilities, warehouses, and other facilities within port districts;
- c) All such other powers, duties and jurisdictions vested in the Bureau of Customs, pertaining to every matter concerning port facilities, port operations or port works.

SECTION 40. OTHER LAWS- Any and all other powers and rights, duties and functions and jurisdictions vested in and all properties and appropriations of any government agency, authority or instrumentality pertaining to every matter concerning port facilities, port operations or port works shall be transferred to and be vested in the Authority.

SECTION 41. REPEAL- All laws, decrees, Letters of Instructions, orders, rules and regulations, policies, programs or parts thereof inconsistent with or contrary to any of the provisions of this Decree are hereby repealed or modified, including but not limited to the following:

- a) R.A. No. 4567 creating the San Fernando Port Authority and R.A. No. 4663 as amended by R.A. No. 6086 creating the Cagayan de Oro Port Authority.
- b) Section 26 and 27 of Presidential Decree No. 458.
- c) Act. 3592 as amended, creating the Port Works Fund.
- d) Presidential Decree No.505.
- e) Section 711 as far as Port Administration is concerned. Section 3304 and such other inconsistent provisions of the Tariff and Customs Code without prejudice to the provisions of Section 38 of this Decree.
- f)Section 3 (a) as far as it concerns stevedoring, arrastre and customs brokerage services and the whole of Section 11 (c) of Presidential Decree No. 474 creating the Maritime Industry Authority.

SECTION 42. SEPARABILITY CLAUSE- If, for any reason, any section or Authority of local provision of this Decree is declared to be unconstitutional or invalid, the other sections or provisions of this Decree which are not affected thereby shall continue in full force and effect.

SECTION 43. PENALTIES

- a) Any person who violates any of the provisions of this Decree or any of the rules and regulations issued or promulgated by the Authority, shall be punished by imprisonment for not less than one day but not more than six years, and pay a fine of not less than two hundred pesos but not more than one hundred thousand pesos. If the offender is a government official or employee he shall, in addition to imprisonment and fine be perpetually disqualified to hold any public office. If the offender is a juridical person, the penalty of

imprisonment and fine shall be imposed upon its manager, director, representative or employee thereof responsible for the violation. If the offender is an alien he shall be deported immediately without further proceedings, after serving his sentence and paying the fine.

- b) Any license, franchise, authority or permit to exercise any right or privilege, which may have been issued by the Authority in accordance with this Decree or the rules and regulations issued or promulgated pursuant to this Decree, shall be deemed withdrawn and revoked upon conviction of the holder thereof.
- c) THE AUTHORITY SHALL HAVE THE POWER TO EXACT REASONABLE ADMINISTRATIVE FINES IN SUCH SPECIFIC AMOUNTS AND FOR SUCH SPECIFIC VIOLATIONS ARISING OUT OF THE USE OF THE PORT, AS SHALL PRESCRIBED IN RULES AND REGULATIONS WHICH THE AUTHORITY IS HEREBY AUTHORIZED TO ISSUE FOR THE PURPOSE SUBJECT TO ADDITIONS AS MAY BE SPECIFIED IN DULY PROMULGATED RULES AND REGULATIONS, THE FOLLOWING FINES SHALL BE IMPOSED FOR EACH VIOLATION AS INDICATED HEREUNDER.
 - 1) VESSEL MANEUVERING FOR BERTH OR ANCHOR WITHOUT THE NECESSARY PILOT IN PORT DECLARED UNDER COMPULSORY PILOTAGE BY REGULATIONS, A FINE NOT EXCEEDING TEN THOUSAND PESOS;
 - 2) VESSELS BERTHING OR MOORING OR LOADING OR UNLOADING OF CARGO IN PLACE AND TIME NOT SPECIFIED OR AUTHORIZED OR SHIFTING FROM ITS DULY AUTHORIZED BERTH WITHOUT PERMISSION TO DO SO BY THE AUTHORITY, A FINE NOT EXCEEDING FIVE THOUSAND PESOS FOR DOMESTIC VESSEL AND NOT EXCEEDING TEN THOUSAND PESOS FOR OVERSEAS VESSEL;
 - 3) VESSEL DEPARTING FROM THE PORT WITHOUT CLEARANCE OR PERMISSION FROM THE AUTHORITY, A FINE NOT EXCEEDING THREE THOUSAND PESOS FOR DOMESTIC VESSEL AND NOT EXCEEDING TEN THOUSAND PESOS FOR OVERSEAS VESSEL;
 - 4) VESSEL ALLOWING LOADING OR UNLOADING BY CARGO HANDLING OPERATOR NOT DULY AUTHORIZED BY THE AUTHORITY, A FINE NOT EXCEEDING FIVE THOUSAND PESOS;
 - 5) VESSEL LEFT WITHOUT MARINE OFFICER ON BOARD AND NECESSARY COMPLEMENT TO MOVE THE SAME WHEN DIRECTED BY THE AUTHORITY DUE TO NECESSARY, A FINE NOT EXCEEDING THREE THOUSAND PESOS;
 - 6) OPERATOR SHIFTING CARGO IN THE PORT OR AUTHORIZING WITHDRAWAL OR ENTRY OF CARGO IN PORT FOR STACKING WITHOUT CLEARANCE FROM THE AUTHORITY, A FINE NOT EXCEEDING TWO THOUSAND PESOS;
 - 7) VESSEL DUMPING OR CAUSING TO SPREAD CRUED OIL, KEROSENE OR GASOLINE IN THE BAY OR THE PIERS WITHIN THREE MILES FROM THE NEAREST COASTLINE; A FINE NOT LESS THAN ONE THOUSAND PESOS;
 - 8) VESSEL ANCHORING At ANY DOCK, PIER, WHARF, QUAY OR BULKHEAD WITHOUT RAT GUARDS, A FINE NOT EXCEEDING TWO HUNDRED PESOS FOR COASTWISE VESSEL, AND NOT EXCEEDING ONE THOUSAND PESOS FOR OVERSEAS VESSEL;
 - 9) VESSEL DUMPING GARBAGE OR SLOPS OVER THE SIDE WITHIN THREE MILES FROM THE NEAREST COASTLINE; A FINE NOT EXCEEDING ONE THOUSAND PESOS;
 - 10) VESSEL LOADING GASOLINE At A PLACE OTHER THAN THAT DESIGNATED BY THE REGULATIONS, A FINE NOT EXCEEDING ONE THOUSAND PESOS;
 - 11) VESSEL CAUSING THE EMISSION AND SPREAD OF HARMFUL GAS, FUMES, AND CHEMICALS, A FINE NOT EXCEEDING ONE THOUSAND PESOS;
 - 12) VESSEL CONDITIONING UNAUTHORIZED REPAIR WORK ON BOARD, A FINE NOT EXCEEDING ONE THOUSAND PESOS; AND
 - 13) COMMERCIAL VEHICLES VIOLATING THE REGULATION ON FROM EXIT AND ENTRY TO THE PORT AREA, FINE NOT LESS THAN TEN (10) PESOS NOR MORE THAN FIVE HUNDRED (500) PESOS. (Par.c) AND ALL THE SUCCEEDING SUBPARAGRAPHS THEREUNDER AS SUPPLEMENTED BY EXECUTIVE ORDER NO. 513.

SECTION 44. EFFECTIVITY- This Decree shall take immediate effect upon its promulgation.

Done in the City of Manila, this 23rd day of December, in the year of Our Lord nineteen hundred seventy-five.

(SGD.) FERDINAND E. MARCOS

By the President:
(SGD.) J.C. TUVERA
Presidential Assistant

Appendix 16.3.3 CPA

(1) Republic Act No. 7621

[Republic Act No. 7621]

AN ACT CREATING THE CEBU PORT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING APPROPRIATION THEREFORE, AND FOR OTHER PURPOSES

Republic of the Philippines Congress of the Philippines, Metro Manila

Fifth Regular Session begun and held in Metro Manila, on Monday, the twenty-second day of July, nineteen hundred and ninety-one (22nd July 1991)

SECTION 1. Short Title

This Act shall be known and cited as the "Charter of the Cebu Port Authority".

SECTION 2. Declaration of Policy

It is the declared policy of the State to promote the establishment and growth of autonomous regional port bodies to produce an efficient, safe, economical and coordinated system of movement of goods and persons through the port, consistent with the constitutional mandate to give all regions of the country optimum opportunity to develop.

SECTION 3. Creation of the Port Authority

There is hereby created a public-benefit corporation to be known as the Cebu Port Authority, hereinafter referred to as the Authority.

The Authority shall be under the supervision of the Department of Transportation and Communications for purposes of policy coordination.

SECTION 4. Definition of Terms

For purposes of this Act, unless the context indicates otherwise, the terms used herein shall mean as follows:

"Port facility" shall include wharves, piers, slips, docks, bulkheads, basins, warehouses, cold storage, loading and unloading equipment and passenger terminals and accessories;

"Transportation facility" includes passenger and cargo boats, ferry boats, lighters, tugs, barges, scows, harbor craft of any kind, and any other kind of facility now in use or hereafter designated for use of the transportation or carriage of persons or goods;

"Navigable waters" means all navigable portions of the seas, estuaries and inland waterways;

"Wharf" means a continuous structure built parallel to or along the margin of the sea or alongside riverbanks, canals or other waterways where vessels may lie alongside to receive and discharge cargo or passenger, or lie at rest;

"Pier" includes any stage, stair, landing stage, jetty, floating barge or pontoon, and any bridge or other works connected therewith;

"Dock" includes locks, cuts, entrances, graving docks, inclined planes, slipways, quays and other works relative thereto;

"Bulkhead" means any structure serving to divide land and water areas;

"Basin" means any naturally or artificially enclosed or nearly enclosed body of water in free communication with the sea;

"Warehouse" means any building for storage or shed for cargo;

"Lighter" means any large flat-bottomed boat or barge used in transporting goods or in loading or unloading of vessels not lying alongside piers or wharves;

"Anchorage" means any place with sufficient depth of water where vessels anchor or may ride at anchor within the harbor;

"Goods" includes wares and merchandise of every description;

"Rates" include tolls, fees, dues and rent imposed by the Authority;

"Vehicle" includes any carriage traveling on its own wheels or runners and used or intended to be used for the conveyance or carrying of persons, animals or goods; and

"Vessels" include any ship, boat or any waterborne craft used in the conveyance or carrying of persons, animals or goods.

SECTION 5. Purposes and Objectives. - The Authority shall have the following purposes and objectives:

- i. To integrate and coordinate the planning, development, construction and operations of ports and port facilities within its territorial jurisdiction, consistent with the needs and requirements of the region;
- ii. To enhance the flow of international and domestic commerce passing through or utilizing the regional ports, and
- iii. To promote regional development by providing support services to sustain the growth of export and other priority industries in the region.

SECTION 6. Territorial Jurisdiction. - The territorial jurisdiction of the Authority shall include all seas, lakes, rivers and all other navigable inland waterways within the Province of Cebu, including the City of Cebu and all highly urbanized cities which may hereafter be created therein.

SECTION 7. Powers - the Authority shall have the power and responsibility to:

- i. Have perpetual succession under its corporate name until otherwise provided by law;
- ii. Prescribe its bylaws and such rules and regulations as may be found necessary to promote or enhance the business of the Authority;
- iii. Adopt and use a seal;
- iv. Sue and be sued in any court;
- v. Enter into contracts, transactions and undertaking of whatever nature, which are necessary or incidental to its functions and objectives, with any natural or juridical persons or with any government institution, domestic or foreign;
- vi. Acquire, own, hire, use, operate and dispose of personal property and to acquire, own, use, lease, operate and dispose of real property and interests thereon and to make improvements on such real property, including the reclamation, for port purposes, of foreshore and submerged lands within its territorial jurisdiction; which reclaimed land shall *ipso facto* be deemed transferred in ownership to the Authority; and to enter into contracts with any public or private entity for such reclamation under such terms and conditions as it may deem to be for the public interest;
- vii. Purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bond, security or other evidences of indebtedness created by any other corporation or co-partnership of this or any other country, and while the owner of said stock, to exercise all the rights of ownership, including the right to vote thereon;
- viii. Exercise the right of eminent domain;
- ix. Exercise all other powers not contrary to law which may be necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments and, in general, to exercise in connection with property within its control all powers which may be exercised by a natural or juridical person over its property and affairs;
- x. Levy dues and impose rates and charges for the use of the premises, works, appliances, facilities, or for services provided by or belonging to the Authority, or any other organization concerned with port operations;
- xi. Make expenditures in foreign countries to pay commissions and hire or contract experts and consultants, both foreign and local;

xii. Make expenditures for promotion of the business affairs of the Authority; and

xiii. Exercise all the powers of a corporation under the Corporation Law insofar as they are not inconsistent with the provisions of this Act.

SECTION 8. Governing Body. - The powers and functions of the Authority shall be vested in and exercised by a Cebu Port Commission composed of a Chairman, a Vice-Chairman and five (5) other Commissioners. The Chairman shall be the Secretary of the Department of Transportation and Communications or his duly designated undersecretary. The Vice-Chairman, who shall be designated as the Cebu Port General Manager, shall be elected by the Commissioners from among themselves.

The Commissioners shall be appointed by the President of the Philippines and shall represent the following sectors:

i. Shipowners and shipping operators;

ii. Cargo-handling labor sector; and,

iii. Business sector.

SECTION 9. Powers and Functions of the Commission. - The powers and functions of the Cebu Port Commission shall be as follows:

i. To manage, administer, operate, maintain, improve and develop, coordinate and otherwise govern the activities of all the ports within its territorial jurisdiction.

ii. To investigate, prepare, adopt, implement and execute a comprehensive and orderly plan for the overall development of all ports within its territorial jurisdiction, and to update such plans, as may be warranted from time to time;

iii. To raise revenues for the Authority through fees, tolls, charges, rentals and the like for the use of any property, equipment or facility owned or controlled by it;

iv. To raise and administer, together with such revenues as may by law accrue to the Authority, capital outlays by means of loans from any local or foreign financial institution to finance its projects;

v. To determine by survey and establish by engineering design the exact location, system and character of any and all port facilities which it may own, construct, establish, effectuate, operate or control;

vi. To provide and maintain port facilities including accessory buildings and installations within its territorial jurisdiction on its own or through the private sector;

vii. To prescribe and enforce rules and regulations on the use of wharves, piers and anchorages by ships and other watercraft;

viii. To determine the organization of the Authority and create such functional units therein as it may deem necessary in the proper and efficient implementation of the functions and purposes of the Authority, including the appointment of officials and employees, it being understood that the security of tenure if these workers shall be respected consistent with existing laws;

ix. To define the duties and fix the compensation and benefits of the General Manager, Deputy General Manager, Port Managers and other officers of the Authority, in accordance with the rules and regulations of the Civil Service Commission and the Department of Budget and Management;

x. To approve the annual budget of the Authority and/or such supplemental budgets thereof as may be submitted by the General Manager from time to time; and

xi. To perform such other duties as may be necessary and convenient for the attainment of the objectives of the Authority.

SECTION 10. Term of Office - The members of the Cebu Port Commission shall be appointed for a term of three (3) years;

Provided, That any person appointed to fill a vacancy shall hold office only for the unexpired term of the Commissioner whom he succeeds.

SECTION 11. Quorum, Per Diems and Allowances. - Four (4) members of the Commission shall constitute a quorum for the transaction of business.

Unless otherwise fixed by the Commission, the Chairman and all the members shall each receive a per diem of Two thousand pesos (P2,000), exclusive of traveling expenses, for each day of meeting of the Commission, which shall not exceed four(4) meetings a month.

SECTION 12. General Manager - The management of the day-to-day business and operations of the Authority shall be under the direction and control of the General Manager. He shall have the following powers and duties:

- i. To manage, direct and supervise the operations and internal administration of the Authority, subject to the control and supervision of the Commission;
- ii. To prepare all memoranda pertaining to each and every item in the agenda for the meetings of the Commission and to submit for the consideration thereof such proposals or recommendations which he believes to be necessary to carry out effectively and beneficially the business of the Authority;
- iii. To implement the policies and administer the measures approved by the Commission;
- iv. To devise the executive organization pattern of the Authority, submit from time to time to the Commission the corresponding organizational and functional charts, and enforce the executive elements thereof;
- v. To appoint and employ the services of subordinate officials and employees, subject to the confirmation of the Commission;
- vi. To prepare and submit to the Commission budget proposals of all kinds; and
- vii. To perform such other duties and exercise such other powers as may be directed or authorized specifically by the Commission.

SECTION 13. Prohibition Against Conflict of Interest - No member of the Commission shall be financially interested, directly or indirectly, in any contract entered into by the Authority or in any special privilege granted by it. Violation of this prohibition shall constitute a ground for dismissal.

SECTION 14. Application of Civil Service Laws - All officers and employees of the Authority shall be subject to the Civil Service Commission and the Department of Budget and Management rules and regulations, except those whose positions may, upon recommendation of the Port Commission, be declared by the President of the Philippines as policy determining, primarily confidential or highly technical in nature.

SECTION 15. Supplies and Service Other Than Personnel. - All purchases or contracts for services, except for personal services entered into by the Authority shall be done only after public bidding therefor is held: **Provided**, That such bidding may be required when an emergency, as explained and certified to by the General Manager, requires immediate delivery of the supplies or performance of the services and the unit costs or prices of such emergency procurement do not exceed the latest costs or prices paid by the Authority for the same or similar goods or services: **Provided, further**, That the General Manager shall report under oath to the Commission the details of any such emergency procurement within two (2) weeks after its consummation, including a statement of assurance that the transaction constitutes the best arrangement possible under the circumstances.

SECTION 15. Supplies and Service Other Than Personnel. - All purchases or contracts for services, except for personal services entered into by the Authority shall be done only after public bidding therefor is held: **Provided**, That such bidding may be required when an emergency, as explained and certified to by the General Manager, requires immediate delivery of the supplies or performance of the services and the unit costs or prices of such emergency procurement do not exceed the latest costs or prices paid by the Authority for the same or similar goods or services: **Provided, further**, That the General Manager shall report under oath to the Commission the details of any such emergency procurement within two (2) weeks after its consummation, including a statement of assurance that the transaction constitutes the best arrangement possible under the circumstances.

SECTION 16. Capitalization. - The Authority shall have an authorized capital stock equal to and consisting of:

- i. The value of fixed assets, including port facilities and equipment administered by or belonging to the Port of Cebu and such other properties, movable and immovable, within the territorial jurisdiction of the Authority as defined in Section 6 thereof, valued on the date of the effectivity of this Act; and

ii. Government contribution in such amount as may be deemed an appropriate initial balance. Such Initial amount, as approved by the President of the Philippines, shall be more or less equivalent to six (6) months working capital requirement of the Authority.

SECTION 17. Auditor and Personnel. - The Commission on Audit shall appoint a representative who shall be the Auditor of the Authority and the necessary personnel to assist said representative in the performance of his duties. The operating expenses of the auditing office and the salaries of both officials and employees shall be paid by the Authority.

SECTION 18. Power to Issue Bonds. - The Authority, to incur indebtedness or to issue bonds to carry out approved capital investment projects, shall be approved by the affirmative vote of at least four (4) of all the members of the Commission in a special meeting called for the purpose and approved by the President of the Philippines upon the recommendation of the Secretary of Finance and the Central Bank of the Philippines.

SECTION 19. Bond Limits. - The bonds that may be issued by the Authority shall in no case exceed the total amount of One billion pesos (P1,000,000,000); *Provided*, That no single issue shall be made if at least seventy percent (70%) of the immediately preceding issue is not yet sold.

The bonds shall be issued only in such amounts as will be needed at only (1) integral operation not exceeding one (1) year duration, taking into account the state at which said bonds may be absorbed by the buying public and the fund requirements of the project ready for execution, and considering further a proper balance between productive and nonproductive projects so that inflation shall be held to a minimum.

SECTION 20. Form, Rate of Interest, etc. of Bonds. - The Secretary of Finance, in consultation with the Monetary Board, shall prescribe the form, the rate of interest, the denominations, maturities, negotiability, convertibility, call and redemption features, and all other terms and conditions of issuances, placement, sale, servicing, redemption and payment of all bonds issued under the provision of this Act.

The bonds issued by virtue of this Act shall be made payable both as to principal and interest in Philippine currency and shall be acceptable as security in any transaction with the Government in which such security is required.

SECTION 21. Transfer of Existing Facilities and Intangible Assets. - All existing facilities including wharves, piers, slips, docks, bulkheads, basins, cargo terminals, warehouses, cold storage, loading and unloading equipment, and passenger terminals and accessories, within the territorial jurisdiction of the Authority; other lands, building and other properties, movable or immovable belonging to or presently administered by the Philippine Ports Authority; and all assets, powers, rights, interests and privileges relating to port works or operations, including all equipment, are hereby transferred to the Authority.

SECTION 22. Projects in Progress. - All ongoing projects relating to the rehabilitation and/or construction of port facilities and supply of equipment shall be administered and undertaken by the Authority.

SECTION 23. Transfer of Liabilities and Debts. - Upon the transfer to and acceptance by the Authority of the existing physical facilities, intangible assets and completed projects referred to in the preceding sections, all debts, liabilities and obligations of the Philippine Ports Authority in respect of such physical facilities, tangible assets and completed projects within the ports shall likewise be assumed by the Authority.

SECTION 24. Abolition of the Port Management Office of Cebu as a Port Management Unit of the Philippine Ports Authority. - The Port Management Office of Cebu is hereby abolished. The General Manager of the Authority shall ensure the smooth transfer of responsibility from the abolished entity to the Authority as well as the determination of personnel to be retained: *Provided*, That all officials and employees whose services are terminated shall, if not eligible for retirement, be given gratuities equivalent to one (1) month salary for every year of continuous satisfactory service on the basis of the highest salary received in addition to other benefits accorded to them by existing laws.

SECTION 25. Annual Report - An annual report of the Authority shall be submitted to the President of the Philippines within sixty (60) days after the close of each fiscal year.

The original of said report shall be submitted to the President of the Philippines and copies thereof to the House of Representatives and the Senate of the Philippines and the Department of Transportation and Communications. The report shall include a financial statement duly certified by the Auditor of the Authority.

SECTION 26. Appropriation. - The amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter.

SECTION 27. Separability Clause. - If any provision of this Act or the application of such provision to any person or circumstances is declared unconstitutional, the remainder of this Act or the application of such provision to other persons or circumstances shall not be affected by such declaration.

SECTION 28. Repealing Clause - All acts, charters, executive orders, administrative orders, rules and regulations, or parts thereof, in conflict with this Act are hereby repealed or modified accordingly.

SECTION 29. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

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

Approved

Sgd. NEPTALIA. GONZALES

President of the Senate

Sgd. RAMON V. MITRA

Speaker of the House of Representatives

This Act which originated in the House of Representatives was originally passed by the House of Representatives and the Senate on February 6, 1992 and February 7, 1992, respectively.

Sgd. ANACLETO D. BADOY, JR.

Secretary of the Senate

Sgd. CAMILO L. SABIO

Secretary General

House of the Representatives

Appendix 16.3.4 PMO-Ports Office (DOTC)

(1) Ministry Order No. 80-46

June 4, 1980
MINISTRY ORDER No. 80-46
SUBJECT: CREATION OF A PROJECT

EXECUTIVE COMMITTEE AND
A PROJECT MANAGEMENT
OFFICE FOR FISHING PORTS
PACKAGE I

Pursuant to existing laws, rules and regulation, there is hereby established the following organization for the execution OECF assisted Fishing Ports Package I consisting of the construction of the Fishing ports of Pala-Pala, Iloilo; Camaligan, Camarines Sur; Sual, Pangasinan; Dalahican, Lucena and Sangali, Zamboanga City.

1. Project Execution Committee (EXCOM)

A Project EXCOM is hereby created to average the overall implementation of the Project. It shall directly report to the Minister and shall have the following composition:

Asst. Minister for operation, MPW Director, Bureau of Ports, Harbors Reclamation	-	Chairman
Director, Bureau of Water Supply -	-	Member

The EXCOM shall perform the following functions:

- a. Provide the Project Director operating policies for the implementation of The Project in accordance with the overall guidelines and directions of the Minister.
- b. Review the annual capital and current operating budgets and programs for the Project for approval of the Minister, and arrange for funding support for the Project.
- c. Coordinate with the MPW Pre-qualification, Bidding and Awards Committee for the pre-qualification of constructors and the bidding of the Project.
- d. Review and recommend approval to the Minister of Plans, specifications, estimates, program of work, tender documents, proposed contract awards, and contract documents for the Project.
- e. Ensure consistency of construction activities with the approved plans and specifications.
- f. Monitor and supervise the overall Project execution.
- g. Undertake such other functions may be assigned by the Minister.

2. Project Management Office (PMO)

A PMO is hereby created in the MPW to manage and direct the actual execution of the Project. It shall have the following major units:

- a. A Project Director and his staff.
- b. Five Project Managers and their staff – one for each of the fishing ports included in the package.

3. Project Director

The PMO shall be headed by a Project Director to be designated by the Minister. The Project Director shall report to the Minister, thru the EXCOM. He shall discharge the following functions and responsibilities.

- a. Exercise day-to-day control and management of the Project execution;
- b. Prepare and/or review and supervise the preparation and execution of annual budgets, plan, specification, estimates, programs of work, tender documents, variation orders, contract time suspension or extension, physical accomplishments, claim for payments; submit these documents to the Minister thru the EXCOM, for approval, and or approve them within the limits of the authority granted by the Minister.
- c. Participate as a member of the MPW-PBAC;
- d. Manage the disbursement of funds, including payments to contractors as authorized by the Minister;
- e. Prepare physical and financial progress and status reports to the Minister, thru the EXCOM, and the OECF;
- f. Procure, thru MPW-PBAC, equipment, materials and supplies required for the Project, as authorized by the minister;
- g. Provide technical assistance to the MPW-PBAC;
- h. Recommend or take remedial action to resolve problem areas in Project implementation;
- i. Supervise the operations of the five Project Managers;
- j. Exercise such other function as may be assigned by the Minister.

The Project Director shall be supported by a staff of engineers, an accounting unit, and an administrative unit, whose composition, specific functions, staffing pattern, and personal designation and appointments shall be subject to approval of the Minister. Arrangements for a Project auditing unit will also be made.

4. Project Managers

For each of the five fishing port projects, there shall be a Project Manager to be designated by the Minister. The Project Manager shall perform the following functions, with the assistance of the consultants for construction supervision:

- a. Exercise day-to-day field management and supervision of the Project execution, including detection of possible causes of delays and over-runs and remedial actions thereon;
- b. Ensure compliance with the plans, specifications and contract documents for the Project;
- c. Review and issue certificates of work accomplishment;
- d. Review and make recommendations on claims for payment to contractors, variations orders, contract time extension or supervision and the like;
- e. Prepare and submit physical and financial progress and status reports to the Project Director;
- f. Exercise such other functions as may be assigned by the Minister.

ALFREDO I. JUNIO
Minister

Appendix 16.3.5 PIA

(1) Presidential Decree No. 538

MALACAÑANG
Manila

PRESIDENTIAL DECREE NO. 538
(As amended by P.D. 1491)

CREATING AND ESTABLISHING THE PHIVIDEC INDUSTRIAL AUTHORITY AND MAKING IT A SUBSIDIARY AGENCY OF THE PHILIPPINE VETERANS INVESTMENT DEVELOPMENT CORPORATION; DEFINING ITS POWER, FUNCTIONS AND RESPONSIBILITIES, AND FOR OTHER PURPOSES.

WHEREAS, it is the policy of the Government to encourage, promote, and sustain the economic and social growth of the Country;

WHEREAS, the provision of well-planned areas with the appropriate infrastructure facilities will encourage and facilitate the establishment of industries, which in turn contribute to economic and social growth;

WHEREAS, maximum benefit from such industrial areas can be derived by creating an Authority with the responsibility to plan, coordinate and when necessary actually undertake the construction of such areas as well as manage their operations in a professional and efficient manner;

WHEREAS, it is also the policy of the State to harness the full potentials and capabilities of veterans and AFP retirees so that they could participate fully in the enhancement of the economic development of the country;

WHEREAS, the PHIVIDEC was created for the purpose of pooling the economic resource potentials of these veterans and retirees;

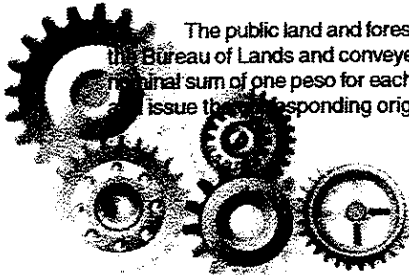
NOW, THEREFORE I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution of the Philippines, in order to effect the desired changes and reforms in the social, economic, and political structure of our society do hereby create the PHIVIDEC Industrial Authority and make as part of the law of the land the following:

SECTION 1. Declaration of Policy. It is hereby declared and reiterated to be the policy of the Government to encourage, promote, and sustain the economic and social growth of the country and that the establishment of professionalized management of well-planned industrial areas shall further this objective.

SECTION 2. Creation of the PHIVIDEC Industrial Authority. To carry out the above policy, a body corporate to be known as the PHIVIDEC Industrial Authority is hereby created. The Authority as hereinafter referred to shall be a subsidiary of the **PHILIPPINE VETERANS INVESTMENT DEVELOPMENT CORPORATION** created under P.D. 243, as amended by P.D. 353. The functions of the Authority are hereby declared governmental and proprietary.

SECTION 3. Creation of the PHIVIDEC Industrial Areas. To further carry out the above policy, there are hereby created the PHIVIDEC Industrial Areas, hereafter referred to as the Areas, which shall hereafter be proclaimed, designated and specified by Presidential Proclamations.

The public land and foreshore and offshore areas portion of the Areas so proclaimed shall be surveyed by the Bureau of Lands and conveyed in absolute ownership to the Authority, except as hereinafter provided, for the nominal sum of one peso for each parcel of land. Thereafter, the proper Register of Deeds shall register the same and issue the corresponding original certificate of title of the Authority.



P.D. 538
PHIVIDEC INDUSTRIAL AUTHORITY

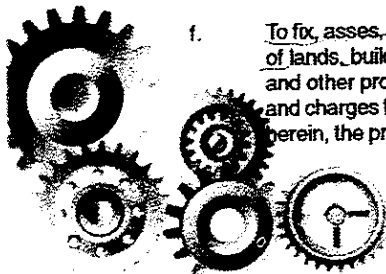
1

The first Area which the Authority shall develop shall be that located in the municipalities of Tagoloan and Villanueva in the Province of Misamis Oriental, bounded on the West by Macajalar Bay, on the North by the Taganga Creek, on the east by the Kiamo and Kirahon plateaus, and on the South by the Tagoloan River, containing an area of 3,000 hectares more or less. Provided, however, that the foreshore area from Tagoloan River, Municipality of Tagoloan up to the Taganga Creek, Municipality of Villanueva, and the offshore area 400 meters toward the sea from the inshore limit between the Tagoloan River and the Taganga Creek, shall be ceded, transferred and conveyed in absolute ownership to the National Steel Corporation for the nominal sum of one peso. The metes and bounds of this Area are specified in Annex, "A" which is hereby made an integral part hereof.

The Authority shall respect existing private rights until such time that it takes possession of the properties acquired either by voluntary or forced sale for the construction of infrastructural facilities and other facilities needed by the Area; and provided, further, that any new improvements to be introduced by landowners or claimants during this period shall be first approved by the Authority in writing.

SECTION 4. Purposes and Specific Powers. The purposes and specific powers of the Authority are as follows:

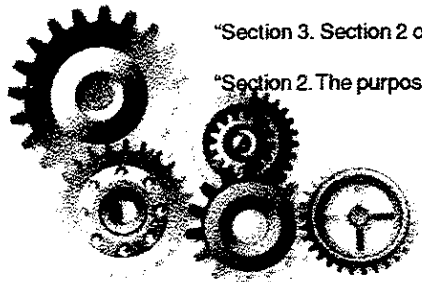
- a. To operate, administer, and manage the PHIVIDEC Industrial Areas and other areas which shall hereafter be proclaimed, designated and specified in subsequent Presidential Proclamations; to construct, acquire, own, lease, operate and maintain infrastructure facilities, factory buildings, warehouses, dams, reservoirs, water distribution, electric light and power systems, telecommunications and transportation networks, or such other facilities and services necessary or useful in the conduct of industry and commerce or in the attainment of the purposes and objectives of this Decree;
- b. To take water from any public stream, river, creek, lake, spring, waterfall or underground aquifers as may be necessary for the attainment of the purposes of this Decree; to alter, straighten, obstruct or increase the flow of water in streams or in water channels intersecting or connecting therewith or contiguous to its works or any part thereof; and to undertake land reclamation as well as own, hold, purchase or lease foreshore areas within or adjacent or approximate to the Areas;
- c. To acquire and hold agricultural lands in excess of the areas permitted to private corporations or associations by the Constitution;
- d. To determine and regulate the enterprises to be established within the Areas in order to insure the implementation of its plans for the sound development and operation of the areas in furtherance of the herein declared national policy;
- e. To construct, operate and maintain, or otherwise to grant the use of or to rent, lease, or let, for a consideration and under such terms arrangements and conditions it may deem reasonable and proper any and all port facilities, including stevedoring and port terminal services, or any concession properly incident thereto or in connection with the receipt, delivery, shipment and transfer in transit, weighing, marking, tagging, fumigating, refrigerating, icing, storing, and handling of goods, wares and merchandise. Provided, however, that where the piers and/or harbors are owned and/or operated by private persons, the fees and charges to be levied shall not exceed that being collected by the government for similar services;
- f. To fix, assess, and collect charges and fees, including rentals, for the lease, use or occupancy of lands, buildings, structures, warehouses, all the facilities and services mentioned herein and other properties owned and administered by the Estate; and to fix and collect the fees and charges for the issuance of permits, licenses, and rendering of services not enumerated herein, the provisions of the law to the contrary notwithstanding;



- g. To sell, lease or otherwise dispose of, lands and other properties owned or administered by the Authority for such use by the Area enterprises, for such housing or commercial purposes within the Areas and for such maximum industrial development of the Areas;
- h. To levy, assess, and collect a real property tax on real properties within the Areas. The appraisal values and taxes rates shall be in accordance with the rules and regulations promulgated by the Secretary of Finance for chartered cities. The Authority shall retain three-fourths of the real property tax collected and the remaining one-fourth shall be turned over to the local government or governments, as the case may be, which, previous to the establishment of the Areas were collecting a real property tax from the real properties within the area; Provided, that such share of the real property tax of the local government or governments shall not be less than what they were receiving prior to the establishment of the Areas; Provided finally, that realty taxes accruing within the Areas at the time of the Authority has not taken over actual possession of a portion of the properties therein shall continue to be collected by the respective local governments;
- i. To grant such franchises for and to operate and maintain within the Areas electric light, heat or power systems, transportation, communication within, to and from the Areas, warehousing, ice plant or cold storage;
- j. To prescribe and enforce within the Areas rules and regulations for pollution control;
- k. For the due and effective exercise of the powers conferred by law and to the extent requisite therefor, to exercise exclusive jurisdiction and sole police authority over the Areas;
- l. To promulgate such rules and regulations as may be reasonable, necessary and desirable for the attainment of the objectives of this Decree; such rules and regulations shall be binding on the persons, proprietorships, partnerships, and corporations residing or located in the Areas;
- m. To recommend the establishment of other Industrial Areas as it may deem advisable, and to recommend the issuance of a proclamation to fix and limit the site of the Areas;
- n. When essential to the proper administration of its corporate affairs or when necessary for the proper transaction of its business or for carrying out the purposes of this Decree to contract indebtedness and issue bonds;
- o. To create and operate and/or contract to operate such agencies, functional units, office and departments or the Authority as it may deem necessary or useful for the furtherance of any of the purposes of this Decree;
- p. To adopt, alter, and use a corporate seal which shall be judicially noticed, make contracts, lease, own or otherwise dispose of personal and real property; sue and be sued, and otherwise do and perform any and all acts and things that may be necessary or proper to carry out the purposes of this decree;
- q. To perform all other functions enumerated in Section 2 of Presidential Decree No. 243, as amended by (Section 3A) Presidential Decree No.353 which is quoted hereunder;

"Section 3. Section 2 of the same Decree (PD 243) is hereby amended to read as follows:

"Section 2. The purposes and powers of the Corporation are:



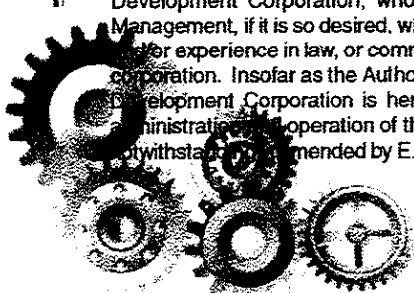
- a. To engage in any commercial, industrial, mining, agricultural, and other enterprises which may be necessary or contributory to the economic development of the country, or important in the public interest, or which will promote the well-being of the veterans and retirees of the Armed Forces of the Philippines:
- b. To invest in, purchase or otherwise acquire, own, hold, use, operate, sell assign, transfer, exchange, mortgage, pledge, lease, develop, and otherwise deal in real estate and natural resource projects or any interest therein, and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities and obligations of any other corporation or corporations, association or associations, domestic or foreign, and for these purposes it may acquire, lease or hold private lands and public lands of any classification notwithstanding the prohibitions in, or in excess of the areas permitted by the laws of the Philippines;
- c. To provide a medium (1) for assisting Government and private initiative in encouraging and/or promoting the establishment, operation, expansion or reorganization of productive enterprises; (2) for facilitating the formation of capital and the free flow of commercial papers, securities, government bonds, and other evidence of indebtedness in the capital and money markets and acting for this purpose as underwriter, dealer and agent of commercial papers, securities, government bonds, and other evidence of indebtedness issued by Government institutions, agencies, subdivisions or instrumentalities, commercial, industrial, or agricultural organizations, and other forms of business ventures or organizations; (3) for rendering or promoting the rendering of sound financial, economic and other technical advice to new enterprises or assisting governmental or private entities, and (4) for mobilizing the requisite manpower pool and the information gathering, retrieval and distribution system that will adequately and efficiently service the demands of Government, investors, and business clients.
- d. To acts as general or operating managers, representatives, or agents of industrial, manufacturing and mercantile concerns of whatever kind or nature, and to engage in the promotion, assistance, encouragement, development, and expansion of any lawful business, industry or trade by means of, among others, scientific advancement of methods, systems or techniques of operations, management, financing, investment, labor, conducting research studies, tests, experiments for the process of commercial and industrial products and formulating and implementing plans for the marketing thereof;
- e. To enter into any lawful arrangement for sharing profits, joint venture, union, interests, reciprocal concession or cooperation with any person, or corporation, association, partnership, syndicate or entity located in or organized under the laws of any authority in any part of the world in the carrying on of any business which the corporation is authorized to carry on, or any business or transaction deemed necessary, convenient or incidental to the carrying on of the purpose of the corporation;
- f. To obtain funds to support or carry out its objectives and purposes and/or to arrange financing and equipment credit or any kind of assistance for its own account or for the account of its clients in such manner as the Board of Directors of the corporation may deem reasonable from governmental or private sources in the Philippines or elsewhere or from international public or private lending institutions, and to secure any or all of the same by any guarantee or counter-guarantee, by pledge, mortgage, deed of trust, or assignment of the property of the corporation, or by creating or suffering to exist a charge, lien, or encumbrance, general or special, upon its assets for the purpose of securing the performance by the corporation of any obligation or liability it may undertake for itself or for other companies or enterprises in which it may be interested.



- g. To purchase, hold, accept, or otherwise acquire by merger, consolidation or other methods of combination, the whole or any part of the property, assets, business, goodwill, rights, privileges, and franchises of all kinds and to undertake or assume the whole or any part of the liabilities and obligations of any person, firm, association, or corporation, and to pay for the same or any part or combination thereof in cash, stocks, bonds, debentures, notes or other securities of this corporation or otherwise, or by undertaking or assuming the whole or any part of the liabilities or obligations of the transferer, and to hold or in any manner dispose of the whole or any part of the property and assets so acquired, accepted, or purchased, and to conduct in any lawful manner the whole or any part of the business so acquired and to exercise all the powers necessary or convenient in and about the conduct, management and carrying on of such business;
- h. To apply for, register, purchase, or otherwise acquire, use, protect, and renew any patents, patent rights, licenses, concessions, trademarks, tradenames, inventions, formulas and processes used or capable of being used in connection with any of the business of the corporation of the acquisition of which may directly or indirectly benefit the corporation, and to use, exercise, develop, sell, assign, or otherwise dispose of, or grant licenses in respect of, the property, rights, trademarks or other information so acquired, and to spend money in experimenting upon, and testing and improving any patents, inventions, or rights which the corporation may acquire or propose to acquire;
- i. The corporation shall have the power to make, perform, and carry out contracts of every sort and kind, and particularly, but not by way of limitation, to make and perform contracts creating any of the property, real or personal, owned by the corporation; to organize, manage and operate subsidiary or affiliate companies; to establish and/or maintain one or more offices or branches in other parts of the Philippines or abroad and to conduct its business and exercise its power in any part of the Philippines or in any part of the country, state, or territory; and in carrying on its business, to do any and all acts and things and to exercise all powers which may be necessary or convenient to the accomplishment or furtherance of its business or which a natural person could do and exercise and which may now or hereafter may be authorized by law.

SECTION 5. Capitalization. The capital of the Authority shall consist of (1) all such properties as may be contributed to the Authority by the Government to form part of capital, (2) all capitalized surplus, and (3) cash contribution by the government in the amount of TWO HUNDRED MILLION PESOS (P 200,000,000.00), which is hereby appropriated, out of any funds in the National Treasury not otherwise appropriated, by their collections from all taxes accruing to the general fund or proceeds from loans, the issue of bonds, treasury bills or notes or derived from any other sources of income, by or of the National Government, which amount shall be programmed and released by the Budget Commission in accordance with the schedule of development and expenditures to be prepared and submitted by the Authority.

SECTION 6. Exercise of Corporate Powers. The affairs and business of the Authority shall be directed and its properties managed, controlled, and preserved, unless otherwise provided in this Decree, or in the exercise of the powers vested in the Authority, by the Board of Directors of the Philippine Veterans Investment Development Corporation, who may appoint an Estate Administrator assisted by a staff, or a Board of Management, if it is so desired, who shall be chosen from veterans of good standing with formal business training or experience in law, or commerce, or finance, or management on recommendation of the President of said corporation. Insofar as the Authority is concerned, the Board of Directors of the Philippine Veterans Investment Development Corporation is hereby empowered to exercise governmental and proprietary functions in the administrative operation of the Authority in all the areas so proclaimed, any provision of law to the contrary notwithstanding. (Approved by E.O. 1031)



SECTION 7. Power to Issue Bonds or incur Indebtedness. The Authority shall have the authority to contract loans, credits and other indebtedness, or to issue bonds, notes, debentures, securities and other instruments of indebtedness for the development and/or operation of the Areas.

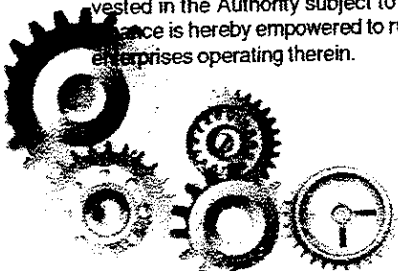
The bonds and other instruments of indebtedness which the authority is authorized to issue under this section and any income derived therefrom shall be exempt from the payment of all taxes imposed by the Republic of the Philippines, its agencies, instrumentalities, or political subdivisions which fact may be expressed on the face thereof, and shall be eligible as collateral in any transaction with the national or any local government, its agencies and instrumentalities, including government-owned or controlled corporations and government banking and financial institutions, in which collateral is required. Any or all loans or instruments of indebtedness which the Authority is authorized to contract or issue under this Section shall be unconditionally guaranteed both as to principal and interest by the Government of the Republic of the Philippines whenever the President of the Philippines, by himself or through his duly authorized representative, may deem such guarantee by the Government of the Republic of the Philippines to be advisable and necessary, in which case, the President of the Philippines or his duly authorized representative is hereby authorized to execute and deliver said guarantee of the Government of the Republic of the Philippines.

The Central Bank of the Philippines or any of its authorized agent banks shall extend to the Authority priority in the allocation of foreign exchange and in the availment of the assistance and resources of the Central Bank in a manner that shall facilitate the contracting or issuance by the Authority of the loans or instruments of indebtedness which the Authority is authorized to contract or issue under this Section or the repayment thereof. In any case, where the Authority is required to surrender or sell to the Central Bank foreign currencies qualified to form part of its international reserves, the Authority is hereby given the right to repurchase any or all of said foreign currencies out of any and all loans and instruments of indebtedness payable in foreign currency contracted or issued by it pursuant to this Section at the same rate or rates at which said foreign currencies were respectively sold to the latter, subject to the payment of foreign exchange premium or fees as the Central Bank may deem reasonable.

In the negotiation, contracting and issuance of any loan, credit, and evidence of indebtedness under this Section, the President of the Philippines may, if deemed by him upon recommendation of the Authority to be necessary or justified and when made a condition by the foreign creditor to the issuance of such loans, credit, or instruments of indebtedness, agree to waive the application of any laws granting preference or imposing restrictions on international competitive bidding, such as but not limited to, Commonwealth Act Numbered Five Hundred Forty-One: Provided, however, that in every case where the competitive bidding is agreed upon in the purchase of machineries, equipment, materials, and supplies financed out of proceeds of such loans, credits and instruments of indebtedness, preference may be granted in favor of such machineries, equipment, materials and supplies produced, processed or manufactured in the Philippines at such rate and in such manner as may be agreed upon from time to time with the entity or institution providing financing for the project.

SECTION 8. Tax Treatment of Merchandise in the Areas. Any provision of law to the contrary notwithstanding, raw materials, supplies, articles, equipment, machineries, spare parts and wares of every description, except those prohibited by law, brought in the Areas and utilized in the production, storing, packing and shipment of goods meant for foreign markets shall be exempt from customs duties, internal revenue taxes, local tax ordinances, and wharfage dues on those brought after January 1, 1977 through piers or wharves constructed by the importer with his or its private funds. (As amended by PD 1491)

Determination of those commodities, or the portion thereof, to be accorded these privileges shall be vested in the Authority subject to the approval of the Secretary of Finance. For this purpose, the Secretary of Finance is hereby empowered to rule on the provision of tax exemption of merchandise imported into the Areas by enterprises operating therein.



P.D. 538

PHIVIDEC INCORPORATED

6

SECTION 9. Tax Exemption of Enterprises Operating in the Areas. Aside from the tax privileges accorded those of the enterprises operating in the Areas who are likewise registered with the Board of Investments, all industries or firms operating in the Areas shall be exempt from the payment of local taxes to the barrio, municipality, city or province, as the case may be where their respective Areas are located. However, as stipulated in Section 4 (H), a real property tax shall be collected by the Authority from each of the enterprises operating within the Areas, one-fourth of which shall be turned over to the local government concerned.

SECTION 10. Profit Character of the Authority; Exemption from Taxes. The Authority shall be operated for profit and fifty (50%) of such profit shall be turned over to the Philippine Veterans Investment Development Corporation and the remaining balance shall be plowed back for operation, maintenance, and administration of the Industrial Areas and the Authority, to pay its indebtedness and obligations, in furtherance and effective implementation of the policy enunciated in Section 1 of this Decree. In consonance therewith, the Authority is hereby declared exempt from all internal revenue taxes as well as all tariff and customs duties on imports of capital goods required for its operation, as well as all wharfage dues and such other customs fees, charges and dues, of whatever nature and kind in the conduct and exercise of its powers, functions, and operation.

The foregoing exemptions may, however, be entirely or partially lifted by the President of the Philippines upon recommendation of the Secretary of Finance if the President shall find the Authority to be self-sustaining and financially capable by then to pay such taxes, customs duties, fees, and other charges, after providing for debt service requirements of the Authority and its projected capital and operating expenditures.

SECTION 11. Road Networks in the Areas. The road networks within the Areas are hereby declared to be exclusive property of the Authority. However, as part of the governmental function of the Authority, they shall get priority in the allocation of monies coming from the highway special fund to be used in the construction, repair or maintenance of such roads therein, the provisions of law, executive orders, rules and regulations to the contrary notwithstanding.

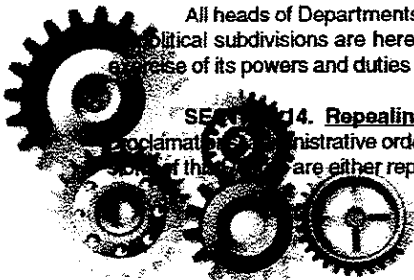
SECTION 12. Eminent Domain. For the acquisition of rights of way, or of any property for the establishment or expansion of the PHIVIDEC Industrial Areas, or for housing projects for the employees working in such areas, or properties for the establishment and construction of residential and commercial areas as may be necessary for the proper attainment of the objectives of this Decree or for the protection of watershed areas, or properties for the construction of dams, reservoirs, wharves, piers, docks, quays, warehouses, and other terminal facilities, structures, and approaches thereto, or for the acquisition of any properties for use by the Authority in the necessary course of its affairs, business and the exercise of its powers herein, the Authority shall have the right and power to acquire the same by purchase, by negotiation or by expropriation proceedings.

For the maximum industrial development of the Areas, the properties so acquired or expropriated may thereafter sold or leased by the Authority to Area enterprises under such terms and conditions it may impose. Should the Authority elect to exercise the right of eminent domain, expropriation proceedings shall be maintained by and in the name of the Authority and it may proceed in the manner provided for by law.

SECTION 13. Miscellaneous. Without prejudice to the provisions of this Decree, nothing herein provided shall divest or deprive courts of justice, civil or military, of their jurisdiction, in the proper cases, over civil or criminal suits or actions arising from acts or omissions within the Areas.

All heads of Departments, Agencies, Offices, and instrumentalities of the National Government as well as political subdivisions are hereby enjoined to extend full cooperation and assistance to the Authority in the exercise of its powers and duties and for the maximum accomplishment of the policy declared herein.

SECTION 14. Repealing Clause. The provisions of all laws, decrees, instructions, executive orders, proclamations, administrative orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Decree are either repealed or modified accordingly.



SECTION 15. Separability Clause. The provisions of this Decree are hereby declared to be separable; and in the event any one or more of such provisions are held unconstitutional, the validity of other provisions shall not be affected.

SECTION 16. Effectivity. This Decree shall take effect upon its approval.

Done in the City of Manila, this 13th day of August in the year of our Lord, Nineteen Hundred and Seventy Four.

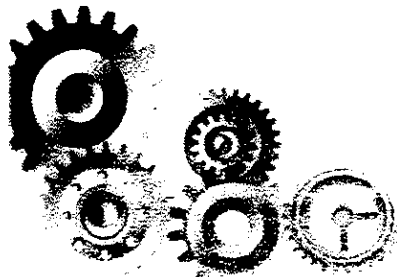
(SGD) FERDINAND E. MARCOS
President, Republic of the Philippines

By the President:

Official:

(SGD) ALEJANDRO MELCHOR
Executive Secretary

(SGD) PRIMITIVO C. CRUZ
Administrative Officer



P.D. 538
PHIVIDEC INSTITUTE **8**

MALACAÑANG
RESIDENCE OF THE PRESIDENT OF THE PHILIPPINES
MANILA

EXECUTIVE ORDER NO. 1031

REORGANIZING THE PHIVIDEC INDUSTRIAL AUTHORITY

WHEREAS, the PHIVIDEC Industrial Authority (PIA) was established to plan, coordinate and undertake the construction of well-planned industrial areas with appropriate infrastructure facilities, which will encourage and facilitate the establishment of industries to promote, contribute and sustain the economic and social growth of the country;

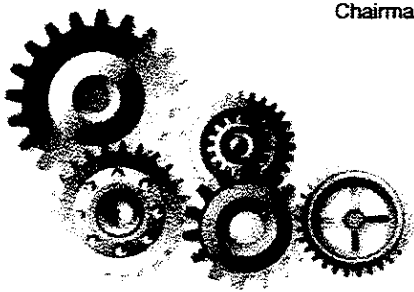
WHEREAS, to enable the PIA to effectively discharge its functions and attain its purposes and objectives, there is a need to strengthen and upgrade the corporate structure and management of the PIA by making its Board of Directors, separate and distinct from that of the PHIVIDEC;

Now, therefore, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and by law, particularly Presidential Decree No. 1416, as amended, do hereby order the re-organization of the PHIVIDEC Industrial Authority, as follows:

SECTION 1. Section 6 of Presidential Decree No. 538, as amended, is hereby further amended to read as follows:

"Sec. 6. Exercise of Corporate Power - The affairs and business of the Authority shall be directed, and its properties managed, controlled and preserved, by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following: the Minister of Finance or his duly designated representative as ex-officio member, the Minister of Trade and Industry or his duly designated representative as an ex officio member, and seven (7) other members to be appointed by the President of the Philippines, upon the recommendation of the Minister of National Defense, for a term of (3) years from among qualified veterans and retirees of good standing, their dependents, or persons who are in active military service: Provided, that no person shall be appointed member of the Board, unless he is of unquestioned integrity and has experience and expertise in finance, management, economics, law or government administration. Should there be any vacancy by reason of death, permanent incapacity, removal or resignation of any appointive member, the person appointed to fill the vacancy shall serve only for the unexpired portion of the term of his predecessor."

"The President of the Philippines shall designate the Chairman of the Board from among the appointive members. In case of absence or temporary incapacity of the Chairman the Vice-Chairman shall act as Chairman. In case of absence or temporary incapacity of both the Chairman and Vice Chairman, the Board, by a majority vote, shall designate an acting Chairman from among its members."



"The chief executive officer of the Authority and ex-officio Vice Chairman of the Board shall be the Administrator appointed by the President of the Philippines from among the members of the Board. The Board shall determine the other executives and officers of the Authority. The Board shall meet regularly at least once a month, and as often as the exigencies demand. The presence of at least five (5) members shall constitute a quorum, and the majority vote of the members present, there being a quorum, shall be necessary for the adoption of any resolution, decision, rule, regulation, or any other act of the Board. For every meeting actually attended, each member of the Board shall receive a per diem of P300.00, unless the Board shall fix a higher amount therefor".

SECTION 2. The present members of the Board shall holdover until their successors shall have been duly appointed and qualified pursuant to this Executive Order; Provided, that the Ministers of Finance and Trade and Industry, or their duly designated representatives, shall immediately sit as member of the existing Board.

SECTION 3. Any provision of law, decree, executive order rule or regulation, inconsistent of this Executive Order, is hereby repealed, amended or modified accordingly.

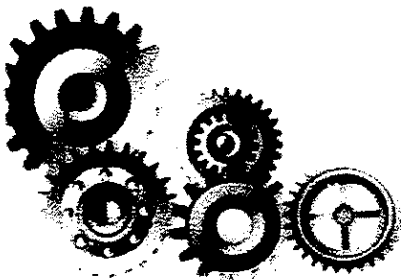
SECTION 4. This Executive Order shall take effect immediately.

Done in the City of Manila this 11th day of June in the year of Our Lord, nineteen hundred and eighty-five

(SGD) FERDINAND E. MARCOS
President of the Philippines

By the President:

(SGD) JUAN C. TUVERA
Presidential Executive Assistant



P.D. 534
PROVIDED INSTANTLY

10

(3) Rules and Regulations for Presidential Decree No. 851

Republic of the Philippines
Office of the President
PHIVIDEC INDUSTRIAL AUTHORITY
4th Floor DAO I, Condominium
Salcedo St., Legaspi Village, Makati, Metro Manila

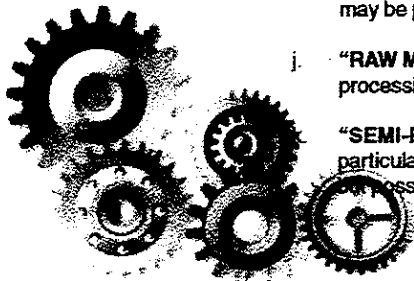
**RULES AND REGULATIONS TO IMPLEMENT THE INTENT AND PROVISIONS OF
PRESIDENTIAL DECREE NO. 538**

Pursuant to Paragraph (1) of Section 4 of Presidential Decree No. 538 as amended the following Rules and Regulation are hereby prescribed and promulgated for the guidance of all concerned:

RULE I. DEFINITION OF TERMS

SECTION 1. For purposes of these rules and regulations the following shall apply:

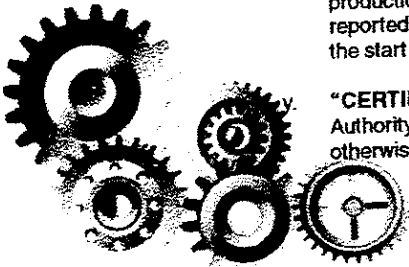
- a. **"DECREE"** shall refer to Presidential Decree No. 538.
 - b. **"AUTHORITY"** shall mean the PHIVIDEC INDUSTRIAL AUTHORITY.
 - c. **"BOARD"** shall refer to the Authority's Board of Directors.
 - d. **"ESTATE"** shall refer to the area or areas delimited by Presidential Proclamation(s) as PHIVIDEC INDUSTRIAL AREAS.
 - e. **"ESTATE ENTERPRISES"** shall refer to any individual, firm association, partnership or other forms of business organizations, which has been registered and authorized to establish and operate a business, or engage in any economic activity inside the estate.
 - f. **"PRINCIPAL OFFICERS"** shall refer to the members of the board of directors of a firm, association or corporation and to the persons appointed or elected by such board; in the case of a single proprietorship, the proprietor and the persons occupying managerial and other responsible positions and the managing or managing partner of a partnership and such persons performing policy determining functions therein.
 - g. **"MATERIAL FALSEHOOD AND MISREPRESENTATION"** shall refer to any act or deed as has influenced the Authority into accepting the applicant and without which registration would not have resulted.
 - h. **"FORTUITOUS EVENT OR FORCE MAJEURE"** shall mean an event which is unforeseen or even if foreseen, is inevitable, and which is the immediate and proximate cause of withdrawal from business or suspension of operations.
 - i. **"PROHIBITED MERCHANDISE"** shall mean those items enumerated in Section 102, Book 1, Republic Act No. 31937, otherwise known as the Tariff and Customs Code of the Philippines as amended by Presidential Decree No. 34, and such other articles which may be prohibited by special laws.
 - j. **"RAW MATERIALS"** shall refer to materials in their original form or composition used in processing or manufacturing during the course of which their nature or form is altered.
- "SEMI-FINISHED COMPONENT"** shall mean an article, which in relation to the particular product it is intended to be used as a direct input in unfinished or incomplete, possessed an essential character of a finished product.



P.D. 538
PHIVIDEC INDUSTRIAL AUTHORITY

11

- k. **"SEMI-FINISHED COMPONENT"** shall mean an article, which in relation to the particular product it is intended to be used as a direct input in unfinished or incomplete, but possessed an essential character of a finished product.
- l. **"REJECTS/SECONDS"** shall mean finished products or semi-finished components defective or inferior in quality such that any further processing or manipulation thereof is not technically or economically feasible as to satisfy the standards of the buyer.
- m. **"SPARE PARTS"** shall mean the usual components of machinery and/or equipment, which are subject to wear and tear arising from normal use, utilization and operation.
- n. **"PRODUCTION PROCESS"** shall refer to the activity starting from the transformation of a raw material into a semi-finished component and the processing of the latter into a finished product.
- o. **"PRODUCTION AREA"** shall refer to the plant, factory, and warehouse where the production process is carried on, including the Estate pier (s).
- p. **"IMPORTATION"** shall refer to the act of bringing into the Estate raw materials, supplies, articles, equipment, machineries, spare parts and wares of every description, of foreign origin whether or not exempt from customs duties, internal revenue taxes, rules and regulations and local tax ordinances.
- q. **"MEANT FOR FOREIGN MARKETS"** shall mean the actual exportation of goods by the registered enterprises and shall include the acceptance by the consignee or buyer thereof.
- r. **"PACKING"** shall refer to the process by which materials and goods are prepared for shipment.
- s. **"CUSTOM TERRITORY"** shall mean the national territory outside the Estate.
- t. **"CIVIL WORKS"** shall refer to the preparation, clearing and surveying of a tract of land and the construction therein of buildings, plants, factories and offices, and such other facilities as may be needed in business.
- u. **"OFFICE PERSONNEL"** shall refer to the highest ranking officer down to the lowest ranking employees of a firm, association, corporation, and other organizations whether engaged in business or not.
- v. **"WORKING HOURS"** shall, with reference to office personnel, mean the particular shift to which an employee belongs.
- w. **"EXCLUSIVE AREAS"** shall refer to a restricted area which has a security interest of extreme importance and which requires the highest degree of protection.
- x. **"START OF OPERATIONS"** shall mean the date when a particular enterprise begins its production for commercial purposes. Subject to verifications, such date shall be reported by the registered enterprise to the Authority at least ten calendar days before the start of operations.
- y. **"CERTIFICATE OF REGISTRATION"** shall mean the certificate issued by the Authority to an enterprise upon its registration. The date appearing thereon, unless otherwise indicated, shall be conclusively deemed the date of registration.



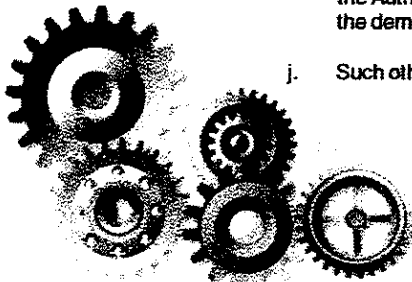
RULE II - APPLICATION AND REGISTRATION

SECTION 1. Any person, firm, association, partnership, corporation, or any form of business organization, regardless of nationality, control and/or ownership of the working capital thereof, organized and existing under Philippine laws may apply in writing for registration as an Estate enterprise. *No person or organization shall be allowed to operate inside the Estate without first registering with the Authority.*

SECTION 2. Forms - All application shall be made upon forms prescribed by the Authority, accomplished in seven (7) copies.

SECTION 3. Supporting documents - The documents to be submitted by an applicant in support of the application are:

- a. Feasibility study;
- b. In case of a corporation, partnership or other entity, certified copies of its articles of incorporation and by-laws, constitution and by-laws or articles of partnership or association and amendments thereof, duly registered with the Securities and Exchange Commission and other licensing or registering government agency;
- c. Anti-Graft Certificate (R.A. 3019);
- d. In the case of corporation, a list of its directors and principal stockholders together with their respective bio-data. In the case of a single proprietorship, the name of its principal owner, and in the case of a partnership or other business entities, a list of the major partners, stock holders or controlling members together with their respective bio-data.
- e. Resolution of the Board of Directors of a corporation or other entity authorizing the filing of the application and nominating its representative(s) to the Authority. In the case of a partnership or a single proprietorship, *an equivalent declaration under oath*;
- f. Audited financial statements for the last three (3) years if applicable, otherwise, only financial statements for the period applicant has been operating;
- g. When applicable, certified copies of its certificate of registration with the Board of Investments under the Investment Incentives Law, Republic Act No. 5186; or the Export Incentives Law, R.A. No.6135; or under similar granting incentives to enterprise.
- h. Income tax returns for the three (3) preceding years if applicable, otherwise only income tax returns during the period applicant has been operating;
- i. Deed of undertaking that no buildings, structures or other facilities shall be constructed and no improvements or building structures or facilities shall be made in the Estate without previous written approval of the Authority and consenting to demolition or dismantle said buildings, structures or facilities or improvements thereto upon order of the Authority or upon its failure or refusal to do so authorizing the Authority to undertake the demolition or dismantling thereof, at the applicant's or owner's expense;
- j. Such other DOCUMENTS as may be required by the Authority.



P.D. 538

PHIVIDEC INDUSTRIAL

13

SECTION 4. Filing of Application - The application shall be filed with the Authority upon payment of the corresponding application fee.

SECTION 5. Board Action: NOTICE OF APPLICANT - Approval or disapproval of the application shall be by resolution of the Board. The action taken therein shall be communicated in writing to the applicant.

SECTION 6. Certificate of Registration - The Certificate of Registration shall be issued whenever it can be shown that applicant has:

- a. Complied with all the application and registration requirements.
- b. Presented a statement that with the exception of those, which the Board has been duly advised there is no substantial changes in the information and date previously submitted;
- c. Submitted within thirty (30) calendar days from receipt of the notice of approval of the application, a resolution by the applicant's Board of Directors or a deed of undertaking, whichever is applicable, formally accepting the terms and conditions for registration. For good cause shown, said period may be extended once for not more than thirty (30) calendar days if the request therefor is filed before the expiration of the period sought to be extended. Failure to accept within the prescribed period or extension shall be deemed a rejection of the proposed registration;
- d. Paid the registration fee.

SECTION 7. Schedule of Fees - (amended by PIA Board Resolution No.351, series of 1996)
The following fees shall be collected by the Authority:

- a. Filing Fee to be imposed only once upon filing of required documents:

- a.1. For manufacturing/processing enterprises:

Capitalization

Below P1 million	P 1,000.00
Between P1M and 25M	1,500.00
Between P25 and 100M	2,000.00
Above P100M	3,000.00

- a.2 For service enterprises:

Below P500, 000.00	P 750.00
P500, 000.00 and above	1,000.00

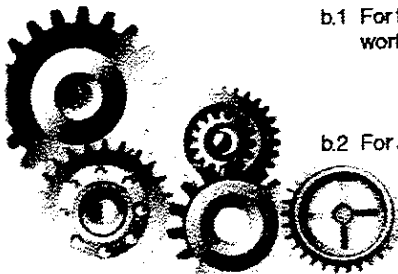
- b. Registration Fee to be imposed only once upon issuance of the Certificate of registration.

- b.1 For firms introducing improvements worth more than P750, 000.00

1/10 of 1% of the total project cost but shall not be less than P2, 000.00 or more than P10, 000.00

- b.2 For all other registering firms

P1, 000.00



P.D. 533
PRIVILEGE INDUSTRIAL

14

SECTION 8. Forfeiture of Registration Fee - If, for any cause not attributable to the Authority, the application is withdrawn, the application fee shall be forfeited in favor of the Authority. The same rule shall apply when, at any time, the registration is declared null and void.

RULE III - PROVISIONS COMMON TO REGISTRATION AGREEMENT

SECTION 1. An Estate enterprise shall observe and abide by the provisions of the Decrees and the Authority's rules and regulations, shall take adequate measures to ensure that its obligation thereunder are faithfully discharged.

SECTION 2. Any material falsehood or misrepresentation contained in the application for registration of an Estate enterprise or in any other document submitted to the Authority in connection with said application shall render the application null and void from the beginning.

SECTION 3. An Estate enterprise shall during, working hours, allow the duly authorized representatives of the Authority to look into pertinent records and documents of the said enterprise to ascertain compliance with these rules and regulations.

SECTION 4. An Estate enterprise shall, when requested, furnish the Authority with copies of reports which by law or regulations it is required to submit to appropriate government agencies.

SECTION 5. An Estate enterprise shall, use domestic raw materials in the manufacture of its products whenever said raw materials are locally available and manufactured in sufficient quantity, are of satisfactory quality, and are available at reasonable prices.

SECTION 6. Except when caused by a fortuitous event or force majeure, an Estate enterprise shall not withdraw its business from or suspend its operations in the Estate unless it shall have given the Authority at least fifteen (15) days written notice thereof; Provided, however, that said fifteen days notice may be reduced to a shorter period upon the prior approval of the Authority.

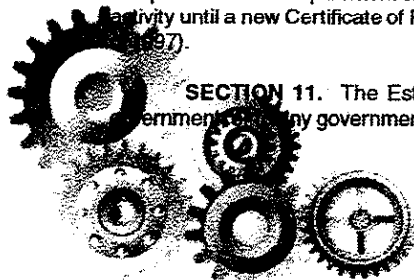
SECTION 7. An Estate enterprise shall notify the Authority of the appointment or replacement of its general managers.

SECTION 8. The incentives enjoyed by an Estate enterprise pursuant to its registration are non-transferable.

SECTION 9. The Estate enterprise shall refrain from knowingly doing an act which shall be prejudicial to its viability or to its stockholders and creditors, or which shall unlawfully deprive the Philippine Government of revenues.

SECTION 10. No Estate enterprise shall engage in any undertaking or activity other than the project/activity covered by its original registration. In the event it does so, it shall give notice thereof to the Authority within ten days from start of the said undertaking or activity, install an accounting system adequate to identify the investments, revenues, costs, profits or losses of the project not covered by the registration separately from those of the whole enterprise, and make available during working hours for inspection and examination by the duly authorized representatives of the Authority, pertinent documents as may be required by the Authority. Non compliance of this requirement shall be a valid ground for the Administrator to suspend the operation of the new activity until a new Certificate of Registration is issued. (Amended by PIA Board Resolution No. XIX 389, series 1997).

SECTION 11. The Estate enterprise shall punctually pay its obligations to the Authority, to the Government, and to any government instrumentality.



SECTION 12. In order to ensure a fair and reasonable price of the imported capital machinery, equipment and spare parts, the Authority may require international bidding and/or canvassing, except in the following cases:

- a. If the total cost of the importation is less than US Dollar 1,000.00;
- b. If there is only one known manufacturer of the machinery/equipment or spare parts; or
- c. If the importation is caused by the expansion of the registered enterprise and such will be acquired from the same manufacturer of the costing equipment; or
- d. When the Authority has other means of determining the reasonableness of the procurement cost.

SECTION 13. The Estate enterprise shall comply with pollution control regulations prescribed by the Authority.

SECTION 14. No importation of equipment, spare parts, accessories or raw materials shall be allowed unless previously authorized by the Authority through an Import Permit upon payment of the corresponding filing and processing fees. No importation shall be exempt from payment of taxes and duties unless the importation is certified by the Authority to be within the purview of Section 8 of the Decree.

SECTION 15. No buildings, structures or other facilities shall be constructed, and no improvement on building structures or facilities shall be made in the Estate without written approval of the Authority.

SECTION 16. In case of industrial disputes, the Authority may mediate or assist in the settlement of such disputes.

RULE IV - TAX TREATMENT OF MERCHANDISE IN THE INDUSTRIAL ESTATE

SECTION 1. Raw materials, supplies, articles, pieces of equipment, machineries, spare parts and wares of every description brought into the Estate shall be exempted from all custom duties, internal revenue taxes, wharfage dues on those brought after January 1, 1997 through wharves and piers constructed by the importer with his/its private funds and laws and regulations relating thereto as well as from local tax ordinances provided that

- a. They are brought into the Estate by an enterprise duly registered with the Authority
- b. They are not prohibited by law
- c. They are to be used in the production, storing, packing and shipment of goods meant for foreign market. This requirement, however, shall not prejudice incentives given to BOI-registered enterprises; and
- d. Their importation is duly approved by the Ministry of Finance.

SECTION 2. Raw materials, supplies, articles and wares of every description brought into the Estate as tax exempt under Section 1 above shall be taxed by the appropriate government agencies accordingly when used as inputs in the production, manufacture, packing, or storing of goods sold and/or transferred in any manner to the domestic market.



SECTION 3. Merchandise of foreign origin brought into the Estate which have not undergone any processing, manufacturing or manipulation while in the Estate, shall, when sent therefrom to the customs territory, be subject to the laws and regulations governing imported merchandise and merchandise of foreign origin brought into the Estate for transshipment to another foreign port shall be free from taxes and duties provided that such merchandise, while inside the Estate, shall be separately stored and conspicuously labeled and identified so as to prevent their commixture with any other articles; Provided, further, that where said foreign merchandise is combined with or made part of any domestic articles, the duties and taxes to be assessed on the final product shall be base on the value of such imported merchandise (except when the final product is exempt) and the internal revenue taxes on the value added.

SECTION 4. Domestic merchandise on which all internal revenue taxes have been paid if subject thereto, as well as foreign merchandise on which the duty or tax have been paid, or which have been admitted free of duty and tax may be taken into the Estate from the customs territory of the Philippines and be brought back thereto free of quotas, duty or tax; domestic/foreign merchandise on which all internal revenue taxes, if subject thereto have been paid, and destined to a foreign part may be brought into the Estate and out therefrom to its destination free of duty and tax; Provided, that said merchandise shall have preserved its identity at the time of transfer from the Estate to the customs territory. A merchandise shall be deemed to have lost its identity when at the time of transfer, there has been change in its physical or mechanical characteristics and/or electromagnetic or chemical properties.

SECTION 5. When the identity of an article entered into the Estate has been lost, such article shall, when removed from the Estate and taken to the customs territory, be treated as foreign merchandise entering the country for the first time.

SECTION 6. Articles produced or manufactured in the Estate and exported therefrom shall, on subsequent importation into the customs territory, be subject to the import laws applicable like to articles manufactured in a foreign country.

SECTION 7. Subject to the provisions of Section 3 hereof rejects, seconds and recoverable wastes, when taken from the Estate to the customs territory shall be taxed in accordance with the applicable provisions of the Customs and Internal Revenue Laws and Regulations of the Philippines.

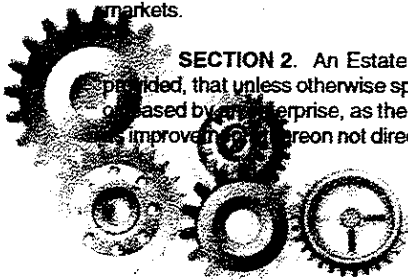
SECTION 8. In the event of an Estate enterprise fails to justify to the satisfaction of the Authority discrepancies between actual inventories and inventory reports hereafter required by the Authority, the same shall be resolved in accordance with the applicable provisions of the Customs and Internal Revenue Laws and Regulations of the Philippines.

SECTION 9. Any articles or merchandise found in the Estate, the ownership of which is not known, shall be declared as abandoned in accordance with applicable provisions of the Tariff and Customs code, as amended.

RULE V - INCENTIVES TO ESTATE ENTERPRISES

SECTION 1. Subject to the provision of Section 8 of the Decree, an estate enterprise shall be exempted from all customs duties, internal revenue taxes, and wharfage dues on merchandise brought after January 1, 1997 through piers and wharves constructed by the enterprise with its private funds, and local taxes on merchandise brought into the estate and utilized in the production, storage, packing and shipment of goods meant for foreign markets.

SECTION 2. An Estate enterprise shall be exempt from the payment of all local government taxes provided, that unless otherwise specified, real estate taxes may be collected by the Authority on lands purchased or leased by an enterprise, as the case may be, and on all privately-owned buildings and/or machineries, as well as improvements thereon not directly related to the activity for which an enterprise is registered with the Authority.



P.D. 538

PHIVIDEC INDUSTRIAL AUTHORITY

17

SECTION 3. An Estate enterprise registered under R.A. No. 5186, R.A. No. 6135 and other similar laws shall continue to enjoy the privileges and incentives granted therein: Provided that when an enterprise has opted for an incentive similar to or the same as that intended by the Decree, the said enterprise may no longer claim the privilege granted under the latter law.

RULE VI - EMPLOYMENT OF FOREIGN NATIONALS

SECTION 1. Subject to the provisions of Section 23 of C.A. No. 613, as amended, and of the pertinent provisions of P.D. No. 442 as well as its rules and regulations, an Estate enterprise may employ foreign nationals for its Estate operation; Provided that in the event an Estate enterprise is likewise registered with the Board of

Investments under Republic Act No. 5186 or R.A. No. 6135 and with other government agencies pursuant to other similar laws, the said registered enterprise may likewise avail itself of the incentives provided under the aforesaid laws on the employment of foreign nationals.

SECTION 2. An Estate enterprise shall submit to the Authority the names of foreign nationals under its employ within fifteen (15) days from commencement of their assumption of duties in the Estate. Termination of employment of foreign personnel shall also be reported to the Authority.

RULE VII - CONSTRUCTION AND INSPECTION OF PLANTS AND BUILDINGS

SECTION 1. Before commencing or proceeding with the erection, construction, repair, removal or demolition of any building, or construction work of any part thereof in the Estate, a written permit shall be obtained by the owner or his agent from the Authority.

SECTION 2. During the actual construction of work, the Authority shall conduct such inspection, as it may deem necessary to ensure compliance with technical and engineering standards or with rules and regulations set forth by the Authority.

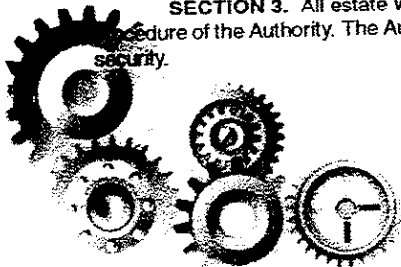
SECTION 3. The Authority may, at any time, order the exclusion from the Estate of goods, chemicals, materials, processes or operations that in its judgement is detrimental to the public interest, health or safety.

RULE VIII - SECURITY MEASURES

SECTION 1. The security of the Estate and the maintenance of peace and order therein shall be the responsibility of the Authority: Provided that the internal safety and security of each Estate enterprise shall be the sole responsibility of such enterprise or the security agency whose services are contracted for by the said enterprise, as the case may be. To this end, an Estate enterprise shall be free to manage and supervise its own security force, or contract for the services of an independent security agency, which shall be cleared by the Authority.

SECTION 2. The movement of persons, vehicles and cargo inside the Estate, their entry and exit therefrom, and their identification while inside the Estate shall be governed by security rules and regulations of the Authority. The above shall not be applicable, however, to the movements and other premises of an Estate enterprise; Provided, that the proper procedures regulating the latter shall have been previously approved by the Authority.

SECTION 3. All estate workers and office personnel shall be subjected to registration and clearance procedure of the Authority. The Authority reserves the right to any person access to the Estate for reasons of the security.



P.D. 538

PHILIPPINE INDUSTRIAL

18

SECTION 4. Whenever a breach of security has occurred inside the premises of an Estate Enterprise, the enterprise concerned shall report and endorse the case immediately to the Estate Police for appropriate action. The Estate Police shall have the exclusive power to investigate any and all cases involving security inside the Estate.

RULE IX - ENTRY AND EXIT OF GOODS

SECTION 1. Merchandise or articles of every description except prohibited merchandise, may be brought into the Estate, upon prior written approval of the Authority, which approval shall be obtained before placing the order for the importation or entry of said merchandise or articles; provided that the importation of pieces or equipment, machineries and spare parts, shall be granted only in accordance with the following conditions:

- a. That they are directly and actually needed in or related to the operation of an Estate enterprise;
- b. That the importation of spare parts shall be restricted only to component spare parts for the specific machinery and/or equipment authorized to be imported; and
- c. Subject to reasonable allowance the rated capacity of the capital equipment to be imported must be within the capacity of the Estate enterprise.

SECTION 2. The importation of sample for reference and/or research purposes, of kind and in such quantity, dimensions or construction as may be determined by the Authority, shall be allowed and the same shall be considered as imports of raw materials for tax purposes.

SECTION 3. Domestic or local merchandise or articles may be taken into or out of the estate only in accordance with the documentation and security procedures promulgated by the authority.

SECTION 4. The application for the entry or exit of goods shall be filed by the Estate enterprise or entity concerned in the form prescribed by the Authority. The Authority may require the submission of shipping commercial and other pertinent documents relative to the importation, exportation, or entry into the customs territory of said goods. The corresponding filing and processing fees shall be collected for each entry and/or exit application.

SECTION 5. When applicable, imported goods destined for the Estate shall be clearly marked in bold letters indicating its destination, thus:

DESTINED FOR THE PHIVIDEC INDUSTRIAL ESTATE MISAMIS ORIENTAL PHILIPPINES

SECTION 6. All - outward - bound shipments of goods, manufactured, assembled, processed, packaged or manipulated within the Estate shall likewise be marked in such manner as would clearly indicate that such goods originated from the said Estate, thus:

MADE IN THE PHIVIDEC INDUSTRIAL ESTATE PHILIPPINES

SECTION 7. An Estate enterprise shall, whenever practicable, unload importation and load exportations at the port within the Estate or at the port of entry nearest the same. In case the loading or unloading is done outside the Estate, the dates of arrival or departure shall be conveyed to the Authority well in advance so that arrangements can be made with customs authorities for the expeditious handling of the cargo and so that an export service can be provided and scheduled.



SECTION 8. Consistent with the objectives of the Decree, an estate enterprise engaged in the production, processing, packing or manipulation of export products shall export its entire output or production. However, in meritorious cases, the authority may allow a portion of the production to enter the customs territory; provided that the corresponding taxes and duties shall be paid therefor.

SECTION 9. Products made in the Estate, samples thereof and/or raw materials shall not be given nor sold by an Estate enterprise to its visitors, workers, or employees without prior written permission from the Authority.

SECTION 10. All exports from the Estate shall satisfy duly established quality standards and regulations pertinent thereto.

RULE X - INVENTORY OF FINISHED PRODUCTS AND RAW MATERIALS

SECTION 1. All Estate enterprise shall submit reports of receipt and utilization of raw materials and/or semi-finished components used in the production of finished goods, the quantity of goods manufactured and their disposition. Such reports shall be in the form prescribed by the authority.

SECTION 2. The authority may, at anytime, conduct an inventory of the stocks of finished product work in process, raw materials, and machineries and equipment, as well as spare parts, of all Estate enterprises. In case of discrepancies between the inventory and the reports required in the preceding section, the Estate enterprise shall explain the discrepancies, subject to the provisions of RULE IV.

RULE XI - PROVISION OF UTILITIES AND SERVICES

SECTION 1. Utilities - It is the responsibility of the Authority to provide all required utilities and services inside the Estate.

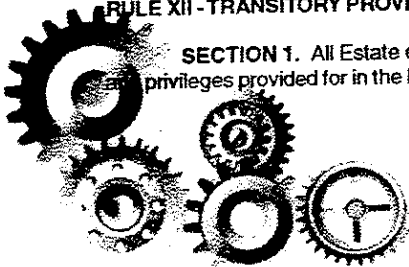
- a. Any manufacturing or service enterprise may provide its own water supply from the deep wells only upon prior written approval of the Authority; provided, however that such approval shall be issued only after verification of proper future integration of the system into over-all Estate water distribution system.
- b. Contracts for the purchase of public utilities and/or service shall be subject to the prior approval of the Authority provided, however that similar contracts existing prior to the effectivity of these Rules and Regulations shall continue to be in full force and effect.
- c. All Estate enterprises shall participate in the operation and maintenance of pollution abatement facilities like sewage treatment plants, incinerators, and air/water monitoring and measuring devices.

SECTION 2. Facilities - The authority may enfranchise any organization to render, operate, and maintain any service facility such as transportation, communication, etc. inside the Estate.

SECTION 3. Rates - The Authority shall determine and regulate utility and facility rate inside the Estate. Such rates shall be circularized by the Authority from time to time.

RULE XII - TRANSITORY PROVISIONS

SECTION 1. All Estate enterprises duly registered with the Authority shall be entitled to the incentives and privileges provided for in the Decree.



P.D. 538

PHILIPPINE INDUSTRIAL

20

SECTION 2. Violations of any of the provisions of these rules and regulations, and/ or the terms and conditions of the registration agreement, and/or non compliance and/or non-fulfillment by an estate enterprise of the representations/commitments set forth in its application for registration, and/or other lawful order or directive of the authority, shall be a sufficient cause for the annulment and/or cancellation of the registration of the estate without need of judicial approval and without prejudice to the recovery by the Authority of any and all types of damages occasioned thereby; provided; however, that the annulment and/or cancellation shall be effected only after the enterprise shall have been given due notice and hearing before the Authority's Administrator or the Estate Manager or their duly designated investigator; provided further, that failure of the enterprise to appear at the scheduled hearing despite notice shall be deemed as a waiver to adduce evidence on its part and the hearing shall then proceed exparte; provided furthermore, that any order decision for annulment and/or cancellation shall become final and executory unless appealed by the enterprise to the Authority's Board of Directors within ten (10) calendar days from its receipt thereof and the Board's decision shall be final unappealable; provided, finally, that a party who waived presentation of evidence on its part may not appeal from the order/decision of annulment and/or cancellation.

An Estate enterprise may not bring on action against the Authority for any alleged violation of its right as provided hereunder unless it shall have previously sought redress from the Authority.

SECTION 3. An Estate enterprise whose registration is declared null and void under Section 2, Rule III, and which has taken advantage of the incentive granted by the Decree shall be liable for customs duties and internal revenue taxes and be subject to all applicable laws, rules and regulations, and local tax ordinances.

SECTION 4. For the violation of Section 1, Rule VII, an Estate enterprise, person or organization shall pay a fine in an amount to be determined by the Authority plus damage, without prejudice to any action which the Authority may deem appropriate.

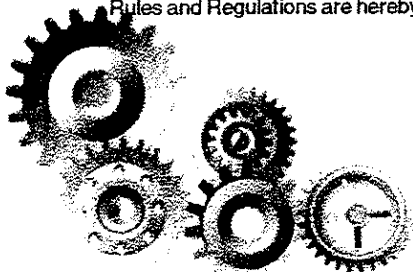
SECTION 5. Violations of section 15, rule III, shall be sufficient ground for the Authority to order the demolition or dismantling of said building structures of facilities or any part thereof, with costs chargeable against the owner thereof, or his duly authorized representative.

SECTION 6. The authority may amend, supplement, suspend or revoke these rules and regulations or any portion thereof as may be necessary; provided, however, that the enterprises directly affected thereby shall have been properly notified and given the opportunity to present their views in a public hearing called for the purpose.

SECTION 7. Unless otherwise provided herein or in the corresponding Board action or by any other component government authority, in no case shall any subsequently board action impair whatever rights may have been previously granted to a duly qualified applicant.

SECTION 8. If any clause, sentence, provision, or section of these regulations shall be held invalid or unconstitutional, the remaining parts shall not be affected thereby.

SECTION 9. All circulars, resolutions or orders inconsistent with or contrary to the provisions of these Rules and Regulations are hereby repealed and or modified accordingly.



SECTION 10. These Rules and Regulations and amendment thereto shall take effect thirty (30) calendar days following the date of publication thereof in a newspaper of general circulation and in the Official Gazette,

PROMULGATED AND APPROVED at Makati, Metro Manila, Philippines on July 20, 1979.

SGD. CARMELO Z. BARBERO
Chairman of the Board

SGD. MAJ. GEN. FIDEL V. RAMOS, PC
Vice-Chairman of the Board

SGD. LT. GEN. PELAGIO A. CRUZ
Director, AFP (RET)

SGD. REAR ADM. HILARIO M. RUIZ
Director, PN (RET)

SGD. BGEN. RICARDO G. PAPA
Director, AFP (RET)

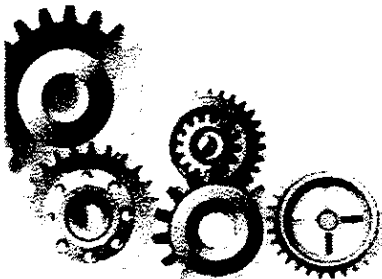
SGD. BRIG. GEN. VICENTE S. UMALI
Director, AFP (RET)

SGD. COL. SIMEON M. VALDEZ
Director, AFP (RET)

SGD. BGEN. TEODORICO P. ALMUETE
Director, AFP (RET)

ATTEST:

SGD. FELIFE H. ALMAZAN
Corporate Secretary



Appendix 16.3.6 BCDA and SBMA

(1) Republic Act No. 7227

REPUBLIC ACT NO. 7227 THE BASES CONVERSION AND DEVELOPMENT ACT OF 1992

AN ACT ACCELERATING THE CONVERSION OF MILITARY RESERVATIONS INTO OTHER PRODUCTIVE USES, CREATING THE BASES CONVERSION AND DEVELOPMENT AUTHORITY FOR THIS PURPOSE, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES.

SECTION 1. *Short Title.* – This Act shall be known as the "*Bases Conversion and Development Act of 1992.*"

Sec. 2. *Declaration of Policies.* - It is hereby declared the policy of the Government to accelerate the sound and balanced conversion into alternative productive uses of the Clark and Subic military reservations and their extension (John Hay Station, Wallace Air Station, O'Donnell Transmitter Station, San Miguel Naval Communications Station and Capas Relay Station), to raise funds by the sale of portions of Metro Manila military camps, and to apply said funds as provided herein for the development and conversion to productive civilian use of the lands covered under the 1947 Military Bases Agreement between the Philippines and the United States of America, as amended.

It is likewise the declared policy of the Government to enhance the benefits to be derived from said properties in order to promote the economic and social development of Central Luzon in particular and the country in general.

Sec. 3. *Creation of the Bases Conversion and Development Authority.* – There is hereby created a body corporate to be known as the Bases Conversion and Development Authority, which shall have attribute of perpetual succession and shall be vested with the powers of a corporation.

It shall be organized within thirty (30) days after approval of this Act. It shall have a term of fifty (50) years from its organization: *Provided*, That Congress, by a joint resolution, may dissolve the Conversion Authority whenever in its judgment the primary purpose for its creation has been accomplished. It shall establish its principal office in Metropolitan Manila unless otherwise provided by the Conversion Authority and may put up such branches as may be necessary.

Sec. 4. *Purposes of the Conversion Authority.* - The Conversion Authority shall have the following purposes:

- (a) To own, hold and/or administer the military reservations of John Hay Station, Wallace Air Station, O'Donnell Transmitter Station, San Miguel Naval Communication Station, Mt. Sta. Rita Station (Hermosa, Bataan) and those portions of Metro Manila, military camps which may be transferred to it by the President; chan robes virtual law library
- (b) To adopt, prepare and implement a comprehensive and detailed development plan embodying a list of projects including but not limited to those provided in the Legislative-Executive Bases Council (LEBC) framework plan for the sound and balanced conversion of the Clark and Subic military reservations and their extensions consistent with ecological and environmental standards, in other productive uses to promote the economic and social development of Central Luzon in particular and the country in general;
- (c) To encourage the active participation of the private sector in transforming the Clark and Subic military reservations and their extensions into other productive uses;
- (d) To serve as the holding company of subsidiary companies created pursuant to Section 16 of this Act and to invest in Special Economic Zones declared under Sections 12 and 15 of this Act;
- (e) To manage and operate through private sector companies developmental projects outside the jurisdiction of subsidiary companies and Special Economic Zones declared by presidential proclamations and established under this Act;
- (f) To establish a mechanism in coordination with the appropriate local government units to effect meaningful consultation regarding the plans, programs and projects within the regions where such plans, programs and/or

project development are part of the conversion of the Clark and Subic military reservations and their extensions and the surrounding communities as envisioned in this Act; and

(g) To plan, program and undertake the adjustment, relocation, or resettlement of population within the Clark and Subic military reservations and their extensions as may be deemed necessary and beneficial by the Conversion Authority, in coordination with the appropriate government agencies and local government units.

Sec. 5 Powers of the Conversion Authority. – To carry out its objectives under this Act, the Conversion Authority is hereby vested with the following powers:

(a) To succeed in its corporate name, to sue and be sued in such corporate name and to adopt, alter and use a corporate seal which shall be judicially noticed;

(b) To adopt, amend and repeal its by-laws;

(c) To enter into, make, perform and carry out contracts of every class, kind and description which are necessary or incidental to the realization of its purposes with any person, firm or corporation, private or public, and with foreign government entities;

(d) To contract loans, indebtedness, credit and issue commercial papers and bonds, in any local or convertible foreign currency from any international financial institutions, foreign government entities, and local or foreign private commercial banks or similar institutions under terms and conditions prescribed by law, rules and regulations;

(e) To execute any deed of guarantee, mortgage, pledge, trust or assignment of any property for the purpose of financing the programs and projects deemed vital for the early attainment of its goals and objectives, subject to the provisions of Article VII, Section 20, and Article XII, Section 2, paragraphs (4) and (5) of the Constitution;

(f) To construct, own, lease, operate and maintain public utilities as well as infrastructure facilities;

(g) To reclaim or undertake reclamation projects as it may deem necessary in areas adjacent or contiguous to the Conversion Authority's lands described in Section 7 of this Act either by itself or in collaboration with the Public Estates Authority (PEA) established under Presidential Decree No. 1084, as amended;

(h) To acquire, own, hold, administer, and lease real and personal properties, including agricultural lands, property rights and interests and encumber, lease, mortgage, sell, alienate or otherwise dispose of the same at fair market value it may deem appropriate;

(i) To receive donations, grants, bequeaths and assistance of all kinds from local and foreign government and private sectors and utilize the same;

(j) To invest its funds and other assets other than those of the Special Economic Zones under Sections 12 and 15 of this Act in such areas it may deem wise;

(k) To exercise the right of eminent domain;

(l) To exercise oversight functions over the Special Economic Zones declared under this Act and by subsequent presidential proclamations within the framework of the declared policies of this Act;

(m) To promulgate all necessary rules and regulations; and

(n) To perform such other powers as may be necessary and proper to carry out the purposes of this Act. chan
robles virtual law library

Sec. .6. Capitalization. - The Conversion Authority shall have an authorized capital of One hundred billion pesos (P100,000,000,000) which may be fully subscribed by the Republic of the Philippines and shall either be paid up from the proceeds of the sales of its land assets as provided for in Section 8 of this Act or by transferring to the Conversion Authority properties valued in such amount.

An initial operating capital in the amount of seventy million pesos (P70,000,000) is hereby authorized to be appropriated out of any funds in the National Treasury not otherwise appropriated which shall be covered by preferred shares of the Conversion Authority retireable within two (2) years.

Sec. 7. *Transfer of Properties.* – Pursuant to paragraph (a), Section 4 hereof, the President shall transfer forthwith to the Conversion Authority:

(a) Station	Area in Has. (more or less)
John Hay Air Station	570
Wallace Air Station	167
O'Donnell Transmitter Station	1,755
San Miguel Naval Communication Station	1,100
Mt. Sta. Rosa Station (Hermosa, Bataan)	

(b) Such other properties including, but not limited to, portions of Metro Manila military camps, pursuant to Section 8 of this Act: *Provided, however,* That the areas which shall remain as military reservations shall be delineated and proclaimed as such by the President.

Sec. 8. *Funding Scheme.* – The capital of the Conversion Authority shall come from the sales proceeds and/or transfers of certain Metro Manila military camps, including all lands covered by Proclamation No. 423, series of 1957, commonly known as Fort Bonifacio and Villamor (Nichols) Air Base, namely:

Camp	Area in has. (more or less)
Phase I (for immediate disposal)	
1. Camp Claudio	2.0
2. Camp Bago Bantay	5.0
3. Part of Villamor Air Base	135.10
4. Part of Fort Bonifacio	<u>498.40</u>
Total	640.50
Phase II	
1. Camp Ver	1.9
2. Camp Melchor	1.0
3. Camp Atienza	4.9
4. Part of Villamor Air Base	37.9
5. Part of Fort Bonifacio	224.90
6. Fort Abad	<u>.60</u>
Total	271.20

Provided, That the following areas shall be exempt from sale:

(a) Approximately 148.80 hectares in Fort Bonifacio for the National Capital Region (NCR) Security Brigade, Philippine Army (PA) officers' housing area, and Philippine National Police (PNP) jails and support services (presently Camp Bagong Diwa);

(b) Approximately 99.91 hectares in Villamor Air Base for the Presidential Airlift Wing, one squadron of helicopters for the NCR and respective security units;

(c) The following areas segregated by Proclamation Nos.:

- (1) 461, series of 1965; (AFP Officers Village)
- (2) 462, series of 1965; (AFP Enlisted Men's Village)
- (3) 192, series of 1967; (Veterans Center)
- (4) 208, series of 1967; (National Shrines)
- (5) 469, series of 1969; (Philippine College of Commerce)
- (6) 653, series of 1970; (National Manpower and Youth Council)
- (7) 684, series of 1970; (University Center)
- (8) 1041, series of 1972; (Open Lease Concession)
- (9) 1160, series of 1973; (Manila Technical Institute)
- (10) 1217, series of 1970; (Maharlika Village)
- (11) 682, series of 1970; (Civil Aviation Purposes)
- (12) 1048, series of 1975; (Civil Aviation Purposes)
- (13) 1453, series of 1975; (National Police Commission)
- (14) 1633, series of 1977; (Housing and Urban Development)
- (15) 2219, series of 1982; (Ministry of Human Settlements, BLISS)
- (16) 172, series of 1987; (Upper, Lower, and Western Bicutan and Signal Housing)
- (17) 389, series of 1989; (National mapping and Resource Information Authority)
- (18) 518, series of 1990; (CEMBO, SO CEMBO, W REMBO, E REMBO, COMEMBRO, PEMBO, PITOGO)
- (19) 467, series of 1968; (Greater Manila Terminal Food Market Site)
- (20) 347, series of 1968; (Greater Manila Food Market Site)
- (21) 376, series of 1968; (National Development Board and Science Community)

(d) A proposal of 15 hectares as relocation site for families to be affected by circumferential road 5 and radial road 4 construction: *Provided, further*, That the boundaries and technical description of these crumpled areas shall be determined by an actual group survey.

The President is hereby authorized to sell the above lands, in whole or in part, which are hereby declared alienable and disposable pursuant to the provisions of existing laws and regulations governing sales of government properties: *Provided*, That no sale or disposition of such lands will be undertaken until a development plan embodying projects for conversion shall be approved by the President in accordance with Paragraph (b), Section 4, of this Act. However, six (6) months after approval of this Act, the President shall authorize the Conversion Authority to dispose of certain areas in Fort Bonifacio and Villamor as the latter so determines. The Conversion Authority shall provide the President a report on any such disposition or plan for disposition within one (1) month from such disposition or preparation of such plan. The proceeds from any sale, after deducting all expenses related to the sale, of portions of Metro Manila military camps as authorized under this Act, shall be used for the following purposes with their corresponding percent shares of proceed:

- (1) Thirty-two and five-tenths percent (32.5%) - To finance the transfer of the AFP military camps and the construction of new camps, the self-reliance and modernization program of the AFP, the concessional and long-term housing loan assistance and livelihood assistance to AFP officers and enlisted men and their families, and the rehabilitation and expansion of the AFP's medical facilities; chan robles virtual law library
- (2) Fifty percent (50%) - To finance the conversion and the commercial uses of Clark and Subic military reservations and their extensions;
- (3) Five percent (5%) - To finance the concessional and long-term housing loan assistance for the homeless of Metro Manila, Olongapo City, Angeles City and other affected municipalities contiguous to the bases areas as mandated herein; and
- (4) The balance shall accrue and be remitted to the National Treasury to be appropriated thereafter by Congress for the sole purpose of financing programs and projects vital for the economic upliftment of the Filipino people.

Provided, That, in case of Fort Bonifacio, two and five tenths percent (2.5%) of the proceeds thereof in equal shares shall each go to the Municipalities of Makati, Taguig and Pateros: *Provided, further*, That in no case shall farmers affected be denied due compensation.

With respect to the military reservations and their extensions, the President upon recommendation of the Conversion Authority or the Subic Authority when it concerns the Subic Special Economic Zone shall likewise be authorized to sell or dispose those portions of lands which the Conversion Authority or the Subic Authority may find essential for the development of their projects.

Sec. 9. *Board of Directors: Composition.* - The powers and functions of the Conversion Authority shall be exercised by a Board of Directors to be composed of nine (9) members, as follows:

- (a) A full-time chairman who shall also be the president of the Conversion Authority; and
- (b) Eight (8) other members from the private sector, two (2) of whom coming from the labor sector.

The chairman and members shall be appointed by the President with the consent of the Commission on appointments. Of the initial members of the Board, three (3) including the chairman, a representative from the private sector and a representative from the labor sector shall be appointed for a term of six (6) years, three (3) for a term of four (4) years and the other three (3) for a term of two (2) years. In case of vacancy in the Board, the appointee shall serve the unexpired term of the predecessor.

No person shall be appointed or designated unless he is a natural-born Filipino citizen, of good moral character, of unquestionable integrity, and of recognized competence in relevant fields including, but not limited to, economics, management, international relations, law or engineering, preferably naval or aeronautical.

The chairman and president of the Conversion Authority shall have a fixed term of six (6) years.

All procedural matters in the conduct of board meetings shall be prescribed in its internal rules.

Members of the Board shall receive a *per diem* of not more than Five thousand pesos (P5,000) for every board meeting: *Provided, however,* That the per diem collected per month does not exceed the equivalent of four (4) meetings: *Provided, further,* That the amount of *per diem* for every board meeting may be increased by the President but such amount shall not be increased within two (2) years after its last increase.

Sec. .10. *Functions of the Board.* - The Board of Directors shall be the policy-making body of the Conversion Authority and shall perform the following functions:

- (a) Determine the organizational structure of the Conversion Authority, define the duties and responsibilities of all officials and employees and adopt a compensation and benefit scheme at least equivalent to that of the Central Bank of the Philippines;
- (b) Appoint all officials down to the third level and authorize the president of the Conversion Authority to appoint all others: *Provided,* That all appointments shall be on the basis of merit and fitness and all personnel action shall be in pursuance of Civil service laws, rules and regulations, except those coterminus employees of the members of the Board;
- (c) Prepare the annual and supplemental budgets of the Conversion Authority;
- (d) Submit an annual report of the operation of the Conversion Authority to the President of the Philippines, President of the Senate and Speaker of the House of Representatives;
- (e) Carry out the purposes of the Conversion Authority with the following terms and references:
 - (1) As much as possible, major conversion projects shall be undertaken under the complete project turnkey or build-operate-transfer (BOT) scheme, as provided under Republic Act Numbered Sixty-nine hundred and fifty-seven (R.A. 6957); and
 - (2) Starting the fourth year of the Conversion Authority's full operation, a privatization or divestment program of its projects and subsidiaries shall begin under general guidelines prescribed.

Sec. 11. *Duties and Responsibilities of the President of the Conversion Authority.* - The president of the Conversion Authority shall have the following duties and responsibilities:

- (a) To act as Chief Executive Officer of the Conversion Authority;
- (b) To execute, administer and implement the policies and measures approved by the Board
- (c) To direct and supervise the operations and administration of the Conversion Authority;
- (d) To represent the Conversion Authority in all dealings with offices, agencies and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign;
- (e) To direct and supervise the preparation of the agenda for the meeting of the Board, and to submit for the consideration of the Board such policies and measures as he believes necessary to carry out the purpose and objectives of this Act; and
- (f) To exercise such other powers and functions provided in the bylaws and as may be vested in him by the Board.

Sec. 12. *Subic Special Economic Zone.* - Subject to the concurrence by resolution of the *Sangguniang Panlungsod* of the City of Olongapo and the *Sangguniang Bayan* of the Municipalities of Subic, Morong and Hermosa, there is hereby created a Special Economic and Free-port Zone consisting of the City of Olongapo and the Municipality of Subic, Province of Zambales, the lands occupied by the Subic Naval Base and its contiguous extensions as embraced, covered, and define by the 1947 Military Bases Agreement between the Philippines and the United States of America as amended, and within the territorial jurisdiction of the municipalities of Morong and Hermosa, Province of Bataan, hereinafter referred to as the Subic Special Economic Zone whose metes and bounds shall be delineated in a proclamation to be issued by the President of the Philippines. Within thirty (30) days after the approval of this Act, each local government unit shall submit its resolution of concurrence to join the Subic Special Economic Zone to the Office of the President. Thereafter, the President of the Philippines shall issue a proclamation defining the metes and bounds of the zone as provided herein. chan
robles virtual law library

The abovementioned zone shall be subjected to the following policies:

- (a) Within the framework and subject to the mandate and limitations of the Constitution and the pertinent provisions of the Local Government Code, the Subic Special Economic Zone shall be developed into a self-sustaining, industrial, commercial, financial and investment center to generate employment opportunities in and around the zone and to attract and promote productive foreign investments;
- (b) The Subic Special Economic Zone shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital within, into and exported out of the Subic Special Economic Zone, as well as provide incentives such as tax and duty-free importations of raw materials, capital and equipment. However, exportation or removal of goods from the territory of the Subic Special Economic Zone to the other parts of the Philippine territory shall be subject to customs duties and taxes under the Customs and Tariff Code and other relevant tax laws of the Philippines;
- (c) The provision of existing laws, rules and regulations to the contrary notwithstanding, no taxes, local and national, shall be imposed within the Subic Special Economic Zone. In lieu of paying taxes, three percent (3%) of the gross income earned by all businesses and enterprise within the Subic Special Economic Zone shall be remitted to the National Government, one percent (1%) each to the local government units affected by the declaration of the zone in proportion to their population area, and other factors. In addition, there is hereby established a development fund of one percent (1%) of the gross income earned by all business and enterprise within the Subic Special Economic Zone to be utilized for the development of municipalities outside the City of Olongapo and the Municipality of Subic, and other municipalities contiguous to the base areas.

In case of conflict between national and local laws with respect to tax exemption privileges in the Subic Special Economic Zone, the same shall be resolve in favor of the latter;

- (d) No exchange control policy shall be applied and free markets for foreign exchange, gold, securities and future shall be allowed and maintained in the Subic Special Economic Zone;

- (e) The Central Bank, through the Monetary Board, shall supervise and regulate the operations of banks and other financial institutions within the Subic Special Economic Zone;
- (f) Banking and finance shall be liberalized with the establishment of foreign currency depository units of local commercial banks and offshore banking units of foreign banks with minimum Central Bank regulation;
- (g) Any investor within the Subic Special Economic Zone whose continuing investment shall not be less than Two hundred fifty thousand dollars (\$250,000), his/her spouse and dependent children under twenty-one (21) years of age, shall be granted permanent resident status within the Subic Special Economic Zone. They shall have freedom of ingress and egress to and from the Subic Special Economic Zone without any need of special authorization from the Bureau of Immigration and deportation. The Subic Bay Metropolitan Authority referred to in Section 13 of this Act may also issue working visas renewable every two (2) years to foreign executives and other aliens possessing highly-technical skills which liked Filipino within the Subic Special Economic Zone possesses, as certified by the Department of Labor and Employment. The names of aliens granted permanent residence status and working visas by the Subic Bay metropolitan Authority shall be reported to the Bureau of Immigration and Deportation within thirty (30) days after issuance thereof;
- (h) The defense of the zone and the security of its perimeters shall be the responsibility of the National Government in coordination with the Subic Bay Metropolitan Authority. The Subic Bay Metropolitan Authority shall provide and establish its own internal security and firefighting forces; and
- (i) Except as herein provided, the local government units comprising the Subic Special economic Zone shall retain their basic autonomy and identity. The cities shall be governed by their respective charters and the municipalities shall operate and function in accordance with republic Act No. 7160, otherwise known as the Local Government Code of 1991.

Sec. 13. *The Subic Bay Metropolitan Authority.* –

- (a) *Creation of the Subic Bay Metropolitan Authority* - A body corporate to be known as the Subic Bay Metropolitan Authority is hereby created as an operating and implementing arm of the Conversion Authority.
- (b) *Powers and functions of the Subic Bay Metropolitan Authority* - The Subic Bay Metropolitan Authority, otherwise known as the Subic Authority, shall have the following powers and function:
 - (1) To operate, administer, manage and develop the ship repair and ship building facility, container port, oil storage and refueling facility and Cubi Air Base within the Subic Special Economic and Free-port Zone as a free market in accordance with the policies set forth in Section 12 of this Act;
 - (2) To accept any local or foreign investment, business or enterprise, subject only to such rules and regulations to be promulgated by the Subic Authority in conformity with the policies of the Conversion Authority without prejudice to the nationalization requirements provided for in the Constitution;
 - (3) To undertake and regulate the establishment, operation and maintenance of utilities, other services and infrastructure in the Subic Special Economic Zone including shipping shipping and related business, stevedoring and port terminal services or concessions, incidental thereto and airport operations in coordination with the Civil Aeronautics Board, and to fix just and reasonable rates, fares charges and other prices therefor;
 - (4) To construct, acquire, own lease, operate and maintain on its own or through contract, franchise, license permits bulk purchase from the private sector and build-operate transfer scheme or joint-venture the required utilities and infrastructure in coordination with local government units and appropriate government agencies concerned and in conformity with existing applicable laws therefor;
 - (5) To adopt, alter and use a corporate seal; to contract, lease, sell, dispose, acquire and own properties; to sue and be sued in order to carry out its duties and functions as provided for in this Act and to carry exercise the power of eminent domain for public use and public purpose;
 - (6) Within the limitation provided by law, to raise and/or borrow the necessary funds from local and international financial institutions and to issue bonds, promissory notes and other securities for that purpose and to secure the same by guarantee, pledge, mortgage deed of trust, or assignment of its

properties held by the Subic Authority for the purpose of financing its projects and programs within the framework and limitation of this Act;

(7) To operate directly or indirectly or license tourism related activities subject to priorities and standards set by the Subic Authority including games and amusements, except horse racing, dog racing and casino gambling which shall continue to be licensed by the Philippine Amusement and Gaming Corporation (PAGCOR) upon recommendation of the Conversion Authority; to maintain and preserve the forested areas as a national park;

(8) To authorize the establishment of appropriate educational and medical institutions;

(9) To protect, maintain and develop the virgin forests within the baselands, which will be proclaimed as a national park and subject to a permanent total log ban, and for this purpose, the rules and regulations of the Department of Environment and Natural Resources and other government agencies directly involved in the above functions shall be implemented by the Subic Authority;

(10) To adopt and implement measures and standards for environmental pollution control of all areas within its territory, including but not limited to all bodies of water and to enforce the same. For which purpose the Subic Authority shall create an Ecology Center; and

(11) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder as well as to carry out the policies and objectives of this Act.

(c) *Board of Directors* - The powers of the Subic Authority shall be vested in the exercised by a Board of Directors, hereinafter referred to as the Board of Directors, hereinafter referred to as the Board, which shall be composed of fifteen (15) members, to wit:

(1) Representatives of the local government units that concur to join the Subic Special Economic Zone;

(2) Two (2) representatives from the National Government;

(3) Five (5) representatives from the private sector coming from the present naval stations, public works center, ship repair facility, naval supply depot and naval air stations; and

(4) The remaining balance to complete the Board shall be composed to representatives from the business and investment sectors.

The chairman and the members of the Board shall be appointed by the President to serve for a term of six (6) years, unless sooner removed for cause except for the representatives of the local government units who shall serve for a term of three (3) years. In case of removal for cause, the replacement shall serve only the unexpired portion of the term.

No person shall be appointed as a member of the Board unless he is a Filipino citizen, of good moral character, and of recognized competence in relevant fields including, but not limited to, economics, management, international relations, law or engineering. Preference in the appointment of the members of the Board shall be given to residents within the Subic Special Economic Zone.

Members of the Board shall receive a *per diem* of not more than Five Thousand pesos (P5,000) for every board meeting: *Provided, however*, That the *per diem* collected per month does not exceed the equivalent of four (4) meetings: *Provided, further*, That the amount of per diem for every board meeting may be increased by the President: *Provided, finally*, That the amount of per diem shall not be increased within two (2) years after its last increase.

(d) *Chairman/Administrator* - The president shall appoint a professional manager as administrator of the Subic Authority with a compensation to be determined by the Board subject to the approval of the Secretary of Budget,

who shall be the *ex officio* chairman of the Board and who shall serve as the chief executive officer of the Subic Authority: *Provided, however,* That for the first year of its operation from the effectivity of this Act, the mayor of the City of Olongapo shall be appointed as the chairman and chief executive officer of the Subic Authority.

(e) *Capitalization* - The Subic Authority shall have an authorized capital stock of Twenty billion pesos (P20,000,000,000) divided into twenty thousand (20,000) number per shares fully subscribed and paid up by the Republic of the Philippines with:

(1) All lands embraced covered and defined in Section 12 hereof, as well as permanent improvements and fixtures upon proper inventory not otherwise alienated, conveyed, or transferred to another government agency;

(2) All other assets which the President may transfer to the Subic authority as part of the equity contribution of the Government; and

(3) Cash contribution by the Government in the amount of Three hundred million pesos (P300,000,000) a year for the next three (3) years, which is hereby appropriated out of any fund in the National Treasury not otherwise appropriated.

Sec. 14. *Relationship with the Conversion Authority and the Local Government Units.*

(a) The provisions of existing laws, rules and regulations to the contrary notwithstanding, the Subic Authority shall exercise administrative powers, rule-making and disbursement of funds over the Subic Special Economic Zone in conformity with the oversight function of the Conversion Authority.

(b) In case of conflict between the Subic Authority and the local government units concerned on matters affecting the Subic Special Economic Zone other than defense and security, the decision of the Subic Authority shall prevail.

Sec. 15. *Clark and Other Special Economic Zones.* - Subject to the concurrence by resolution of the local government units directly affected, the president is hereby authorized to create by executive proclamation a Special Economic Zone covering the lands occupied by the Clark military reservations and its contiguous extensions as embraced, covered and defined by the 1947 Military Bases Agreement between the Philippines and the United States of America, as amended, located within the territorial jurisdiction of Angeles City, Municipalities of Mabalacat and Porac, Province of Pampanga, and the municipality of Capas, Province of Tarlac, in accordance with the provision as herein provided insofar as applied to the Clark military reservations.

The governing body of the Clark Special Economic Zone shall likewise be established by executive proclamation with such powers and functions exercised by the Export Processing Zone Authority pursuant to Presidential Decree No. 66, as amended.

The policies to govern and regulate the Clark Special Economic Zone shall be determined upon consultation with the inhabitants of the local government units directly affected which shall be conducted within six (6) months upon approval of this Act. chan robles virtual law library

Similarly, subject to the concurrence by resolution of the local government units directly affected, the President shall create other Special Economic Zones, in the base areas of Wallace Air Station in san Fernando, La Union (excluding areas designated for communications, advance warning and radar requirements of the Philippine Air Force to be determined by the Conversion Authority) and Camp John Hay in the City of Baguio.

Upon recommendation of the Conversion Authority, the President is likewise authorized to create Special Economic Zones covering the Municipalities of Morong, Hermosa, Dinalupihan, Castillejos, and San Marcelino.

Sec. 16. *Subsidiaries.* - The Conversion Authority shall have the power to form, establish, organize and maintain a subsidiary corporation or corporations. Such subsidiary or subsidiaries shall be formed in accordance with the Philippine Corporation Law and existing rules and regulations promulgated by the Securities and Exchange Commission, unless otherwise provided in this Act. In all cases, the Conversion Authority shall own initially at least fifty-one *per centum* (51%) of the capital stock of a subsidiary. The Conversion Authority shall also initially have the majority of the Board of Directors of the subsidiaries, of which at least one (1) director shall be the chairman of the Conversion Authority and a second director shall be the president of the Conversion Authority or his designated representative.

Such subsidiaries shall be exempt from the coverage of the Civil service Laws, rules and regulations.

Sec. 17. *Supervision.* – The Conversion Authority shall be under the direct control and supervision of the Office of the President for purposes of policy direction and coordination.

Sec. 18. *Legal Counsel.* - Without prejudice to the hiring of an outside counsel, the Government Corporate Counsel shall be the ex officio legal counsel of the Conversion Authority, the governing boards of the Special Economic Zones and the subsidiaries wherein the Conversion Authority owns the majority of the shares of stocks, and for this purpose he may designate a full time representative whose compensation shall be approved by the Board.

Sec. 19. *Auditor.* – The Commission on Audit shall appoint a representative who shall be the full time auditor of the Conversion Authority, its subsidiaries and the Special Economic Zones and such personnel as may be necessary to assist said representative in the performance of his duties. He is mandated to impose pre-audit within thirty (30) days after submission of all proposed substantial sales, transfer, and alienations of property. He shall likewise render a full report thereof to Congress every sixty (60) days. The salaries of the auditor and his staff shall be approved by the Board.

Sec. 20. *Interim Capacity.* - Except for the chairman of the Subic Authority, the chairman and other members of the Board of the Conversion Authority and the Subic Authority shall act in an interim capacity and shall serve until the 31st of July 1992 or until such time that their successors shall have been duly appointed.

Sec. 21. *Injunction and Restraining Order.* - The implementation of the projects for the conversion into alternative productive uses of the military reservations are urgent and necessary and shall not be restrained or enjoined except by an order issued by the Supreme Court of the Philippines.

Sec. 22. *Separability Clause.* - If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Sec. 23. *Repealing Clause.* - All laws, executive issuances or parts thereof which are inconsistent herewith are hereby repealed or amended accordingly. chan robes virtual law library

Sec. 24. *Effectivity Clause.* - This Act shall take effect upon its publication in at least one (1) newspaper of general circulation.

Approved: March 13, 1992

Appendix 16.3.7 CEZA

(1) Republic Act No. 7922

REPUBLIC ACT NO. 7922

AN ACT ESTABLISHING A SPECIAL ECONOMIC ZONE AND FREE PORT IN THE MUNICIPALITY OF SANTA ANA AND THE NEIGHBORING ISLANDS IN THE MUNICIPALITY OF APARRI, PROVINCE OF CAGAYAN, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

SECTION 1. Short Title. — This Act shall be known as the "*Cagayan Special Economic Zone Act of 1995*."

Sec. 2. Declaration of Policy. — It is hereby declared the policy of the government to actively encourage, promote, induce and accelerate a sound and balanced industrial, economic and social development of the country in order to provide jobs to the people especially those in the rural areas, increase their productivity and their individual and family income, and thereby improve the level and quality of their condition through the establishment, among others, of special economic zones and free ports in suitable and strategic locations in the country and through measures that shall effectively attract legitimate and productive foreign investments.

Sec. 3. The Cagayan Special Economic Zone and Free Port. — In accordance with the foregoing declared policy, there is hereby established a special economic zone and free port, to be known as the Cagayan Special Economic Zone, hereinafter known as the Zone, which shall cover the entire area embraced by the Municipality of Santa Ana and the islands of Fuga, Barit, and Mabbag in the Municipality of Aparri, Province of Cagayan.

Sec. 4. Governing Principles. — The Cagayan Special Economic Zone shall be managed and operated under the following principles:

(a) Under the framework and limitations of the Constitution and the applicable and the provisions of the Local Government Code, the Zone shall be developed into and operated as a self-sustaining, commercial, financial, investment, and tourism/recreational center and free port with suitable retirement/residential areas, in order to create employment opportunities in and around the Zone, and to effectively encourage and attract legitimate and productive foreign investments therein;

(b) Business establishments operating within the Zone shall be entitled to the existing fiscal incentives as provided for under Presidential Decree No. 66, the law creating the Export Processing Zone Authority (EPZA), or those provided under Book VI of Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987;

(c) Any provision of existing law, rules or regulations to the contrary notwithstanding, no taxes, local and national, shall be imposed on business establishments operating within the Zone. In lieu of paying taxes, said business establishments shall pay and remit to the national government five per centum (5%) of their gross income, to be divided as follows:

(1) Two per centum (2%) shall accrue to the general fund of the national government;

chan robes virtual law library

(2) One per centum (1%) to the Province of Cagayan;

(3) One-half per centum (1/2%) to be shared by the municipalities affected by the declaration of the Zone in proportion to their income from business activities within the Zone; and

(4) One and one-half per centum (1 1/2%) to the Cagayan Economic Zone Authority which shall be created under this Act;

(d) Existing banking laws and Bangko Sentral ng Pilipinas (BSP) rules and regulations shall apply on foreign exchange and other current account transactions (trade and non-trade), local and foreign borrowings, foreign investments, establishment and operation of local and foreign banks, foreign currency deposit units, offshore banking units and other financial institutions under the supervision of the BSP;

chan robes virtual law library

(e) Any foreign investor who establishes a business enterprise within the Zone and who maintains capital investment of not less than One hundred fifty thousand United States dollars (US\$150,000) shall be granted, along with his

or her spouse, dependents, and unmarried children below twenty-one (21) years of age, a permanent resident status within the Zone. The responsibility and authority to grant such permanent resident status is hereby delegated to the Cagayan Economic Zone Authority referred to in Section 5 of this Act.

Such foreign investor and his or her spouse, dependents, and unmarried children below the age of twenty-one (21) years, shall have the freedom of ingress and egress to and from the Zone without need of any special authorization from the Bureau of Immigration.

Likewise, the Cagayan Economic Zone Authority shall issue working visas renewable every two (2) years to foreign executives and foreign technicians with highly specialized skills which no Filipino possesses, as certified by the Department of Labor and Employees.

The names of foreigners granted permanent resident status and working visas by the Cagayan Economic Zone Authority shall be reported to the Bureau of Immigration within thirty (30) days from such grant.

The foregoing is without prejudice to a foreigner acquiring permanent resident status in the Philippines in accordance with applicable immigration, retirement, and other related laws; and

(f) Except as otherwise provided herein, the local government units totally or partially embraced within the Zone shall retain and maintain their basic autonomy and identity. The Municipality of Santa Ana and the Municipality of Aparri shall operate and function in accordance with Republic Act No. 7160, otherwise known as the Local Government Act of 1991, insofar as the areas within their respective jurisdiction covered in this Act are concerned.

Sec. 5. Creation of the Cagayan Economic Zone Authority. — A body corporate to be known as the Cagayan Economic Zone Authority, hereinafter referred to as the CEZA, is hereby created to manage and operate, in accordance with the provisions of this Act, the Cagayan Special Economic Zone and Free Port. This corporate franchise shall expire in fifty (50) years counted from the first day of the fifth (5th) calendar year after the effectivity of this Act, unless otherwise extended by Congress.

chan robles virtual law library

Sec. 6. Powers and Functions of the Cagayan Economic Zone Authority. — The Cagayan Economic Zone Authority shall have the following powers and functions:

(a) To adopt, alter, use a corporate seal; to contract, lease, buy, sell, acquire, own and dispose, movable and immovable as well as personal and real property of whatever nature (including but not limited to shares of stock or participation in private corporations or in limited partnerships, or in joint ventures with limited liability), bonds, precious metals in bullions, ingots, and easily convertible foreign exchange; to sue and be sued in order to carry out its duties, responsibilities, privileges, powers and functions as granted and provided for in this Act; and to exercise the power of eminent domain for public use and public purpose;

chan robles virtual law library

(b) Within the limitation provided by law, to raise or borrow adequate and necessary funds from local or foreign sources to finance its projects and programs under this Act, and for that purpose to issue bonds, promissory notes, and other form of securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust, or an assignment of all or part of its property or assets;

(c) To approve, accept, accredit and allow any local or foreign business, enterprise or investment in the Zone subject only to such rules and regulations as CEZA may promulgate from time to time in conformity with the provisions of this Act and the limitations provided in the Constitution;

(d) To authorize or undertake, on its own or through others, and regulate the establishment, operation and maintenance of public utilities, services, and infrastructure in the Zone such as shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage of cargo, port services or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, bridges, terminals, conveyors, water supply and storage, sewerage, drainage, airport operations in coordination with the Civil Aeronautics Board, and such other services or concessions or infrastructure necessary or incidental to the accomplishment of the objectives of this Act: *Provided, however,* That the private investors in the Zone shall be given priority in the awarding of contracts, franchises, licenses, or permits for the establishment, operation and maintenance of utilities, services and infrastructure in the Zone;

(e) To construct, acquire, own, lease, operate and maintain on its own or through others by virtue of contracts, franchises, licenses, or permits under the build-operate-transfer scheme or under a joint venture with the private sector any or all of the public utilities and infrastructure required or needed in the Zone, in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon;

- (f) To operate on its own, either directly or through a subsidiary entity, or license to others, tourism-related activities, including games, amusements, recreational and sports facilities such as horse racing, dog racing, gambling casinos, golf courses, and others, under priorities and standards set by the CEZA;
- (g) To protect, preserve, maintain and develop the virgin forests, beaches, coral and coral reefs within the Zone. The virgin forest within the Zone will be proclaimed as a national park and will be covered by a permanent total log ban. For this purpose, the rules and regulations of the Department of Environment and Natural Resources and other government agencies involved in the above functions shall be implemented by the CEZA;
- (h) To adopt, implement and enforce reasonable measures and standards to control pollution within the Zone;
- (i) To provide security for the Zone in coordination with the national and local governments. For this purpose, CEZA may establish and maintain its own security force and firefighting capability or hire others to provide the same;
- (j) To form, establish, organize and maintain subsidiary corporations, as its business and operations may require, whether under the laws of the Philippines or not;
- (k) To issue rules and regulations consistent with the provisions of this Act as may be necessary to implement and accomplish the purposes, objectives and policies herein provided; and
- (l) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder as well as those that shall enable it to carry out, implement, and accomplish the purposes, objectives and policies of this Act.

Sec. 7. Board of Directors of CEZA. — The powers of the Cagayan Economic Zone Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of fifteen (15) members, to wit:

- (a) The Secretary of Trade and Industry who shall serve as an ex officio chairman of the Board of Directors and four (4) other representatives of the national government;
chan robles virtual law library
- (b) The mayors of the Municipality of Aparri and the Municipality of Sta. Ana, Province of Cagayan, as ex officio voting members;
- (c) Two (2) representatives of labor from among the workers in the Cagayan Special Economic Zone;
- (d) Four (4) representatives from the business and investment sectors in the Zone, two (2) of whom must come from the investors in the Municipality of Sta. Ana and the other two (2) must come from the investors in the islands of Fuga, Barit and Mabbag in the Municipality of Aparri; and
- (e) Two (2) representatives of the private sector coming from the residents of the municipalities of Santa Ana and Aparri.

The chairman and the members of the Board, except the ex officio members, shall be appointed by the President of the Philippines to serve for a term of three (3) years, unless sooner removed for cause or dies or resigns voluntarily. In case of death, resignation or removal for cause, the replacement shall serve only the unexpired portion of the term.

chan robles virtual law library

Except for the representatives of the business and investment sectors, no person shall be appointed by the President of the Philippines as a member of the Board unless he is a Filipino citizen, of good moral character and of recognized competence in some relevant fields in business, banking, shipping, business or labor management, port operations, engineering, or law.

Members of the Board shall receive a reasonable per diem which shall not be less than the amount equivalent to the representation and transportation allowances of the members of the Board and/or as may be determined by the Department of Budget and Management: *Provided, however,* That the total per diem collected each month shall not exceed the equivalent per diem for four (4) meetings. Unless and until the President of the Philippines has fixed a higher per diem for the members of the Board, such per diem shall not be more than Ten thousand pesos (P10,000.00) for every Board meeting.

Sec. 8. Administrative and Chief Executive Officer. — The President of the Philippines shall appoint a full-time professional and competent administrator and chief executive officer for the Cagayan Economic Zone Authority whose compensation shall be determined by its Board of Directors and shall be in accordance with the revised compensation and

position classification system. The administrator as chief executive officer of CEZA shall be responsible to the Board and the President of the Philippines for the efficient management and operation of the Cagayan Special Economic Zone.

Sec. 9. Capitalization. — The Cagayan Economic Zone Authority shall have an authorized capital stock of two billion (2,000,000,000) no par shares with a minimum issue value of Ten pesos (P10.00) each. The national government shall initially subscribe and fully pay three hundred million (300,000,000) shares of such capital stock. The initial amount necessary to subscribe and pay for the shares of stock shall be included in the General Appropriations Act of the year following its enactment into law and thereafter. The Board of Directors of CEZA may, from time to time and with the written concurrence of the Secretary of Finance, increase the issue value of the shares representing the capital stock of the Cagayan Economic Zone Authority. The Board of Directors of CEZA, with the written concurrence of the Secretary of Finance, may sell shares representing not more than forty per centum (40%) of the capital stock of the CEZA to the general public with such annual dividend policy as the Board and the Secretary of Finance may determine. The national government shall in no case own less than sixty per centum (60%) of the total issued and outstanding capital stock of the CEZA.

Sec. 10. Supervision. — The Cagayan Special Economic Zone shall be under the direct control and supervision of the Office of the President of the Philippines for purposes of policy direction and coordination, in the meantime that the agency tasked with the coordination of special economic zones is not yet in place.

Sec. 11. Relationship with the Municipalities of Santa Ana and Aparri. — In case of any conflict between the Cagayan Economic Zone Authority and the municipalities of Santa Ana and Aparri on matters affecting the Cagayan Special Economic Zone other than in defense and security matters, the decision of CEZA shall prevail.

Sec. 12. Legal Counsel. — The Cagayan Economic Zone Authority and the corporations in which CEZA owns a majority of the issued capital stock shall have its own internal legal counsel under the supervision of the government corporate counsel. When the exigencies of its businesses and operations demand it, the CEZA may engage the services of an outside counsel either on a case to case basis or on a fixed retainer.

Sec. 13. Auditor. — The Commission on Audit shall appoint a representative who shall be a full-time auditor of the Cagayan Economic Zone Authority and its subsidiaries, and assign such number of personnel as may be necessary to assist said representative in the performance of his or her duties. The salaries and emoluments of the assigned auditor and personnel of the Commission on Audit shall be in accordance with the revised compensation and position classification system. The Commission on Audit shall render an annual report to the President of the Philippines and to Congress on the business activities, transactions and operations of the Cagayan Economic Zone Authority.

Sec. 14. Separability Clause. — If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Sec. 15. Repealing Clause. — All laws, executive orders or issuances, or any parts thereof which are inconsistent herewith are hereby repealed or amended accordingly.

Sec. 16. Effectivity Clause. — This Act shall take effect upon its publication in at least one (1) newspaper of general circulation.

Approved: February 24, 1995

Appendix 16.3.8 RPMA (ARMM)

(1) Executive Order No.11, Series of 1998

EXECUTIVE ORDER NO. 11 Series of 1998

ORGANIZING THE INTERIM REGIONAL PORTS AUTHORITY IN THE AUTONOMOUS REGION IN MUSLIM MINDANAO CONSTITUTING ITS SKELETAL STAFF AND PROVIDING FUNDS THEREFORE

WHEREAS, Section 2, Article V of RA 6734, provides that the Autonomous Region in Muslim Mindanao (ARMM) has jurisdiction over matters devolved to it by the Constitution and the Organic Act which include, among others, “the powers, functions and responsibilities now being exercised by the Departments of the National Government”;

WHEREAS, pursuant to the same provision of RA 6734, the powers, functions and responsibilities exercised in the region by the Department of Transportation and Communications (DOTC), its Sectoral Offices and Attached Agencies are devolved to the ARMM except “maritime, land and air transportation and communication that affect areas outside the Autonomous Region”;

WHEREAS, preparations have been undertaken in consonance with Executive Order 435, for the smooth devolution of certain powers, functions and responsibilities of the Philippine Ports Authority to the Autonomous Regional Government (ARG) of the ARMM and to effect such transfer and carry out this mandate fully and expeditiously;

NOW THEREFORE, I, PROF. NUR P. MISUARI, Regional Governor of the Autonomous Region in Muslim Mindanao, by virtue of the powers vested in me by law, do, hereby order:

SECTION 1. ORGANIZATION OF THE INTERIM REGIONAL PORTS AUTHORITY - The Interim Regional Ports Authority (RPA) herein formally organized shall be primarily responsible in carrying out the powers, functions and responsibilities so devolved in consonance with EO 435, as follows:

1. To formulate, in coordination with the Regional Development Office, a comprehensive and practicable port development plan for the autonomous region and to program its implementation and review and update the same regularly in coordination with other regional agencies;
2. To supervise, control, regulate, construct, maintain, operate and provide such facilities or services as are necessary in all ports within the ARMM;
3. To prescribe rules and regulation, procedures, and guidelines governing the establishment, construction, maintenance and operation of additional ports, including private ports in the ARMM;
4. To license, control, regulate, supervise any construction or structure within any port in the ARMM;
5. To provide services (whether on its own, by contract or otherwise) within the region and the approaches thereof including but not limited to:
 - 5.1 berthing, towing, mooring, moving, slipping or docking any vessel;
 - 5.2 loading or discharging any vessel; and
 - 5.3 sorting, weighing, measuring, or otherwise handling goods
6. To exercise control or administer any foreshore rights or leases within its jurisdiction;
7. To coordinate with the Regional Bureau of Lands or any other regional government agency or corporation, in the development of any foreshore area;
8. To control, regulate, and supervise pilotage and the conduct of pilots in any port in the ARMM;
9. To provide or assist in the provision of training programs and training facilities for its staff or staff of port operators and users for the efficient discharge of its functions, duties and responsibilities;
10. To exercise the corporate powers and the police authority now vested in the Regional Ports Authority, provided that the exercise of police authority shall not extend to areas outside the Autonomous Region;
11. To perform such acts or provide such services as may be deemed proper and necessary to carry out and implement the provisions of this Executive Order.

The Interim Regional Ports Authority shall have a Governing Board shall serve as its policy-making body. It shall be initially composed of the DOTC ARMM Secretary as Chairman, the RPA General Manager as Vice-Chairman and the Regional Secretaries of the RBOL, DPWH-ARMM, DTI-ARMM, MARINA-ARMM, DOT-ARMM and a Representative from the Private Sectors as Members.

SECTION 2. COMPOSITION OF SKELETAL STAFF – The Interim Regional Ports Authority (RPA) shall have a skeletal staff of thirty-five (35) personnel to constitute the Office of the Regional Director and the Technical

Staff and the Port Management Office (PMO) of Maguindanao and Jolo herein also organized to take charge of the day-to-day activities as well as to ensure the smooth and uninterrupted delivery of efficient maritime services in the region's port system.

SECTION 3. FINANCIAL SUPPORT – During the interim period prior to the normal turn-over of the ports within the ARMM, the RPA-ARMM shall submit its financial requirements needed to support its operations to the Office of the Regional Governor or appropriate funding. Accordingly, such funds coming from National Government and the PPA intended for the ports in the four (4) provinces within ARMM that are to be transferred to the ARG in conformity with EO 435 shall form part of the budget of the Interim RPA-ARMM Funds, for this purpose, shall also be appropriated by the Regional Legislative Assembly (RLA) of the ARMM to be taken from the unappropriated funds of the Autonomous Region:

SECTION 4. FISCAL AUTONOMY – In exercising its corporate powers and fiscal autonomy, the Interim Regional Authority (RPA) shall retain a portion of its earnings subject to prior approval of its Governing Board and existing and auditing procedures and funds management authority now vested in it by law to be used as maintenance and operating fund in support of its day-to-day operations and to ensure the smooth and uninterrupted delivery of maritime services to region's general port clientele.

SECTION 5. SEPARABILITY CLAUSE – If for any reason, any part or provision of this Executive Order shall be held unconstitutional or invalid, other parts or provisions hereof which are not affected shall continue to be in full force and effect.

SECTION 6. EFFECTIVITY – This Executive Order shall take effect fifteen (15) days after its publication in any regional newspaper of general circulation within the Autonomous Region.

Done in the City of Cotabato this ____ day of _____ in the nineteen hundred and ninety eight.

PROF. NUR P. MISUARI
Regional Governor

(2) Executive Order No.02, Series of 2002

EXECUTIVE ORDER NO. 2
Series of 2002

RE-ORGANIZING THE REGIONAL PORTS AUTHORITY (RPA) INTO THE REGIONAL PORTS MANAGEMENT AUTHORITY (RPMA) STRENGTHENING IT AND FOR OTHER PURPOSES, amending for the purpose Executive Order No. 11, entitled "ORGANIZING THE INTERIM REGIONAL PORTS AUTHORITY IN THE AUTONOMOUS REGION IN MUSLIM MINDANAO, CONSTITUTING ITS SKELETAL STAFF AND PROVIDING FUNDS THEREFORE"

WHEREAS, Sec. 1, Article IV of Republic Act No. 9054, provides for the exercise by the Regional Government of those powers and functions expressly granted to it in the Organic Act, or those powers necessary for or incidental to the proper governance and development of all the constituent units within the Autonomous Region consistent with the policy on regional and local autonomy and decentralization."

WHEREAS, Sec. 3, Article XVIII, of R.A. 9054 mandates the transfer from the national government to the autonomous region of such powers and functions vested in it by the Organic Act, and the appropriations of the offices or agencies (inclusive of government owned and controlled corporations that may be absorbed) including the transfer of properties, assets and liabilities, and such personnel as may be necessary.

WHEREAS, The Oversight Committee, the committee tasked to supervise the transfer from the national government to the Autonomous Government have not as yet completed its tasked as enjoin by law;

WHEREAS, Executive Order 435, has initially devolved certain powers, functions and responsibilities of the Philippine Ports Authority to the Autonomous Regional Government (ARG) of the ARMM.

WHEREAS, the Regional Legislative Assembly of the Autonomous Region has as yet to pass a law creating the Regional Ports Management Authority or an equivalent authority.

NOW THEREFORE, I, DR. PAROUK S. HUSSIN, Regional Governor of the Autonomous Region in Muslim Mindanao, by virtue of the powers vested in me by R.A. No. 9054, do hereby order.

Section 1. Organization of the Regional Ports Management Authority. - There is hereby created a Regional Ports Management Authority (RPMA) to carry out in the meantime the powers, functions and responsibilities already devolved by the National Government particularly the Philippine Ports Authority to the Autonomous Region in Muslim Mindanao pertaining to port management and administration as prescribed and defined in E.O. No. 435 and Department Order No. 293, implementing Republic Act 6734, as follows:

- a. To formulate, in coordination with the regional development office and other regional agencies, a comprehensive port development for the ARMM, to review and update the implementation of these plans;
- b. To supervise, control, regulate, construct, maintain, operate, and provide the necessary facilities and services needed in all these ports within the ARMM;
- c. To prescribe rules and regulations, procedures and guidelines governing the establishment, construction, maintenance and operation of additional ports, both public and private, within the ARMM;
- d. To license, control, regulate and supervise any construction or structure within any port in the ARMM;
- e. To provide services (whether on its own, by contract or otherwise) within the region and approaches thereof including but not limited to:
 - e.1 berthing, towing, mooring, moving, slipping or docking any vessel.
 - e.2 loading or discharging any vessel.
 - e.3 sorting, weighing, measuring or otherwise, handling goods.
- f. To control, regulate and supervise pilotage and the conduct of pilots in any port within the ARMM;
- g. To provide or assists in the provision of training programs and facilities for its staff or those of the port operators and users for the efficient discharge of its functions, duties and responsibilities;
- h. To exercise corporate powers and police authority now vested in the Philippine Ports Authority, provided that these powers shall not extend to the areas outside the autonomous region; and
- i. To perform such other functions or provide such services as may be deemed proper and necessary to carry out and implement the provisions of the Executive Order.

Section 2. Board of Directors. - The Regional Ports Management Authority (RPMA) shall have a Governing Board of seven (7) members. The Board shall serve as the policy-making body of the RPMA and shall be composed of:

- a. The Regional Governor – Chairman
- b. Secretary of DOTC – ARMM – Vice-Chairman
- c. Regional Treasurer – Member
- d. Representative of the Legislative Assembly – Member
- e. Private Sector – (Management preferably from the ship owners association) Member
- f. Private Sector – (Labor preferably organized Labor organization in the ports) – Member
- g. Regional Port Manager – Ex officio member with no voting rights.

Section 3. Management Head. – The management of the Authority shall be vested in the General Manager who shall be directly assisted by two Assistant Managers, one for Administration and Finance and the other for Operations and Port Managers of the various ports and sub-ports under the jurisdiction of the Autonomous Region in Muslim Mindanao.

Section 4. Management and Staff

- a. The General Manager, the Assistant General Managers and the Port Managers shall be appointed by the Regional Governor for a term of three (3) years; provided that upon the expiration of their respective terms they shall continue to serve until their successors shall have been appointed and qualified: Provided further, that no vacancy shall be filled except for the unexpired portion of the term: Provided finally, that the Regional Governor may

remove the General Manager, Assistant General Managers and Port Managers from office for cause upon the recommendation of the Board.

- b. All other officials and employees of the Authority shall be selected and recommended by the General Manager and appointed by the Regional Governor consistent with Civil Service rules and regulations. Provided however, That all professional and technical positions shall be considered policy determining, primarily confidential and highly technical in nature.
- c. The General Manager shall, subject to the approval of the board, determine the staffing pattern and the numbers of personnel of the Authority, define their duties and responsibilities, and fix their salaries and emoluments. For professional and technical positions, the General Manager shall recommend salaries and emoluments that are comparable to those of similar positions in other government-owned and controlled corporations, the provisions of existing rules and regulations on wage and position classification notwithstanding.
- d. Personnel Complement and Distribution. In the Interim, the RPMA shall initially have a personnel complement of thirty five (35) personnel; broken down as follows:
 - a. Regional Office - Ten (10)
 - b. Polloc Port Management Office - Ten (10)
 - c. Jolo Port Management Office - Five (5)
 - d. Tawi-Tawi Port Management - Five (5)
 - e. Sulu Port Management Office - Five (5)

The personnel complement of the RPMA may be increased depending on the requirements of the various ports.

Section 5. Funding Support. – Funding for the personnel, maintenance operation of the RPMA shall initially be taken from the local funds already appropriated by the Regional Legislative Assembly (RLA for the Regional Ports Authority – ARMM. Such other funds as may be released by the National Government and the PPA intended for the ports in the five (5) component provinces of the ARMM.

Section 6. Collection and Remittance. - All income from fees, dues, wharfage, rentals of port facilities collected and received in the various ports within the Autonomous Region in Muslim Mindanao by port collecting agents shall be remitted to the account of the Regional Treasurer. The manner and regularity of remittance shall be prescribed by the Board.

Section 7. Trust Fund. - In the exercise of its corporate powers, a trust fund drawn out of the Forty Percent (40%) remitted collection by the Regional Port Management Authority and other ports to the office of the Regional Treasurer is hereby established for the exclusive use of the Regional Port Management Authority.

The disposition of this Trust Fund shall be determined by the Board.

The remaining Sixty Percent (60%) shall be incorporated to the total revenue of the ARMM and be utilized in accordance with the appropriation act passed by the Regional Legislative Assembly.

Section 8. Separability Clause. - If, for any reason, any part of provision of this Executive Order shall be held unconstitutional or invalid other part or provisions hereof which are not affected shall continue to be in full force and effect.

Section 9. Repealing Clause. - All orders, rules and regulations, and other issuances or parts thereof, which are inconsistent with this Executive Order are hereby repealed or modified accordingly.


Section 10. Effectivity. - This Executive Order shall take effect fifteen (15) days after its publication in any regional newspaper of general circulation within the Autonomous Region.

Done in the City of Cotabato this _____ day of _____ in the year two thousand two.

DR. PAROUK S. HUSSIN
Regional Governor

Appendix 16.3.9 Private Company

(1) PPA Administrative Order No. 06-1995

	Republika ng Pilipinas PANGASIWAAN NG DAUNGAN NG PILIPINAS (PHILIPPINES PORTS AUTHORITY) Marsman Bldg., South Harbor, Port Area Manila, Philippines	PPA FILE TELEPHONE NOS.: 47-92-04 40-81-66 48-24-93
---	--	---

Regulation on private ports

DEC 04 1995

ADMINISTRATIVE ORDER
NUMBER 06 - 95

T O : All District Managers
PMO Managers, Private Port Owners/
Operators and Others Concerned

SUBJECT : **LIBERALIZED REGULATIONS ON PRIVATE PORTS
CONSTRUCTION, DEVELOPMENT AND OPERATION**

Pursuant to Section 2(a), (b), Art. II, Section 6 (a) (iii), (iv), (vi), (vii) Art. IV and Section 26 (a) Article VIII of PD 857, the revised Charter of PPA, as amended, as well as relevant provisions of Commonwealth Act 141, and in order to ensure coordination in the processing of applications to develop, construct and operate private ports, the following guidelines are hereby prescribed for the information of and compliance by all concerned.

ARTICLE I - PRELIMINARY PROVISIONS

Section 1 - Scope.

This Order shall apply to all parties seeking for clearance to develop, permit to construct and/or operate a private port facility. It shall also specify the roles of PPA units and offices concerned in the processing, evaluation and approval of these applications.

Section 2 - Definition of Terms.

For purposes of this Order, the following terms used herein shall be construed to mean as indicated:

2.1 Port Zone - an area proclaimed by the President for use as a port pursuant to PD 857.

1

P. O. BOX
NO. 436

CABLE ADDRESS:
"PHPORTS" MANILA

TELEX (ITT) 40404
TX BX 0203

12-04-95-16

2.2 Foreshore - That part of the land immediately in front of the shore which is between high and low water marks, and alternately covered with water and left dry by the flux and reflux of the tides and not located in a port zone. It is indicated by the middle line between the highest and lowest tides.

2.3 Foreshore Lease Agreement for Pier Purposes - A contract of lease of a foreshore and offshore area for the purpose of constructing and operating a private port granted by the Department of Environment and Natural Resources (DENR) thru the Land Management Bureau, for a period of not more than twenty five (25) years, renewable for another period not exceeding twenty five (25) years, at the option of the Lessor, subject to existing laws and regulations.

2.4 Private Port - A port facility constructed and owned by a private person or entity as authorized by the government. It is classified according to the nature of its operation and purpose, thus:

2.4.1 Private Non-commercial Port - A port facility constructed along the seacoast and owned by a private person or entity as a component of or accessory to its own business or principal economic activity and which does not offer port services to the general public but exists generally for its own particular use and need. Its use by third party users is only incidental to its operation of the port in view of the availability of specialized and dedicated cargo handling gears and equipment used to handle, usually homogenous cargo, unique to the private port facility, and conducted on a limited and non-commercial basis.

2.4.2 Private Commercial Port - A port facility constructed along the seacoast and owned by a private person or entity which offers, as its principal business activity, port services to the general port users. The operation of the port facility is not a mere component of the main business or activity of the owner or operator, but is the main business activity itself.

2.4.3 Private River Port - A private port located along a river bank.

2.4.4 Marina - A private non-commercial port constructed for the exclusive use of securing motorboats and yachts.

Section 3 - General Policy Statements.

3.1 Subject only to the requirements of national security and public safety and this regulations, the development and operation of private ports is hereby encouraged.

3.2 A private port facility may be established upon approval of the general proposal to develop such private port facility from the PPA. Private river ports, private non-commercial ports, and Marina/s may be allowed construction at the level of the General Manager, while all others will be subject to PPA Board approval.

3.3 The Certificate of Registration/Permit to Operate a private port facility shall be given a period of twenty five (25) years but not to exceed the term of its foreshore lease contract. This may be renewable for another 25 years but co-terminus with the renewed foreshore lease contract agreement; provided, however, that in case of non-renewal, cancellation or expiration of the foreshore lease contract, the private port facility or structure thus built on the foreshore and other government owned land utilized for such private port operation, shall become the property of the Authority, free from all liens and encumbrances, unless such foreshore area has been authorized to be reclaimed and the corresponding land has become officially titled to the private port owner concerned.

3.4 Port facilities with expired private port contracts may be leased out again to previous owners/operators.

3.5 The Certificate of Registration/Permit to Operate issued by the Authority shall authorize the holder to operate the private port for the duration specifically indicated in it.

ARTICLE II - PROCEDURES

Section 4 - Criteria for Evaluation.

As a general rule, all applications for the development, construction and operation of private ports shall be granted subject to compliance with this order and other government laws and regulations.

However, applications for private commercial ports shall have a minimum investment of at least one (1) concrete berth with a minimum length of 65 meters and a draft of at least 5 meters at mean lower low water (mllw).

For reference purposes the application shall include a summary of the following:

- 4.1 Site/location/distance/accessibility of applied foreshore area from other ports/public utilities and infrastructures;
- 4.2 Project scope, description, and technical specifications;
- 4.3 General port lay-out plan and development plan;
- 4.4 Company profile.

Section 5 - Clearance to Develop a Private Port Facility.

5.1 The private port investor or owner shall file his formal letter of intent, in triplicate copies, with the Port Management Office concerned where the foreshore area is located, together with the additional requirements as contained in Annex 1 herein incorporated.

5.2 Upon receipt of completed documents, the Responsibility Centers (RCs) concerned shall act on the proposal as follows:

5.2.1 Port Management Office (PMO)

Evaluates, within two weeks from receipt of complete documents, and indorses proposal for approval, unless national security or safety is affected. Informs applicant on the PPA long range plans in the area. Issues to the applicant a Certification that the PMO interposes no objection to the proposed port development, for the latter's presentation to DENR in securing a foreshore lease contract. Elevates the proposal to PDO/HO with his recommendation.

5.2.2 Port District Office (PDO)

Validates, within two weeks from receipt, the initial findings and recommendations of the Port Manager, reflecting its concurrence to such proposal and endorses the same to the Office of the AGM Operations. Attention: Commercial Services Department. Retains copy.

5.2.3 Commercial Services Department (CSD)

5.2.3.1 Processes within four weeks from receipt of complete documents, the private port proposal.

5.2.3.2 Notifies the applicant of denial of proposal if deemed prejudicial to national security or safety. Otherwise prepares an executive brief and submits to the AGM Operations for his recommendation to the General Manager for final approval and clearance to issue a Permit to Construct, subject to the provisions of this order. If the facility applied for is a private commercial port, the application shall be submitted to the PPA board for approval.

5.2.3.3 Notifies the applicant of the clearance to develop private port facility upon Board/General Manager's approval of the proposal.

Section 6 - PPA requirement on foreshore lease application.

The Authority's certification that the applied for area is in consonance with the PPA development plans shall be a prerequisite to all foreshore lease applications with the Department of Environment and Natural Resources, whether initial or renewal. This certification may be issued at the level of the Port Manager without awaiting request from the said Department. The Port Management Offices and the Commercial Services Department shall be provided with all approved and updated port development plans.

Section 7 - Application for Permit to Construct.

Upon issuance by DENR of a foreshore lease contract/order award, the private port investor shall submit to the Authority through the Port District concerned all its construction and building plans together with its duly accomplished application for Permit to Construct. (Annex 2)

7.1 CSD shall inform the Port District manager of the board clearance to issue a Permit to Construct.

7.2 Within three weeks from receipt of documents as enumerated in Annex 3 herein, the Port District Engineer shall evaluate the plans and documents for signature by the Port District Manager.

7.3 Upon signing of the permit to construct by the Port District Manager, his office shall issue the following:

7.3.1 Billing Notice advising proponent of the permit to construct approval, and to pay a Permit to Construct fee in accordance with the following graduated fix fees plus 10% VAT.

Project Cost	Permit to Construct Fee
Below P10M	P10,000
P10M & above	P10,000 plus .001 (1/10 of 1%) of the excess of 10 million but not to exceed P100,000.00

7.3.2 Issue the Permit to Construct upon receipt of the Permit to Construct fee, copy furnished CSD.

Section 8 - Certificate of Registration/Permit to Operate New and Existing Private Pier Facility/ies.

Private port investors who have satisfactorily established new port infrastructures as well as port owners/operators who have developed and operated their facilities prior to the Authority's creation shall register with the PPA.

8.1 Certificate of Registration and Permit to Operate New Private Port

The Authority, thru the Commercial Services Department, shall issue, within three weeks, a Certificate of Registration and Permit to Operate Private Port to the private port owner/operator who has submitted complete documentary requirements as stipulated in Annex 4 herein. Only private ports with official registration with PPA shall be entitled to discounted port dues as provided for under PPA Memorandum Circular 07-94.

8.2 Private Ports handling non-commercial and commercial cargoes.

All private ports that handle both non-commercial and commercial cargoes shall be considered and registered as private commercial ports.

8.3 Existing Private Ports with No Valid Operating Permit

All private ports known to be operating but not in possession of valid operating permits issued by the Authority shall be formally advised by the PMO to register with the Authority within thirty (30) days from receipt of formal notice. Failure of the private port owners to register after one month from final notice shall permanently disqualify them from availing themselves of private port privileges such as discounted port and cargo handling dues without prejudice to seeking legal remedies if called for. In this connection, the Port Manager concerned shall submit to CSD once every six (6) months a complete list of private ports duly registered and those subject for registration within his area of jurisdiction until such time that all private ports shall have been registered.

8.4 Imposition of 100% Port Charges on Unregistered Private Ports

In order to allow sufficient time for all unregistered private port operators/owners to complete documentary requirements for registration with the Authority, a moratorium on the imposition of 100% port charges on unregistered private port is hereby given in accordance with the following:

8.4.1 The Authority shall grant a moratorium on the imposition of the 100% vessel and cargo charges on existing private ports that are unregistered if such private port owners have previously enjoyed the reduced fees under the old PPA Port Tariff.

8.4.2 The moratorium shall commence from the effectivity of PPA MC 07-94 up to May 30, 1996.

8.4.3 Any amount actually paid in excess of the 50% charges under PPA MC No. 07-94 prior to the effectivity of this order shall be applied against future billings.

Section 9 - Cargo Handling Permit.

Duly registered privately owned ports shall be allowed to undertake cargo handling operations, either on their own or by contract upon the issuance of its Certificate of Registration/Permit to Operate. They shall, submit to PPA thru the PMOs concerned the required periodic operational reports as shown in Annex 5.

Section 10 - Privilege Fee.

For the privilege of having a permit to operate the private port, and in lieu of

the percentage share from cargo handling revenues which PPA gets, the private port owners/operators shall pay the PPA through the PMO concerned, the following fees:

Private commercial ports	-	₱ 20,000 per annum
Private non-commercial ports	-	₱ 10,000 per annum
Marina	-	₱ 5,000 per annum
Private river ports	-	₱ 5,000 per annum

The privilege fee shall also extend to private port owners and operators whose cargoes are loaded/unloaded at anchorage provided such cargoes come from or are destined to their registered private port facilities.

Section 11 - Request for Improvement.

All requests for improvement/expansion/rehabilitation of existing private ports during the effectivity of its approved operating permit, except for annual preventive maintenance and repair purposes, shall be evaluated by the Engineering Services Division of the PDO concerned, and approved by the District Manager. A copy of the approval shall be furnished the PDD and CSD.

Section 12 - Transfer of Operating Permits.

The sale, transfer, conveyance, assignment of operating permits shall not be entered into by the private port owner/operator without first seeking prior written clearance from the Authority.

ARTICLE III - COURSES OF ACTION ON EXPIRED FORESHORE LEASE/PERMIT

The PMO concerned shall be responsible for monitoring all private ports operating within its jurisdiction. To this end, it shall inventory all existing facilities and notify private ports with foreshore leases expiring within the next one hundred eighty (180) days. Holders of expiring foreshore leases shall be advised to formalize their intention to renew occupancy of their respective premises, if interested. Otherwise, non application for renewal of the lease at least thirty (30) days from expiry date may be construed as an advice to effect turn-over of ownership rights to the Authority. The Port District Manager concerned is authorized to sign turn-over documents on behalf of the Authority. When a turnover is effected, the Port District Manager shall forward original copies of turnover documents to the AGM for Operations, Attention: CSD.

Section 13 - Ports with Expired Foreshore Lease/PPA Permit to Operate.

13.1 Private port privileges on discounted port and cargo handling dues payments shall cease effective upon expiration of the ports' foreshore lease/PPA Certificate of Registration unless otherwise renewed.

13.2 The privilege on discounted port and cargo handling dues payment shall, however, be extended for a maximum period of 6 months provided an application for the renewal of the foreshore lease and the PPA permit to operate shall be made prior to the effectivity of the lease expiration. This extension shall be allowed to give the applicant sufficient time to complete his renewal documentation.

13.3 Owners/operators of private ports with expired foreshore leases which can no longer be renewed (those with expired second renewals) may still avail themselves of discounted port and cargo handling dues payments provided the government portion of said port facilities are covered by a lease agreement with the Philippine Ports Authority.

Section 14 - Application to Operate Private Port with Expired Foreshore Lease.

All applications to operate private ports with expired foreshore lease shall be forwarded to the Authority for appropriate action.

14.1 The Assistant General Manager for Operations, thru the Commercial Services Department shall be responsible for the overall assessment of all applications to operate private ports with expired foreshore lease permits/contracts.

14.2 If found feasible, a corresponding lease agreement for the continuous utilization and operation of the private port including all improvements introduced therein shall be prepared for management approval.

14.3 Rental payments shall be based on the prevailing market values of similar properties in the locality including other relevant economic factors.

ARTICLE IV - MISCELLANEOUS PROVISIONS

Section 15. Penalty Clause.

15.1 Violation of any of the provisions of this regulation shall subject the private port owner to the penalties enumerated under Section 43 of P.D. 857, as amended.

15.2 Private port facilities constructed without prior clearance and valid permit to construct issued by the Authority but allowed PPA registration shall be subject to payment of penalty charges which shall not be less than P20,000 in addition to the payment of the permit to construct fee.

Section 16. Visitorial Powers.

The private port operator shall allow at anytime PPA officials and authorized PPA employees entry into the private port premises to observe and inspect port operations activities and facilities in the exercise of PPA supervisory authority.

Section 17. Repository of Documents.

A copy of all documents, communications, records pertaining to private ports shall be submitted by all departments concerned, to CSD which shall keep and maintain the same for future reference.

Section 18 - Repealing Clause.

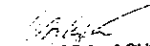
All PPA orders, rules and regulations, policies, guidelines, memoranda or circulars inconsistent herewith are hereby repealed.

Section 19 - Separability Clause.

If any provision or section of this Order, or the application thereof to any person, corporate entity or circumstances is held invalid, the other provisions or sections of this Order, shall not be affected and shall continue to be in full force and effect.

Section 20 - Effectivity.

This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.


CARLOS L. AGUSTIN
General Manager

Published in the following newspapers:

1. Philippine Star) December 7 & 14, 1995
2. Manila Standard)

Effectivity Date - Dec. 30, 1995

Annex 1

**CHECKLIST OF REQUIREMENTS FOR ISSUANCE OF
CLEARANCE TO DEVELOP A PRIVATE PORT FACILITY**

1. Three (3) copies of letter-proposal to develop a private port facility specifying the exact location of the foreshore area, area size in sq.m., intended use/purpose of the facility proposed, contract term/duration, proposed structure to be put-up, estimated cost of improvements.
2. A summary of the project scope and description.
3. A copy of the company profile.
4. Two (2) copies of vicinity map showing the location of the proposed private facility relative to the foreshore site reclaimed land or private lands and to the nearest government pier.
5. DENR/PPA documentary requirements:
 - 5.1 For private port facilities constructed on foreshore area: Two (2) copies of DENR issued foreshore lease contract or at least a certified received application for a foreshore lease permit together with a copy of PPA certificate that the applied for area is not a part of the PPA development plans
 - 5.2 For anchorage-based facilities such as mooring buoys, breasting dolphins, concrete jetties and similar berthing or mooring facilities, two (2) copies of PPA Port Manager certification that the structure will not pose hazard to navigation.
 - 5.3 For private port facilities constructed along the river banks, two (2) certified true copies of land titles.
 - 5.4 For private port facilities constructed on reclaimed lands, two (2) certified true copies of land titles.
6. One (1) photocopy of SEC Registration Permit
7. One (1) photocopy of Articles of Incorporation and By-Laws
8. Environmental Clearance Certificate

(ALL DOCUMENTS TO BE FILED IN A FOLDER)

(2) CPA Administrative Order No. 01-1997

CPA ADMINISTRATIVE ORDER NO. 01-97

TO: All division Managers, Terminal Supervisors, Cargo Handlers, Private Port Owners and Others Concerned

SUBJECT: POLICY ON CARGO HANDLING IN PRIVATE PORTS, PROVIDING GUIDELINES THEREFOR, AND OTHER RELATED MATTERS

This Circular is being issued pursuant to Sec. 5 (a, b, c), 7 (b, j), Sec. 9 (a, g, k), and Sec. 21 of R.Z. 7621 and to Board Resolution No. 168-97.

1. DECLARATION OF POLICY

It is declared policy of the Authority to promote, enhance, and liberalize the cargo handling industry in private ports consistent with its objective to enhance the flow of international and domestic commerce passing through or utilizing the ports of Cebu. In this regard, the owner or operator of a private port or port facility shall have the option to operate on its own or to engage any cargo-handling operator of its choice, provided that said operator is accredited by the CPA.

2. SCOPE

This Circular shall govern applications for accreditation to operate cargo handling services in private ports, whether commercial or non-commercial, situated within the territorial jurisdiction of the Authority.

3. PURPOSES

- 3.1 To liberalize and streamline documentation, processing and evaluation of applications for, and issuance of Accreditations to operate arrastre, stevedoring, portorage and other related cargo handling services in private ports under the jurisdiction of the Authority.
- 3.2 To determine and ensure that the applicants for accreditation are managerially, operationally and financially capable and competent to render/operate the services.

4. GUIDELINES

The following guidelines shall govern the documentation, processing of application for and issuance of accreditation for cargo-handling in private ports:

4.1 Documentary Requirements

4.1.1 For New Applications

- 4.1.1.1 Articles of Incorporation/Cooperation or Partnership By-Laws and Registration with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority, and in case of sole proprietorship proof to that effect.
- 4.1.1.2 Registration with BIR, SSS, BDT, and VAT Registration Certificates
- 4.1.1.3 Board Resolution from Private Port Owner or Operator endorsing the applicant to render cargo handling services for its cargo in its own port.

4.1.2 For Renewal of Accreditation

- 4.1.2.1 Updated Articles of Incorporation/By-Laws of Corporation, Cooperative or Partnership, Proof of substantial changes in the organization, if any.
- 4.1.2.2 BDT Registration if five (5) years term already expired.
- 4.1.2.3 SSS Official Receipt or Special bank Receipt with SSS Form R-3 showing latest remittances, BIR receipts.
- 4.1.2.4 Proof of payment of Supervision Fee Remitted for the previous accreditation period based on CPA Audit records.
 - 4.1.2.4.1 Requirement 4.1.2.3 shall be presented on a monthly basis reckoned from the effectivity of the accreditation certified correct by the applicant and the correctness of the figures verified by the General Manager or his duly authorized representative with its own statistical data or CPA Audit Report.

5. TERM OF ACCREDITATION

The accreditation shall be issued for a term of one (1) year renewable annually.

6. SUPERVISION FEE

Any accredited cargo-handler operating within a private port shall remit to the Authority a supervision fee in the amount equivalent to three percent (3%) of their gross receipts, which shall be remitted to the Authority immediately after the completion of the loading and/or unloading of the cargo to and/or from the vessel.

7. SOLIDARY RESPONSIBILITY

The private port owner or operator and the accredited cargo-handling operator shall have the joint and solidary responsibility of ensuring prompt payment of supervision fee at the rate imposed by the Authority.

8. PROHIBITIONS, VIOLATIONS

- 8.1 Prohibition against Assignment and Transfer of Accreditation. – There shall be no assignment, subletting, mortgage, or transfer, direct or indirect of the Accreditation or any portion thereof, or any undertaking thereunder without the prior written approval of the Authority.
- 8.2 Prohibition against operation outside of private port area. - The accreditation shall not be valid for cargo-handling services outside of the private port which endorsed and contracted the accredittee.
- 8.3 The private port owner or operator and/or the accredittee shall not alter, modify, or amend or revise their service contract without the prior written permission of the Authority.
- 8.4 No private port owner or operator or cargo-handling accredittee shall engage in the “cabotage system.”
- 8.5 CPA officials and/or their representatives shall have visitatorial powers over private ports, and private port owners or operators shall at all times allow access to said CPA officials or employees.

9. PENALTY

The Authority may cancel the accreditation for any violation of the terms and conditions of the Accreditation or provisions of law, government rules and regulations.

10. REPEALING CLAUSE

All orders, rules and regulations, memoranda, circulars or guidelines which are inconsistent herewith are hereby repealed or modified accordingly.

11. EFFECTIVITY

This Administrative Order shall take effect immediately.

APPROVED

RAUL T. SANTOS

General Manager

Published in the Sunstar Newspaper on July 10, 1997

ANNEX "A"

REVISED EVALUATION CHECKLIST

RE: APPLICATION FOR CARGO-HANDLING ACCREDITATION IN PRIVATE PORTS

A. For New Applications

1. Articles of Incorporation/Cooperation or Partnership, By-Laws and Registration with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority, and in case of sole proprietorship proof to that effect.
2. Registration with BIR, SSS, BDT, and VAT Registration Certificates.
3. CPA Certificate of Registration of Private Port.
4. Board Resolution from Private Port Owner or Operator endorsing the applicant to render cargo handling services for its cargo in its own port.

B. For Renewal of Accreditation

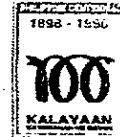
1. Updated Articles of Incorporation/By-Laws of Corporation, Cooperative or Partnership, Proof of substantial changes in the organization, if any.
2. BDT Registration if five (5) years term already expired.
3. SSS Official Receipt or Special bank Receipt with SSS Form R-3 showing latest remittances, BIR receipts.
4. Proof of payment of Supervision Fee Remitted for the previous accreditation period based on CPA Audit records.

Appendix 16.3.10 LGU

(1) PPA Administrative Order No. 02-1998



Republika ng Pilipinas
PANGASIWAAN NG DAUNGAN NG PILIPINAS
(PHILIPPINE PORTS AUTHORITY)
Marsman Bldg., 22 M. de San Francisco
South Harbor, Manila 1018



AUG 05 1998

PPA → LGU 附註
Gov. corporation

PPA ADMINISTRATIVE ORDER
NO. 02 - 98

**TO: Local Government Units, Port District Managers
Port Managers, Port Users and Others Concerned**

**SUBJECT: Guidelines On The Transfer Of The Administration
Of Government Ports By Local Government Units
And Government Corporations**

1. AUTHORITY:

- a. Presidential Decree No. 857, as amended
- b. OGCC Opinion No. 010, series of 1996 and Opinion No. 210, series of 1997
- c. Resolution adopted by the PPA/LGU Workshop dated 20 June 1997.
- d. Board Excom Res. No. 98-529 dated 28 January 1998 and Board Res. No. 1705 dated 26 February 1998.

2. SCOPE:

This Order covers government ports outside the PPA Port System which Local Government Units (LGUs) and Government Corporations may be authorized to manage, operate, maintain and develop in accordance herewith. The authority to manage, operate, maintain and develop these ports shall be covered by a corresponding Memorandum of Agreement (MOA), attached and incorporated herein by reference as Annex "A", between PPA and the LGU or the government corporation concerned.

3. PURPOSE:

- a. To prescribe the administrative procedures in transferring the management, operation, maintenance and development of ports outside the PPA Port System to the LGUs.

- b. To give more meaning and substance to the concept of LGU empowerment, to include government corporations, as herein defined, without the PPA abandoning its statutory responsibility over ports.
- c. To harmonize LGU empowerment pursuant to Republic Act 7160 and government corporation vis-a-vis the statutory jurisdiction of the PPA over government ports, pursuant to Presidential Decree No. 857, as amended and OGCC Opinion No. 010, series of 1996.

4. **DEFINITION OF TERMS:**

For purposes of this Order, the following terms shall mean or be understood to mean, as follows:

- a. **Cargo handling services** refer to handling services such as arrastre, stevedoring and portage.
- b. **Cargo throughput** refers to total volume of cargo discharged or loaded at the port.
- c. **Dockage fee at berth** refers 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, river or channel marginal wharf at any national port in the Philippines, or for mooring or making fast to a vessel so berthed.
- d. **Dockage fee at anchorage** refers 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.
- e. **Government corporation** refers to government-owned or controlled corporation tasked by its charter to implement a program for the economic development of a specific territory and its operation of a port facility is directly or indirectly necessary, incidental or conducive to the attainment of its corporate goals and objectives.
- f. **Government Ports** refer to public ports constructed, owned and maintained by the national government and under the jurisdiction of the PPA.
- g. **LGU** refers to the Local Government Unit as defined in the Local Government Code of the Philippines.
- h. **Management Fee** refers to the amount paid by the PPA to the LGU or government corporation, which is equivalent to ninety (90%) percent of its collection from wharfage, port dues, dockage fee and usage fee.
- i. **MOA** refers to the Memorandum of Agreement entered into by and between PPA and the LGU or government corporation concerned.
- j. **Municipal Ports** refer to public ports constructed, owned and maintained by the municipal government.
- k. **PD 857, as amended**, refers to the revised charter of the Philippine Ports Authority.
- l. **Port Charges** refer to port dues, dockage fee at berth, dockage fee at anchorage, usage fee, lay-up fees, wharfage dues and storage fee assessed against the vessel and cargo engaged in domestic and foreign trade.
- m. **Port Dues** refer to 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.
- n. **Port related services** refer to those services other than cargo handling and pilotage services performed inside the port, including its harbors/fairways and extensions involving provision, application and use of equipment, facility, utility, manpower/expertise and goods.
- o. **PPA** refers to the Philippine Ports Authority.
- p. **PPA Port System** refers to a list of ports over which the Philippine Ports Authority exercises jurisdiction and authority and accept responsibility for all functional areas of development to include planning and design, financing/loan servicing, rehabilitation/new construction/ repair/ maintenance, dredging, port administration/management/ operations, regulation, revenue collection and all other activities relevant thereto.
- q. **PPA takeover** refers to the assumption by PPA of the management and operations of arrastre, stevedoring and portage services from a contractor or operator for cause in order to protect and promote public interest.
- r. **Republic Act No. 7160** refers to the Local Government Code of 1991.

- s. **Usage fee** refers to 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.
- t. **Wharfage** refers to a charge on all cargoes whether containerized or not coming in/going out or transhipped through a port on the basis of the total metric or revenue tonnage whichever is applicable.

5. GENERAL GUIDELINES:

- a. The following ports may be managed, operated, maintained and developed by LGUs and government corporations:
 - (1) Government ports which, under the provisions of P.D. 857, as amended, are under the jurisdiction of the PPA but which are outside the updated PPA Port System and with an average annual cargo throughput of not more than 50,000 metric tons over a 3-year period.
 - (2) Only ports within the municipality and jurisdiction of the LGU may be managed, operated, maintained and developed by said LGU.
- b. The PPA shall act on any application from the LGU or government corporation for the transfer of the management, operations, maintenance and development of a port within ninety (90) days from receipt hereof, provided that the application is approved and supported by a Sangguniang Resolution for such purpose.
- c. Ports qualified to be operated and managed by LGUs or government corporations may be the subject of a MOA between the PPA and the LGU or government corporation concerned. The contents of the MOA shall be in accordance with these guidelines.
- d. When both the LGU and a government corporation signify to PPA the intention to operate and manage a port, preference shall be given to the LGU where the port is situated. A government corporation may be considered for the award of the management and operation of the port when endorsed by the LGU through appropriate resolution of the Sangguniang Bayan. Provided, however, that failure of the LGU concerned to act on any application from the government corporation within 90 calendar days shall be construed as an implied recommendation from the LGU.
- e. The authority of the LGUs or the government corporations to manage, operate, maintain and develop a government port, including the rendition of cargo handling and related services, shall be for a term of five (5) years.
- f. Cargo handling and related services contracted out to third parties by the LGUs or government corporations shall have a term not to exceed the stipulated period of the MOA between PPA and LGU or government corporation. Provided, that the LGU or government corporation shall secure the prior approval of PPA, in any and all cases that cargo handling or related services are contracted out to a third party. The contract between the LGU or government corporation and its subcontractor shall be in such form and terms acceptable to PPA.
- g. The repair and maintenance of ports, including maintenance dredging, managed and operated by LGUs or government corporations pursuant to this Order shall be the sole and primary responsibility of said LGUs or government corporations.
- h. All development plans for the port by the LGU or government corporation shall have prior approval of PPA and shall conform with the overall master plan for all the ports nationwide.
- i. Unless already covered by law or presidential issuances, these ports shall be properly delineated giving the exact location of the port zone through an approved resolution of the Sangguniang Bayan or Sangguniang Panglunsod concerned.
- j. Powers, duties, functions, obligations and responsibilities of LGUs or government corporations so authorized to manage, operate, maintain and develop a port under these guidelines:
 - (1) The LGU or government corporation may, on its own, by contract or otherwise, operate cargo handling and other related services within the port or undertake any port related economic activity therein.
 - (2) The LGU or government corporation shall be allowed to collect port charges, fees and other dues prescribed by the PPA for the use of the port and for services rendered thereat, through the Municipal Treasurer who shall be deputized by the PPA. All revenues of the port shall accrue to the LGU or government corporation, with the exception of wharfage, port dues, dockage fee and usage fee, payment of which may be made to the LGU or government corporation who shall issue the provisional

receipt therefor and thereafter turn over the collected revenue for the quarter to the PPA on the tenth (10th) day of the first month of the following quarter, who shall issue the corresponding Official Receipt.

For the management and operation of the port, the LGU or government corporation shall be paid by the PPA a management fee equivalent to ninety (90%) percent of its collection from wharfage, port dues, dockage fee and usage fee. From the quarterly remittance prescribed in the foregoing paragraph, the LGU may deduct the 90% from the collection as payment of management fee which may be retained by the LGU.

- (3) The LGU or government corporation shall, at its own expense and without reimbursement from PPA, pay all taxes, fees and other impositions which may be levied by the government, its agencies or political subdivisions upon the premises and improvements of the port.
- (4) All existing contracts/agreements entered into by PPA concerning the port and/or the services thereat shall be respected by the LGU or government corporation for the duration thereof.
- (5) All existing port premises and structures shall continue to belong to the PPA. Likewise, improvements in the port introduced by the LGU or government corporation shall become the property of the Authority without any obligation on the part of the latter of reimbursing the former for the cost therefor.
- (6) The LGU or government corporation shall make available at all times during office hours, for inspection, examination and audit by the PPA, the Commission on Audit and other government agencies exercising visitorial powers, all books of accounts and records pertaining to the management, operation, maintenance and development of the port. The authority to inspect, examine and audit shall be exercised by the officials concerned pursuant to and within the limits of the duties and functions vested upon their respective offices by express provision of law.
- (7) The PPA may, without prejudice to other remedies against the LGU or government corporation, extrajudicially suspend, cancel or terminate the MOA on any of the following grounds:
 - (a) Failure of the LGU or government corporation to account and/or remit to the PPA its collection of wharfage, port dues, dockage fee and usage fee in accordance with para. 5-4(2) hereof.
 - (b) Failure of the LGU or government corporation to undertake the repairs and/or maintenance of the areas and structures subject to the MOA.
 - (c) Change of control arising from the sale, assignment, transfer or other disposition of the LGU's or government corporation's interests in the MOA.
 - (d) If the LGU or government corporation through any of its officials or employees, by taking advantage of their free access to the port premises and vessels calling at the port, engage in or knowingly fails to take action to prevent the commission of smuggling and other illegal activities.
 - (e) Refusal of the LGU or government corporation to make available to the PPA, the Commission on Audit and other government agencies exercising visitorial powers, its books of accounts and records pertaining to the management and operations of the subject port.
 - (f) Any violation that may be directly or indirectly imputable to or committed by third parties to whom the LGU or government corporation may have contracted out the MOA.
 - (g) Violation or non-performance of other terms and conditions of the MOA.
- (8) The PPA shall take over the management and operation of the port from the LGU if the former deems it necessary to protect public interest. The PPA takeover shall be warranted under the following instances:
 - (a) In case of emergency such as strike, lockout, stoppage of work and other causes of similar nature which will continue without letup for over a week with the LGU or government corporation showing no capability to resolve it.
 - (b) In case of violation of any of the terms and conditions of the MOA or the Authority's rules and regulations.
 - (c) In case of cancellation, suspension or termination of the MOA.
 - (d) When so directed by a court of law.

(e) In such other cases when the Authority deems that the takeover is warranted in order to protect and/or promote public interest as provided in Section 12.03, paragraph 4 of PPA Administrative Order No. 10-81.

k. The Department of Justice (DOJ) shall have jurisdiction over any action involving any clause or provision of this Order or the MOA whose decision shall be appealable to the Office of the President.

6. PORT TARIFF

- a. The authority to impose, fix, prescribe, increase or decrease port charges for the use of port facilities and provision of services rendered in ports transferred to the LGU shall continue to remain with the PPA.
- b. Any adjustment in existing cargo handling tariff, to include tariff setting for such ports without prescribed cargo handling tariff, shall be recommended by the LGU to PPA for approval.
- c. In ports transferred to LGUs with no cargo handling tariff, the existing restructured tariff in the nearest government port shall temporarily apply, provided that the LGU concerned shall, within three months after signing of an agreement, submit to PPA a proposed cargo handling tariff for such port for approval.

7. PROCEDURES FOR THE TURNOVER OF PORTS

- a. Interested LGU shall coordinate with the Port Management Office (PMO) concerned, review these regulations, gather all information and data about the port or terminal it is interested in, and submit its request or letter of intent. The full import of the policy and regulations must be adequately discussed.
- b. The Port Manager concerned shall submit its recommendation thru the District Manager concerned, justifying as needed.
- c. The District Manager concerned shall indorse the same to Head Office (Attn: AGM for Operations), together with justifications and attaching the draft MOA.
- d. Upon approval in principle by the General Manager, a directive will be sent to the District Manager concerned to convene a Transition Committee which shall ensure compilation of data on the port; assist the LGU to organize and train the staff involved on the operation of the port in accordance with these guidelines;

and conduct assessment as to the readiness of the LGU to operate and administer the port within 3 to 6 months after its creation.

- e. Upon satisfactory assessment by the Transition Committee, the District Manager shall indorse the turnover, and forward the report to Head Office (Attn: AGM for Operations).
- f. An appropriate turnover ceremony shall be scheduled by the General Manager for this purpose, after the approval of such turnover of the port to the LGU by the PPA Board of Directors.

8. USE OF LETTER STATIONERY AND STANDARD SIGN BOARD

Corollary with the authority to operate and manage the port covered by a corresponding MOA, the LGU or government corporation shall use a standard letter stationery as prescribed in Annex "B" for all transactions relating to the operations and management of the transferred port by the LGU or government corporation. Similarly, the LGU shall prepare and post a sign board at the gate of the port/terminal office of the transferred port, following the standard design, size of the sign board, size of letterings, and use of the LGU seal, as prescribed herein in Annex "C".

9. COMPLIANCE AND REGULATIONS:

During the term of the MOA, the LGU or government corporation shall strictly comply with all applicable laws, policies, guidelines and regulations which are now or may hereafter be promulgated by the government and the PPA.

10. ORGANIZATION:

- a. The LGU or government corporation concerned, through the Sangguniang Bayan or Sangguniang Panglunsod, shall be responsible for the organization of its manpower requirement.
- b. As a precondition to the actual take over of a port by the LGU or government corporation, all concerned personnel tasked to manage and operate the port shall undertake appropriate training with the PPA.

The cost of such training shall be borne by the LGU or government corporation concerned.

- c. The organization for the port shall include those positions indicated in Annex "D" to ensure that the basic functions of port operations, port engineering and maintenance and billing and collections of port charges are carried out efficiently.

11. RENEWAL OF AGREEMENT

The agreement entered into between PPA and the LGU or government corporation may be renewed for another term at the option of PPA under such terms and conditions as the parties may agree.

12. SEPARABILITY CLAUSE:

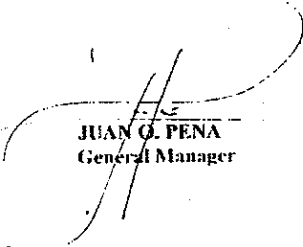
If any provision of this Order or the application of such provision to any person or circumstances is declared invalid, the other provisions hereof or the application of such provision shall not be affected by such declaration.

13. REPEALING CLAUSE:

All policies, rules and regulations or parts thereof inconsistent herewith, are deemed repealed or modified accordingly.

14. EFFECTIVITY:

This Order shall take effect after fifteen (15) days following the completion of its publication in a newspaper of general circulation.


JUAN O. PENA
General Manager

APPROVED PER BOARD RESOLUTION NO. 1705

pos/dpb-dexao 1

Published in the following newspapers:

1. Philippine Star
2. Manila Standard August 15, 1998

Effectivity Date - August 31, 1998

10

Appendix 16.3.11 D.O. No. 99-1216 Creating Coordinating Committees

DEPARTMENT ORDER NO, 99-1216 (21 April 1999)

Subject : CREATION OF COORDINATING COMMITTEE TO ENHANCE AND EXPEDITE DECISION MAKING PROCESS

Effective immediately the following Coordinating Committee are hereby created to allow the proper coordination of effort undertaken by the Department's different sectoral offices and attached agencies toward the expeditious resolution of the various issues confronting the DOTC family

COMMITTEES	MEMBERSHIP	GENERAL FUNCTION
1. Policy Committee (POLCOM)	SOTC USECs ASSECs	1. To act on major issues / concerns, 2. To formulate policies, rules and regulations on issues / concerns affecting the department sectoral and attached agency offices, 3. To issue appropriate D.O.'s, S.O.'s Memorandum Circulars and other issuances for the implementation of policies, rules, and regulations, 4. To provide broad outline of tasks to be done in order to perform its mandate and mission and accomplish its goals and objectives.
	Meeting Regular	• Every last Wednesday of the month Special ; As needed Secretariat ; OSEC
2. Executive Committee (EXCOM)	SOTC USECs ASSECs Directors	1. To present monthly report of sectoral and service groups, 2. To discuss and deliberate major issues / concerns elevated to this committee coming from mancom and cluster's meeting, draft appropriate policies, rules and regulations for polcom's review and approval, 3. To make major announcements, 4. To disseminate issuances and other information.
	Meeting Regular	• Every 3rd Wednesday of the month Special ; As needed Secretariat ; MIS
3. Management Committee (MANCOM)	ASSECs Directors Division Chiefs	1. To present monthly Accomplishment Reports, 2. To discuss issues and concerns affecting administration, legal, financial and operations. 3. To prepare draft resolutions to be acted upon by the EXCOM.
	Meeting Regular	• Every 2nd Wednesday of the month Special ; As needed Secretariat ; Admin
4. Cluster (4 cluster)	USECs, Heads of Sectoral Officers / Attached Agencies	1. To discuss and review project status 2. To initiate corrective measure for problem areas. 3. To prepare work plans for coming month 4. To prepare position paper for major issues / concern affecting the sector for action of the EXCOM and POLCOM
	Meeting Regular	• Every 1st Mo, Tu, We, Th, of the month Special ; As needed Secretariat ; O/USEC concerned (Monday - LAND, Tuesday - WATER, Wednesday - TELECOM, except Feb, 1999)
5. Plenary	SOTC, USECs ASSECs, Heads of Attached Agencies	1. Presentation of the organization and mandate of the department, sector, service group, and attached agency, 2. Re-statement of mission, vision, goals and current objectives and priority thrust, 3. Broad outlines of strategies and action plans to perform mandate and accomplish objectives, 4. Presentation of major issues / concerns.
	Meeting Regular	• Every 1st Weekend of Quarter Special ; As needed Secretariat ; MIS

Appendix 18 Financial Analysis

Appendix 18.1 Present Financial Situation

Table A18.1.1 National Government Revenues 2000-2002 (Unit: million pesos)

Revenue items	2000		2001		2002	
	Amount	%	Amount	%	Amount	%
A:Tax revenues	460,034	89.4%	498,880	89.4%	571,282	91.5%
A1:Taxes on net income and profit	203,846	39.6%	216,859	38.8%	245,758	39.4%
A2:Taxes on property	473	-	459	0.1%	506	0.1%
A3:Taxes on domestic goods and services	160,398	31.2%	176,097	31.5%	209,491	33.6%
A4:Taxes on international trade and tourism	95,317	18.5%	105,483	18.9%	115,527	18.5%
B:Nontax revenues	54,728	10.6%	59,338	10.6%	53,025	8.5%
B1:Fees and charges	17,942	3.5%	23,227	4.2%	25,585	4.1%
B2:Income from investments, deposits, and others	26,255	5.2%	23,645	4.2%	20,852	3.3%
B3:Interest on BSP deposits	3,962	0.8%	1,058	0.2%	1,164	0.2%
B4:Interest on advanced to government corporations	547	0.1%	180	-	165	-
B5:Privatization	4,646	0.9%	10,000	1.8%	5,000	0.8%
B6:Foreign grants	1,376	0.3%	1,228	0.2%	259	-
C: Total revenues	514,762	100.0%	558,218	100.0%	624,307	100.0%

Source: Fiscal Statistics Handbook, Department of Budget and Management

Table A18.1.2 National Government Expenditures (Unit: thousand pesos)

Expense Class	2000 (Actual)		2001(Actual)		2002 (Proposed)	
	Amount	%	Amount	%	Amount	%
A:Current operating expenditures	592,969,219	86.9%	635,685,401	90.8%	691,110,024	88.5%
A1:Personnel services	235,248,659		246,213,967		264,389,437	
A2:Maintenance and other operating expenses	357,720,560		389,471,434		426,720,587	
B:Capital outlays	86,856,616	12.7%	57,169,617	8.2%	83,545,146	10.7%
B1:Investment outlay	2,992,972		965,345		1,751,447	
B2:Loans outlay	2,419,490		388,436		541,459	
B3:Livestock and crops outlay	77,299		41,546		90,289	
B4:Land and land improvement outlays	63,496,658		42,310,987		48,098,669	
B5:Buildings and structures outlay	11,430,969		9,879,533		8,226,660	
B6:Furniture,fixtures,equipment and books outlay	5,722,748		3,163,544		16,220,848	
B7:Work animals outlay	-		5,600		-	
B8:Information Technology equipment outlay	716,480		414,626		1,040,774	
B9:Lump-sum for capital outlays	-		-		7,575,000	
C:Net lending	2,634,000	0.4%	7,023,000	1.0%	6,135,000	0.8%
D:Total Obligations of National Government	682,459,835	100%	699,878,018	100%	780,790,170	100%

Source: Fiscal Statistics Handbook, Department of Budget and Management

Table A18.1.3 National Government Financing 2000-2002 (Unit: million pesos)

Particulars	2000	2001	2002
A:Net Foreign Borrowings	103,914	10,422	48,548
A1:Gross Foreign Borrowings	145,434	58,284	138,562
A1-1:Project Loans	20,945	16,784	33,700
A1-2:ADBPower Restructuring Loan	-	5,000	5,000
A1-3:ADB Metro Manila Air Quality	-	-	5,000
A1-4:ADBPasig River Rehabilitation	1,798	-	3,000
A1-5:ADB Grain Sector Loan	1,344	-	3,500
A1-6:WB Social Expenditure Loan	668	2,000	2,200
A1-7:WB Public Sector Reform	-	-	5,000
A1-8:JBIC Co-financing Power Sector	-	5,000	5,000
A1-9:JBIC Co-financing MM Air Quality Loan	-	-	5,000
A1-10:US PL 480 Commodity	1,137	2,000	-
A1-11:Note Facility Loan	19,558	-	-
A1-12:Bond	99,984	27,500	73,950
A2:Amortization	(41,520)	(47,862)	(90,014)
B:Net Domestic Borrowing	99,901	163,339	63,258
B1:Gross Domestic Borrowings	145,330	211,081	128,845
B1-1:Treasury Bills	(8,438)	57,713	24,970
B1-2:Fixed Term Deposit	5,388	1,079	-
B1-3:Progress Deposit	8,000	-	-
B1-4:Retail Treasury Bonds	-	15,635	-
B1-5:Fixed Rate Treasury Bonds	140,380	136,654	103,875
B2:Amortization	(45,429)	(47,742)	(65,587)
C:Change In Cash	(69,603)	(28,761)	18,194
D:Total Financing Requirement [A+B+C]	134,212	145,000	130,000

Source: Fiscal Statistics Handbook, Department of Budget and Management

Table A18.1.4 LGU's Cash Flow by Provinces in 2002 - 1/2

(List of provinces that result in deficit)

(Unit: million pesos)

Region	Province	Beginning Cash Balance [A]	Total Revenue (Tax, Non-tax, Borrowings) [B]	Total Expenditure [C]	Ending Cash Balance [D=A+B-C]
NCR	Met.Manila Dev. Authority	-78.19	3,536.46	3,482.08	-21.81
	NCR Total	-78.19	3,536.46	3,482.08	-21.81
CAR	Abra	-15.14	289.77	282.85	-8.23
	Apayao	-25.11	243.29	237.95	-19.77
	Benguet	-30.61	308.73.	298.09	-19.97
	Mt.Province	-41.15	199.2	199.97	-41.91
	Other 2 Prov.	5.09	477.47	473.21	-9.06
	CAR Total	-117.1	1,518.46	1,492.07	-90.71
Region I	La Union	-81.48	353.18	351.93	-80.23
	Other 3 Prov.	2,176.26	1,707.12	1,609.43	314.95
	Region I Total	135.78	2,060.30	1,961.36	234.72
Region II	Cagayan	-55.82	632.04	664.69	-88.47
	Nueva Vizcaya	-56.08	316.73	343.36	-82.71
	Other 3 Prov.	141.15	1,135.80	1,146.41	130.54
	Region II Total	29.25	2,084.57	2,154.46	-40.64
Region III	Tarlac	0.65	531.64	575.62	-43
	Other 5 Prov.	1,989.39	3,172.41	1,421.18	3,770.28
	Region III Total	1,990.04	3,704.05	1,966.80	3,727.28
Region IV	Rizal	-1,517.95	1,680.29	2,340.31	-2,177.97
	Other 10 Prov.	2,213.38	5,827.68	4,649.71	3,691.36
	Region IV Total	695.43	7,507.97	6,690.02	1,513.39
Region V	Region V Total	437.77	2,465.97	2,270.24	633.5
Region VI	Aldan	-25.03	311.85	310.7	-23.88
	Antique	9.86	332.04	343.16	-1.27
	Other 4 Prov.	1,371.97	2,752.15	2,005.07	2,119.05
	Region VI Total	1,356.80	3,396.04	2,658.93	2,093.90
Region VII	Region VII Total	1,546.13	2,661.67	2,861.44	1,346.36

Table A18.1.5 LGU's Cash Flow by Provinces in 2002 - 2/2

(List of provinces that result in deficit)

(Unit: million pesos)

Region	Province	Beginning Cash Balance [A]	Total Revenue (Tax, Non-tax, Borrowings) [B]	Total Expenditure [C]	Ending Cash Balance [D = A+B-C]
Region VIII	Biliran	-24.33	164.32	175	-35.01
	Eastern Samar	-41.46	346.38	371	-66.08
	Leyte	-80.38	729.17	786	-137.21
	Northern Samar	-67.95	356.61	377	-88.34
	Southern Leyte	-31.7	273.83	289	-46.87
	Samar	-55.75	432.95	457	-79.8
	Region VIII Total	-301.75	2,303.26	2,455.00	-453.31
Region IX	Zamboanga del Norte	-43.77	913.13	989.97	-120.61
	Zamboanga del Sur	-181.5	567.45	759.26	-373.31
	Other 2 Prov.	248.39	625.73	334.76	539.36
	Region IX Total	23.12	2,106.31	2,083.99	45.44
Region X	Camiguin	-32.08	161.43	170.54	-41.19
	Misamis Oriental	-48.68	533.83	562.13	-76.98
	Other 2 Prov.	103.23	964.87	921.45	146.65
	Region X Total	22.47	1,660.13	1,654.12	28.48
Region XI	Davao del Norte	-110.6	449.79	424.38	-85.18
	Davao del Sur	-83.92	444.44	479.21	-118.69
	Other 4 Prov.	476.36	1,587.37	1,339.57	724.15
	Region XI Total	281.84	2,481.60	2,243.16	520.28
Region XII	North Cotabato	-172.15	563.7	522.86	-131.31
	Lanao del Norte	-101.96	457.65	459.24	-103.56
	Sultan Kudarat	-84.18	380.2	321.5	-25.48
	Region XII Total	-358.29	1,401.54	1,303.60	-260.48
ARMM	Lanao del Sur	-187.2	560.09	545.29	-172.4
	Other 3 Prov.	1,043.97	949.39	418.18	1,575.18
	ARMM Total	856.77	1,509.48	963.47	1,402.78
CARAGA	Agusan del Norte	-17.13	317.53	311.88	-11.48
	Agusan del Sur	-51.98	578.54	575.69	-49.13
	Surigao del Norte	167.66	357.94	367.6	158
	Surigao del Sur	-40.04	391.59	501.11	-149.56
	CARAGA Total	58.51	1,645.61	1,756.28	10,627.15
Grand Total		6,580.76	42,043.41	37,997.01	10,627.15

Source: Fiscal Statistics Handbook, Department of Budget and Management

Table A18.1.6 PPA Statement of Operation 1996 - 1998

(Unit: thousand peso)

Revenue and Expenses	1996		1997		1998	
	Amount	%	Amount	%	Amount	%
A: Revenue	3,387,690	100%	3,643,750	100%	3,914,011	100%
A1: Tariff revenue	2,367,040	69.9%	2,385,850	65.5%	2,388,911	61.0%
A2: Fixed fee(ICTSI)	640,320	18.9%	771,160	21.2%	925,943	23.7%
A3: Other income	380,330	11.2%	486,740	13.3%	599,157	15.3%
B: Expenses	2,144,770	100%	2,533,520	100%	2,204,275	100%
B1: Personal services	570,090	26.6%	661,850	26.1%	649,782	29.5%
B2: Maintenance and other operating expenses	1,574,680	73.4%	1,871,670	73.9%	1,554,493	70.5%
C: Deduction/Other expenses	53,800	100%	90,890	100%	56,408	100%
C1: Foreign exchange losses	53,770	99.9%	90,730	99.8%	56,041	99.3%
C2: Extraordinary losses	30	0.1%	160	0.2%	367	0.7%
D: Net income(A-B-C)	1,188,310		1,019,340		1,653,329	

Source: Financial Report CY 1997 and 1999, PPA

Table A18.1.7 PPA Statement of Operation 1999 - 2001

(Unit: thousand peso)

Revenue and expenses	1999		2000		2001	
	Amount	%	Amount	%	Amount	%
A: Revenue	4,145,461	100%	4,506,811	100%	5,120,848	100%
A1: Tariff revenue	2,474,661	59.7%	2,661,404	59.1%	2,991,147	58.4%
A2: Fixed fee(ICTSI)	1,074,199	25.9%	1,249,747	27.7%	1,441,319	28.1%
A3: Other income	596,601	14.4%	595,660	13.2%	688,382	13.5%
B: Expenses	2,950,339	100%	4,250,971	100%	3,446,684	100%
B1: Personal services	680,531	23.1%	638,390	15.0%	738,848	21.4%
B2: Maintenance and other operating expenses	2,269,808	76.9%	3,612,581	85.0%	2,707,836	78.6%
C: Deduction/Other expenses	25,765	100%	45,602	100%	(10,052)	100%
Foreign exchange loss	25,675	99.7%	45,433	99.6%	(10,059)	-
Extraordinary loss	90	0.3%	169	0.4%	7	-
D: Net income(A-B-C)	1,169,357				1,684,216	

Note : () means "gain".

Source: Financial Report CY 1999 and 2001, PPA

Table A18.1.8 Port Revenue Comparison between Government Port
and Private Port in 1997 - 1/2 (Unit: million pesos)

District/PMO Office	Revenue Total		Government Ports		Private Ports	
	Amount	% of PPA Total	Amount	% of PMO Representative	Amount	% of PMO Representative
1:PDO Manila	2,226.67	61.1%	1,985.12	89%	241.55	11%
1-1ICTSI	771.16	21.2%	771.16		-	
1-2DistrictOfficeManila	71.57	2.0%	71.57		-	
1-3PMONorth Harbor	417.17	11.4%	175.62		241.55	
1-4PMOSouth Harbor	966.77	26.5%	966.77		-	
2:PDOLuzon	435.63	12.0%	123.90	28%	311.73	72%
2-1DistrictOfficeLuzon	1.65	-	1.65		-	
2-2PMOBatangas	340.94	9.4%	45.62		295.32	
2-3PMOSanFernando	29.17	0.8%	25.05		4.12	
2-4PMOLegaspi	45.46	1.2%	41.19		4.27	
2-5PMOPuerto Princesa	18.41	0.5%	10.39		8.02	
2-6PMO Bataan	-	-	-		-	
2-6PMO Calapan	-	-	-		-	
3:PDO Visayas	230.79	6.3%	156.53	68%	74.26	32%
3-1DistrictOfficeVisayas	1.92	-	1.92		-	
3-2PMOTagbilaran	18.58	0.5%	15.43		3.15	
3-3PMOIloilo	80.00	2.2%	78.74		1.26	
3-4PMOTacloban	88.99	2.4%	43.40		45.59	
3-5PMODumaguete	15.62	0.4%	9.66		5.96	
3-6PMOPulupandan	25.68	0.7%	7.38		18.30	
4:PDO Northern Mindanao	211.46	5.8%	145.18	69%	66.28	31%
4-1DistrictOfficeNomin	0.51	-	0.51		-	
4-2PMOCagayan de Oro	86.38	2.4%	70.46		15.92	
4-3PMOIligan	57.75	1.0%	12.15		45.60	
4-4PMONaspit	20.25	0.6%	19.83		0.42	
4-5PMOSurigao	29.76	0.8%	29.11		0.65	
4-6PMOOzamis	16.81	0.5%	13.12		3.69	

Table A18.1.9 Port Revenue Comparison between Government Port and Private Port in 1997- 2/2 (Unit: million pesos)

District/PMO Office	Revenue Total		Government Ports		Private Ports	
	Amount	% of PPA Total	Amount	% of PMO Representative	Amount	% of PMO Representative
5:PDO S.Mindanao	244.70	6.7%	156.61	64%	88.09	36%
5-1DistrictOfficeSomin	1.59	-	1.59		-	
5-2PMODavao	135.10	3.7%	74.17		60.93	
5-3PMOGeneralSantos	45.09	1.2%	27.72		17.37	
5-4PMOZamboanga	44.31	1.2%	34.86		9.45	
5-5PMOCotabato	-	-			-	
5-6PMOJolo	3.83	-	3.83		-	
5-7PMOPolloc	14.78	0.4%	14.44		0.34	
6:PPA Head Office	294.50	8.1%	294.50	100%	-	0%
Grand Total	3,643.75	100%	2,861.84	78.5%	781.91	21.5%

Source: Financial Report CY 1997, PPA

Table A18.1.10 Port Revenue Comparison between Government Port and Private Port in 1999 -1/2 (Unit: million pesos)

District/PMO Office	Revenue Total		Government Ports		Private Ports	
	Amount	% of PPA Total	Amount	% of PMO Representative	Amount	% of PMO Representative
1:PDO Manila	2,549.07	61.5%	2,276.59	89%	272.48	11%
1-1ICTSI	1,074.20	25.9%	1,074.20		-	
1-2DistrictOfficeManila	79.94	1.9%	79.94		-	
1-3PMONorth Harbor	468.33	11.3%	206.99		261.34	
1-4PMOSouth Harbor	926.60	22.3%	915.46		11.14	
2:PDOLuzon	480.46	11.6%	142.66	30%	337.80	70%
2-1DistrictOfficeLuzon	0.72	-	0.72		-	
2-2PMOBatangas	388.96	9.4%	63.21		325.75	
2-3PMOSanFernando	18.48	0.4%	13.24		5.24	
2-4PMOLegaspi	53.52	1.3%	51.91		1.61	
2-5PMOPuerto Princesa	18.78	0.4%	13.58		5.20	
2-6PMOBataan	-	-	-		-	
2-7PMOCalapan	-	-	-		-	

Table A18.1.11 Port Revenue Comparison between Government Port and Private Port in 1999 -2/2 (Unit: million pesos)

District/PMO Office	Revenue Total		Government Ports		Private Ports	
	Amount	% of PPA Total	Amount	% of PMO Representative	Amount	% of PMO Representative
3:PDO Visayas	269.06	6.5%	172.49	64%	96.57	36%
3-1DistrictOfficeVisayas	0.94	-	0.94		-	
3-2PMOTagbilaran	27.95	0.7%	19.29		8.66	
3-3PMOIlloilo	90.92	2.2%	87.90		3.02	
3-4PMOTacloban	98.86	2.4%	50.42		48.44	
3-5PMODumaguete	17.39	0.4%	8.93		8.46	
3-6PMOPulupandan	33.00	0.8%	5.01		27.99	
4:PDO N.Mindanao	200.22	4.8%	145.99	73%	54.34	27%
4-1DistrictOfficeNomin	0.48	-	0.48		-	
4-2PMOCagayan de Oro	103.57	2.5%	83.29		20.28	
4-3PMOIligan	32.17	0.8%	8.05		24.12	
4-4PMONaspit	18.63	0.4%	18.31		0.32	
4-5PMOSurigao	28.60	0.7%	20.69		7.91	
4-6PMOOzamis	16.88	0.4%	15.17		1.71	
5:PDO S.Mindanao	264.56	6.3%	164.52	62%	100.04	38%
5-1DistrictOfficeSomin	0.99	-	0.99		-	
5-2PMODavao	162.35	3.9%	86.78		75.57	
5-3PMOGeneralSantos	56.30	1.3%	37.00		19.30	
5-4PMOZamboanga	43.68	1.1%	38.51		5.17	
5-5PMOCotabato	1.24	-	1.24		-	
6:PPA Head Office	381.98	9.2%	381.98	100%	-	0%
Grand Total	4,145.46	100.0%	3,284.23	79%	861.23	21%

Source: Financial Report CY 1999, PPA

Table A18.1.12 Port Revenue Comparison between Government Port and Private Port in 2001
(Unit: million pesos)

District/PMO Office	Revenue Total		Government Ports		Private Ports	
	Amount	% of PPA Total	Amount	% of PMO Representative	Amount	% of PMO Representative
1:PDO Manila	2,882.64	56.3%	2,870.96	100%	11.68	0%
1-1ICTSI	1,441.32	28.1%	1,441.32		-	
1-2DistrictOfficeManila	96.04	1.9%	96.04		-	
1-3PMONorth Harbor	267.46	5.2%	267.46		-	
1-4PMOSouth Harbor	1,077.82	21.0%	1,066.14		11.68	
2:PDOLuzon	889.11	17.4%	224.62	25%	664.49	75%
2-1DistrictOfficeLuzon	1.17	-	1.17		-	
2-2PMOBatangas	474.40	9.3%	102.25		372.15	
2-3PMOSan Fernando	37.17	0.7%	21.71		15.46	
2-4PMOLegaspi	73.55	1.4%	61.26		12.29	
2-5PMOPuerto Princesa	30.24	0.6%	20.22		10.02	
2-6PMOBataan	260.00	5.1%	5.43		254.57	
2-7PMOCalapan	12.58	0.2%	12.58		-	
3:PDO Visayas	311.06	6.1%	212.28	68%	98.78	32%
3-1DistrictOfficeVisayas	0.52	-	0.52		-	
3-2PMOTagbilaran	31.47	0.6%	24.45		7.02	
3-3PMOIlloilo	98.69	1.9%	95.76		2.93	
3-4PMOTacloban	128.61	2.5%	75.42		53.19	
3-5PMODumaguete	19.72	0.4%	11.92		7.80	
3-6PMOPulupandan	32.05	0.6%	4.21		27.84	
4:PDO N.Mindanao	255.31	5.0%	169.68	66%	85.63	34%
4-1DistrictOfficeNomin	0.33	-	0.33		-	
4-2PMOCagayan de Oro	138.50	2.7%	96.75		41.75	
4-3PMOIligan	36.75	0.7%	8.11		28.64	
4-4PMONaspit	17.37	0.3%	16.88		0.49	
4-5PMOSurigao	36.48	0.7%	27.06		9.42	
4-6PMOOzamis	25.88	0.5%	20.55		5.33	

Table A18.1.13 Cash Flow Statement of PPA 1993-1996 (Unit: million pesos)

Cash Flow	1993	1994	1995	1996
A: Cash Balance Beginning	1,570	1,660	1,874	2,502
B: Cash Inflow	2,645	2,707	3,537	3,759
B1:Revenue	1,893	2,331	2,822	3,205
B2:Foreign Loan Proceeds	374	267	582	333
B3:Others	378	109	133	221
C: Total Cash Available[A+B]	4,215	4,366	5,411	6,262
D: Total Cash Outlay	2,555	2,492	2,909	2,763
D1:Cash Operating Expenses (Personnel Services, Administration Cost, Maintenance)	699	944	896	1,041
D2: Capital Outlay	1,046	655	982	291
D3: Debt Services-Interest	413	399	386	339
D4: Debt Services-Principal	357	393	363	365
D5: Dividend Payment	40	101	282	727
E: Ending Cash Balance[C-D]	1,660	1,874	2,502	3,498

Source: Financial Report CY 1997, PPA

Table A18.1.14 Cash Flow Statement of PPA 1997-2000 (Unit: million pesos)

Cash Flow	1997	1998	1999	2000
A: Cash Balance Beginning	3,498	3,504	3,907	4,235
B: Cash Inflow	4,061	4,168	4,423	4,501
B1:Revenue	3,322	3,494	3,734	4,152
B2:Foreign Loan Proceeds	449	288	310	12
B3:Others	290	386	378	338
C: Total Cash Available[A+B]	7,599	7,672	8,330	8,826
D: Total Cash Outlay	4,056	3,764	4,006	4,116
D1:Cash Operating Expenses (Personnel Services, Administration Cost, Maintenance)	1,599	1,237	1,330	1,308
D2: Capital Outlay	1,022	1,314	959	1,200
D3: Debt Services-Interest	333	304	374	302
D4: Debt Services-Principal	373	499	515	719
D5: Dividend Payment	729	410	828	587
E: Ending Cash Balance[C-D]	3,503	3,907	4,324	4,710

Source: Financial Report CY 1999, PPA

Table A18.1.15 Cash Flow Statement of PPA 2001-2003 (Unit: million pesos)

Cash Flow	2001	2002	2003
A: Cash Balance Beginning	4,710	5,590	2,999
B: Cash Inflow	5,246	6,157	7,944
B1:Revenue	4,711	5,267	5,398
B2:Foreign Loan Proceeds	144	864	2,410
B3:Others	390	26	136
C: Total Cash Available[A+B]	9,956	11,747	10,943
D: Total Cash Outlay	4,390	8,747	10,314
D1:Cash Operating Expenses (Personnel Services, Administration Cost, Maintenance etc.)	2,200	3,607	2,169
D2: Capital Outlay	1,215	3,444	6,443
D3: Debt Services-Interest	245	261	291
D4: Debt Services-Principal	623	580	566
D5: Dividend Payment	107	855	845
E: Ending Cash Balance[C-D]	5,590	2,999	629

Source: Financial Report CY 2001, PPA; Financial Statements/Schedule, PPA, Sep. 30, 2002

Table A18.1.16 PPA's Cash Flow Forecast 2004-2007 (Unit: million pesos)

Cash Flow	2004	2005	2006	2007
A: Cash Balance Beginning	629	(1,776)	(2,787)	(3,407)
B: Cash Inflow	8,011	8,132	8,038	8,532
B1:Revenue	5,766	6,351	6,998	7,497
B2:Foreign Loan Proceeds	2,190	1,759	1,031	1,031
B3:Others				
C: Total Cash Available[A+B]	8,640	6,356	5,251	5,126
D: Total Cash Outlay	10,416	9,143	8,658	8,729
D1:Cash Operating Expenses (Personnel Services, Administration Cost, Maintenance)				
D2: Capital Outlay	6,031	4,716	4,303	4,303
D3: Debt Services-Interest	265	264	240	224
D4: Debt Services-Principal	486	507	524	492
D5: Dividend Payment	436	310	264	438
E: Ending Cash Balance[C+D]	(1,776)	(2,787)	(3,407)	(3,605)

Source: Financial Statements/Schedule, PPA, Sep. 30, 2002

Table A18.1.17 DBP's Road RO/RO Ferry Network Routes - 1/2
(Sustainable Logistics Development Program)

Categorized Network	RO/RO Ferry Shipping Routes
Existing RO/RO Connection	1. Borgo-Palompon
	2. Calapan-Batangas
	3. Kinobatan(Misamis Oriental)-Guinslliban(Camiguin)
	4. Kolambugan (Lanao del Norte) - Ozamis City (Misamis Occidental)
	5. Rizal(Agusan Norte)-Liloan(Panoan Island)
	6. San Isidro-Matnog-Allen
	7. Toledo City-San Carlos(Negros Occidental)
	8. Tabaco(Albay)-Virac(Catanduanes)
Existing RO/RO Connections Developed Markets	9. Carmen-Isabel(Leyte)
	10. Dumaguete City-Santander(Cebu)
	11. Jordan-Iloilo City
	12. Tabaco(Albay)-San Andres(Catanduanes)
	13. Tabuelan-Escalante(Negros Occidental)
	14. Tubigon(Bohol)-Cebu City
	15. Zamboanga City-Isabela(Basilan)
New RO/RO Connection-High Priority	16. Bacolod City-Dumangas
	17. Boac(Marinduque)-Lucena City
	18. Abra de Ilog(Occidental Mindro)-Batangas
	19. Bogo(Cebu)-Placer(Masbate)
	20. Dapitan City(Misamis Occidental)-Dumaguete City(Negros Oriental)
	21. Donsol(Sorsogon)-Aroroy(Masbate)
	22. Escalante-Sta. Fe(Bantayan Island)-San Remigio(Cebu)
	23. Looc(Bohol)-Argao(Cebu)
	24. Maasin(Southern Leyte)-Ubay(Bohol)
	25. Manapla(Negros Occidental)-Ajuy(Iloilo)
	26. Masbate-Talisay(Ticao Island)-Jacinto(Ticao Island)-Bulan(Sorsogon)
	27. Navotas-Orion(Bataan)
	28. Pulpandan(Negros Occidental)-Barcelona(Guimaras)
	29. Real(Quezon)-Polillo Island
	30. Samal Island-Davao City
	31. Santander-Siquijor
	32. Ternate(Cavite)-Mariveles(Bataan)

Table A18.1.18 DBP's Road RO/RO Ferry Network Routes -2/2
(Sustainable Logistics Development Program)

Categorized Network	RO/RO Ferry Shipping Routes
New RO/RO Connections Good Market Potentials	33. Atimonan(Quezon)-Alabat(Alabat Island)
	34. Aroroy(Masbate)-Boca Engano(Burias Island)
	35. Calatagan-Abra del Ilog
	36. Catanauan-Sta. Cruz(Marinduque)
	37. Del Carmen(Siargao Island)-Caglanao(Dinagat Island)-Surigao City
	38. Lupon(Davao Oriental)-Samal Island
	39. Magdiwang(Sibuyan Island)-Romblon-Carmen-Pinamalayan (Or. Mindro)
	40. Mambajao(Camiguin)-Jagna(Bohol)
	41. Naval(Biliran Province)-Binalayan-Cataingan(Masbate)-Calbayog
	42. Pascual(Burias Island)-San Narciso-Pasacao(Camarines Sur)
	43. Pio Duran(Sorsogon)-Claveria(Buris Island)
	44. Roxas City(Capiz)-Balud(Masbate)
	45. Taytay(Palawan)-Sibaltan-Binalan(Linapacan Island)-Cultan-Coron-San Josw(Occidental Mindro)
	46. Caticlan(Aklan)-Semirara Island-Bulalakao
	47. Union-Sta Fe(Romblon)-Roxas(Oriental Mindro)
48. Guihulngan(Negros Oriental)-Dumanjug(Cebu)	
Eastern Luzon Coastal Service	00. Real (Quezon Province) - Dingalan (Aurora) - Baler (Aurora) - Dinalongan - Palanan (Isabela) - Divilacan (Isabela) - San Vicente (Cagayan Province)

Source: Sustainable Logistics Development Program, DBP

Appendix 18.1.2 DOTC Water Transport Sector Proposed CY 2003-2005 PORT INVESTMENT PROGRAM

05 Apr 2002

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
LOCALLY-FUNDED PROJECTS			<u>607,450</u>	<u>487,300</u>	<u>598,220</u>
<u>REGION I</u>			<u>1,000</u>	<u>9,000</u>	<u>4,750</u>
<i>Pasuquin Port</i>	Pasuquin	Ilocos Norte		1,000	1,000
<i>Brgy Villa Quirino</i>	San Esteban	Ilocos Sur			1,000
<i>Baleya Daan Wharf</i>	Alaminos	Pangasinan		3,000	
<i>Brgy Calisoang Wharf</i>	Bani	Pangasinan		1,000	
<i>Brgy San Jose, Sta Rita River</i>	Anda	Pangasinan			250
<i>Brgy Tobuan Wharf</i>	Labrador	Pangasinan			500
<i>Lingayen Gulf Wharf</i>	San Fabian	Pangasinan		1,000	1,000
<i>Lucapuhay</i>	Alaminos	Pangasinan			1,000
<i>Picocobuan Wharf</i>	Bolinao	Pangasinan	1,000	2,000	
<i>Victoria Wharf</i>	Alaminos	Pangasinan		1,000	
<u>REGION II</u>			<u>11,500</u>	<u>4,500</u>	<u>6,700</u>
<i>Batanes Seaport Extension</i>	Basco	Batanes	1,500	2,500	2,000
<i>Maconacon Port</i>	Alicia	Isabela			1,000
<i>Maconacon inter. seaport</i>	Maconacon	Isabela		1,000	2,700
<i>Alcala Wharf</i>	Alcala	Cagayan		1,000	1,000
<i>Ballesteros Fishlanding</i>	Ballesteros	Cagayan			
<i>Claveria Seawall</i>	Claveria	Cagayan	6,000		
<i>Sanchez Mira Seawall</i>	Sanchez Mira	Cagayan	4,000		
<u>REGION III</u>			<u>30,000</u>	<u>16,500</u>	<u>16,500</u>
<i>Brgy. Perez Fish Port Rehab</i>	Bulacan	Bulacan		1,500	
<i>Brgy. Poblacion fishport</i>	Paombong	Bulacan		3,000	
<i>Obando Port</i>	Obando	Bulacan		2,000	3,000
<i>Samal Port</i>	Samal	Bataan			1,000
<i>Daan Bago Port</i>	Samal	Bataan			1,000
<i>Masantol extension</i>	Masantol	Pampanga		4,000	3,000
<i>Guagua Port</i>	Guagua	Pampanga	15,000		
<i>Sasmuan Wharf</i>	Sasmuan	Pampanga	15,000		
<i>Masinloc Port Repair</i>	Masinloc	Zambales		5,000	5,000
<i>Pundakit Fish Wharf Construction</i>	La Paz	Zambales		1,000	1,500
<i>San Antonio Fishport</i>	San Antonio	Zambales			1,000
<i>San Narciso Fishport</i>	San Narciso	Zambales			1,000
<u>REGION IV</u>			<u>84,050</u>	<u>70,600</u>	<u>143,520</u>
<i>Talisay Fishport</i>	Talisay	Batangas	1,000		
<i>Subic Ibaba Wharf</i>	Agoncillo	Batangas			1,000
<i>San Nicolas Port</i>	San Nicolas	Batangas	1,000		
<i>Balayan Port</i>	Balayan	Batangas	1,000		
<i>Calaca Port</i>	Calaca	Batangas	1,000		
<i>Calatagan Port</i>	Calatagan	Batangas	1,000		
<i>Lemery Port</i>	Lemery	Batangas	1,000		
<i>Lian Port</i>	Lian	Batangas	1,000		
<i>Nasugbu Port</i>	Nasugbu	Batangas	1,000		
<i>Cavite City Port</i>	Cavite City	Cavite		5,000	5,000
<i>Maragondon Wharf (S.Nicolas)</i>	Maragondon	Cavite		4,000	3,000

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
<i>Naic Port</i>	Naic	Cavite		5,000	5,000
<i>Various Coastal Brgy. fishlandings</i>	(5) sites, Naic	Cavite		3,000	6,000
<i>Noveleta Fish Wharf</i>	Noveleta	Cavite		8,000	5,000
<i>Rosario Port</i>	Rosario	Cavite			
<i>Binan Wharf</i>	Binan	Laguna			
<i>Siniloan Wharf</i>	Siniloan	Laguna			
<i>Buenavista Port</i>	Buenavista	Marinduque		2,000	2,000
<i>Cawit Port</i>	Cawit	Marinduque		1,000	1,000
<i>Sta. Teresa Port</i>	Magsaysay	Mindoro Occidental	2,000	2,000	1,000
<i>Brgy Talaotao</i>	Looc	Mindoro Occidental			1,000
<i>Tayamaan dredging</i>	Mamburao	Mindoro Occidental			2,500
<i>Balatero Wharf</i>	Puerto Galera	Mindoro Oriental			500
<i>Bansud Port</i>	Bansud	Mindoro Oriental			1,000
<i>Mansalay Port Extension</i>	Mansalay	Mindoro Oriental		1,000	
<i>Recodo Wharf</i>	Panaligan	Mindoro Oriental			
<i>Pili Wharf</i>	Panaligan	Mindoro Oriental			
<i>Brgy San Vicente Bago</i>	Oroquieta	Mindoro			1,000
<i>Oroquieta Port</i>	Oroquieta	Mindoro			30,000
<i>Various Boat Landings</i>	1st District	Palawan	4,000		
<i>Sto Nino, Brgy apurawan</i>	Aborlan	Palawan			2,000
<i>Brgy. Bogtoy Wharf</i>	Busuanga	Palawan		750	
<i>Brgy. Calandagan Wharf</i>	Araceli	Palawan		800	
<i>Brgy. Concepcion Wharf</i>	Agutaya	Palawan		500	
<i>Brgy. Madolondon Rockcauseway</i>	Araceli	Palawan		800	
<i>Putod Barangay (Salvacion)</i>	Busuanga	Palawan			10,000
<i>Busuanga Port</i>	Busuanga	Palawan		5,000	4,000
<i>Coron Mini Port</i>	Coron	Palawan			1,000
<i>Culion (7 whaves)</i>	Culion	Palawan		3,000	4,000
<i>Culion Port rehab/expansion</i>	Culion	Palawan		2,000	
<i>El Nido BoatLanding</i>	El Nido	Palawan		1,000	
<i>Brgy. Silbatan Port</i>	El Nido	Palawan	1,000		
<i>Brgy. San Fernando Port</i>	El Nido	Palawan	300		
<i>Brgy. Bebeladan Port</i>	El Nido	Palawan	1,000		
<i>Brgy. Villa Paz Port</i>	El Nido	Palawan	500		
<i>Jose Rizal Seaport Const.</i>	Jose Rizal	Palawan		3,000	2,000
<i>Linapacan Municipal Port</i>	Linapacan	Palawan		2,000	2,000
<i>Magsaysay Port</i>	Magsaysay	Palawan	5,000		
<i>San Vicente Port</i>	San Vicente	Palawan	4,250		
<i>Alabat Riverlanding</i>	Alabat	Quezon			1,000
<i>Burdeos Port</i>	Burdeos	Quezon	5,000		3,270
<i>Brgy Palasan Rock Causeway</i>	Burdeos	Quezon			2,000
<i>Calauag Port</i>	Calauag	Quezon		1,000	
<i>Catanauan (Brgy 07 Pob)</i>	Catanauan	Quezon			1,000
<i>Guinyangan Seaport Rehab</i>	Guinyangan	Quezon	1,000	4,000	3,000
<i>Jomalig Port</i>	Jomalig	Quezon	5,000		
<i>Lopez (Pansol) RoRo Wharf Continuation</i>	Lopez	Quezon	2,000	1,000	1,000
<i>Gen. Luna Seawall</i>	Gen Luna	Quezon	5,000		
<i>Quezon Port</i>	Lucena City	Quezon			1,000
<i>Pagbilao Port Rehab/expansion</i>	Bo. Daungan, Pagbi	Quezon		2,000	2,000
<i>Brgy San Diego</i>	Gumaca	Quezon			1,000
<i>Brgy. Villa Bota Pier</i>	Gumaca	Quezon	1,000	2,000	4,000
<i>Mulanay Seawall</i>	Mulanay	Quezon	5,000		
<i>Panukulan Port</i>	Panukulan	Quezon	5,000		1,250
<i>Tulay Buhangin Wharf</i>	Padre Burgos	Quezon			1,000
<i>Lipata Wharf</i>	Padre Burgos	Quezon			1,000
<i>Rizal Wharf</i>	Padre Burgos	Quezon			1,000
<i>Patnanungan Port Const.</i>	Patnanungan	Quezon	5,000		
<i>Polillo Port</i>	Polillo	Quezon	5,000		

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
<i>San Narciso Port</i>	San Narciso	Quezon		5,000	10,000
<i>Quezon Port</i>	Quezon	Quezon	1,000		1,000
<i>San Francisco Fishport</i>	San Francisco	Quezon	9,000		
<i>Unisan Fishport Construction</i>	Unisan	Quezon	9,000	5,000	13,000
<i>Baras Wharf</i>	Baras	Rizal			1,000
<i>Tanay Wharf Rehab</i>	Tanay	Rizal			1,000
<i>San Andres Port</i>	San Andres	Romblon		250	
<i>Sta Maria Causeway</i>	Sta Maria	Romblon			1,000
<i>Sitio Pasilangon Brgy Mabini</i>	San Andres	Romblon			1,000
<i>San Fernando Port (Pob)</i>	San Fernando	Romblon			1,000
<i>Azagra Port Dredging</i>	San Fernando	Romblon		500	1,000
<u>REGION V</u>			<u>45,000</u>	<u>65,400</u>	<u>82,800</u>
<i>Cabasan Mini Pier</i>	Bacacay	Albay		4,500	4,000
<i>Brgy. Cabasan (Cagraray Is.)</i>	Bacacay	Albay		9,500	
<i>Brgy. Caracaran Port Construction</i>	Rapu-rapu	Albay		2,000	1,500
<i>Brgy Mananao Wharf</i>	Rapu-rapu	Albay			1,000
<i>Acal Port, Brgy. MananaoWharf</i>	Rapu-rapu	Albay		2,500	2,500
<i>Namantao Mini-pier Extensin</i>	Bacacay	Albay		1,000	
<i>Fatima Port</i>	Tabaco City	Albay	10,000		
<i>Pio Duran</i>	Pio Duran	Albay		1,000	
<i>Rawis (Sn Miguel) Mini pier</i>	Tabaco	Albay		1,500	
<i>Brgy Pandayan Wharf</i>	Sto. Domingo	Albay		1,500	
<i>Sto. Domingo Port</i>	Sto. Domingo	Albay	1,000	2,500	5,000
<i>Alimbuyog Wharf</i>	Milaor	Camarines Sur			800
<i>Bato Port</i>	Bato	Camarines Sur		900	
<i>Buhi Port</i>	Buhi	Camarines Sur		1,000	
<i>San Vicente Wharf</i>	Libmanan	Camarines Sur			850
<i>Cabibi Wharf</i>	Pamplona	Camarines Sur			850
<i>Brgy. Cagyao Causeway, Calabanga</i>	Calabanga	Camarines Sur		4,000	3,250
<i>Camaligan Wharf</i>	Camaligan	Camarines Sur	1,000	1,000	1,000
<i>Camaligan Wharves (4)</i>	Camaligan	Camarines Sur			3,250
<i>Gachitorena Wharf</i>	Gachitorena	Camarines Sur			1,000
<i>Gainza Brgy Wharves (4)</i>	Gainza	Camarines Sur			2,950
<i>Lagonoy Wharf</i>	Lagonoy	Camarines Sur			800
<i>Minalabac Bergy Wharves(6)</i>	Minalabac	Camarines Sur			5,950
<i>Ponong Wharf</i>	Mangarao	Camarines Sur			900
<i>Balongay Port</i>	Calabanga	Camarines Sur			2,000
<i>Sabang Port</i>	Calabanga	Camarines Sur			1,000
<i>Bangon Port</i>	Bangon Lupi	Camarines Sur			1,000
<i>Bula Port</i>	Bangon	Camarines Sur			2,000
<i>BulaRiver Landings (7)</i>	Bula	Camarines Sur			2,000
<i>Mangayawan Wharf</i>	Canaman	Camarines Sur			850
<i>Brgy Palo Wharf</i>	Canaman	Camarines Sur			1,500
<i>San Jose West</i>	Canaman	Camarines Sur			850
<i>Nato Wharf</i>	Sagnay	Camarines Sur			1,000
<i>Various Wharf Construction</i>	various Mun.	Camarines Sur		5,000	5,000
<i>Balatan Port</i>	Balatan	Camarines Sur	2,500		
<i>Ragay Port(const RC Pier)</i>	Ragay	Camarines Sur	6,000		
<i>Pandan Seaport</i>	Pandan	Catanduanes		5,000	
<i>Suki Pier</i>	Caramoran	Catanduanes			1,000
<i>Brgy. Baybay Dagat Port</i>	San Fernando	Masbate		3,000	5,000
<i>Claveria Port</i>	Claveria	Masbate	3,000	2,000	2,000
<i>Monreal Port</i>	Monreal	Masbate	3,000	2,000	2,000
<i>San Pascual Port</i>	San Pascual	Masbate	3,000	2,000	2,000
<i>San Fernando Port</i>	San Fernando	Masbate	3,000	3,000	5,000
<i>Brgy. Lagum banwa fisport</i>	Mandaon	Masbate		500	1,000

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
<i>Dacu RoRo Wharf</i>	Mobo	Masbate		5,000	2,500
<i>Pio Corpus Port</i>	Pio Corpus	Masbate	500		
<i>Placer Port</i>	Placer	Masbate		1,000	1,000
<i>Mandaon Port</i>	Mandaon	Masbate			1,000
<i>Bulan Port</i>	Bulan	Sorsogon	12,000		
<i>Pilar Port Construction</i>	Pilar	Sorsogon		3,000	5,500
<i>Poblacion Norte Rock Causeway</i>	Barcelona	Sorsogon			2,000
<i>Sorsogon Port Rehab & Dredging</i>	Sorsogon	Sorsogon		1,000	
<u>REGION VI</u>			<u>51,000</u>	<u>17,500</u>	<u>24,000</u>
<i>Brgy. Navitas rock causeway</i>	Numancia	Aklan		500	
<i>Brgy. Bulwang rock causeway</i>	Numancia	Aklan		500	
<i>Aklan Ports</i>		Aklan	3,000		
<i>Anini-y Port</i>	Anini-y	Antique			1,000
<i>Caluya Seawharf</i>	Caluya	Antique			1,000
<i>Pandan Seaport</i>	Pandan	Antique	1,000	5,000	5,000
<i>Culasi Port</i>	Culasi	Antique	10,000		
<i>Culasi Port</i>	Roxas City	Capiz	1,000		
<i>Pilar Wharf</i>	Pilar	Capiz			1,000
<i>Brgy. Balarang Fishport</i>	Ivisan	Capiz	1,000		
<i>Brgy. Cabugao Fishport</i>	Ivisan	Capiz	2,000		
<i>Brgy. Basiao Fishport</i>	Ivisan	Capiz	2,000		
<i>Brgy. Lonoy Fishport</i>	Sapian	Capiz	1,000		
<i>Sto Rosario Port</i>	Buenavista	Guimaras	1,000	1,000	1,000
<i>Jordan Wharf (rehab)</i>	Jordan	Guimaras	1,000	1,000	1,000
<i>Sto Rosario Port</i>	Sto Rosario	Guimaras			
<i>Bancal Port</i>	Carles	Iloilo	1,000		
<i>Barrido Port</i>	Ajuy	Iloilo	1,000	4,000	5,000
<i>Batad, Binon-an Port</i>	Batad	Iloilo	1,000		
<i>Guimbal Port</i>	Guimbal	Iloilo	10,000		
<i>Banate Seawall</i>	San Salvador	Iloilo	2,000		
<i>Brgy. Dacutan Wharf</i>	Dumangas	Iloilo	1,000	1,000	1,000
<i>Brgy. Poblacion South fishlanding</i>	Oton	Iloilo		2,500	
<i>Concepcion Port</i>	Concepcion	Iloilo	1,000		
<i>San Dionisio Port Rehab</i>	San Dionisio	Iloilo	1,000	2,000	8,000
<i>Guihulungan Port</i>	Guihulngan	Negros Occ.	5,000		
<i>Himamaylan Port</i>	Himamaylan	Negros Occ.	5,000		
<u>REGION VII</u>			<u>21,000</u>	<u>28,500</u>	<u>6,500</u>
<i>Asinan Wharf</i>	Buenavista	Bohol		5,000	
<i>Dimiao Port</i>	Dimiao	Bohol		2,500	2,500
<i>Guindulman Port</i>	Guindulman	Bohol		3,000	2,000
<i>Cabul-an Island Port</i>	Cabul-an Is.	Bohol	3,000		
<i>Bien Unido Port</i>	Bien Unido	Bohol	3,000		
<i>Brgy Malingin</i>	Bien Unido	Bohol		2,000	
<i>San Pedro Wharf</i>	Bien Unido	Bohol		5,000	
<i>Brgy. Tingo-tingo Causeway, Olango Is.</i>	Lapu-lapu	Cebu		1,000	
<i>Dumanjug Port</i>	Dumanjug	Cebu	15,000		
<i>Lazi Wharf</i>	Siquijor	Siquijor			1,000
<i>Basay Port(Purok 3)</i>	Basay	Negros Oriental			1,000
<i>Bacong Commercial Port</i>	Bacong	Negros Oriental		10,000	
<u>REGION VIII</u>			<u>25,950</u>	<u>74,650</u>	<u>51,700</u>
<i>Almeria Wharf</i>	Almeria	Biliran			1,000
<i>Brgy. Calbani Wharf</i>	Maripipi	Biliran		1,000	
<i>Culaba Reclamation</i>	Culaba	Biliran			1,000

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
<i>Brgy. Marvel reclamation</i>	Culaba	Biliran		1,000	
<i>Brgy. Poblacion (central)</i>	Culaba	Biliran		1,000	
<i>Naval Port</i>	Naval	Biliran	5,000		
<i>Brgy Balite Wharf</i>	Kawayan	Biliran			1,000
<i>Brgy Maslog</i>	Lawaan	E. Samar			1,000
<i>Brgy. Bolusao river landing</i>	Lawaan	Eastern Samar		500	
<i>Alugan Mini Port Const</i>	San Policarpio	Eastern Samar		1,500	
<i>Arteche Port</i>	Arteche	E. Samar	1,200		
<i>Various Mini Port Construction(6)</i>	Arteche	E. Samar	1,000		
<i>Brgy. Alugan Riverlanding</i>	San Policarpio	E. Samar		800	
<i>Brgy. Natividad W.Shed</i>	San Policarpio	E. Samar		250	
<i>Various River Landings(9 brgys)</i>	Borongang	E. Samar	1,000	750	
<i>Brgy. Buntay River landing</i>	Borongang	E. Samar		1,000	
<i>Brgy. Camada R/L with W. Shed</i>	Borongang	E. Samar		750	
<i>Can-avid Municipal Wharf</i>	Can-avid	E. Samar		1,250	1,000
<i>Dolores Poblacion Port Terminal</i>	Dolores	E. Samar		1,000	
<i>Gen. MacArthur Port Completion</i>	Gen. MacArthur	E. Samar	1,000	500	
<i>Hernani Port completion</i>	Hernani	Eastern Samar		2,500	
<i>Llorente River Landings</i>	Llorente	E. Samar	1,000		
<i>Maydolong Various RLS. Construction</i>	Maydolong	E. Samar		1,500	1,500
<i>Oras River Lndgs. (2)</i>	Oras	E. Samar	750		
<i>Quinapondan Rls. Construction</i>	Quinapondan	E. Samar		600	
<i>Brgy Sto Nino Wharf</i>	Quinapondan	E. Samar			200
<i>San Julian Various Brgy. RLS</i>	San Julian	E. Samar		500	500
<i>San Policarpio Pob. Port Const.</i>	San Policarpio	E. Samar		6,000	6,000
<i>Sulat River Lndgs.(3)</i>	Sulat	E. Samar	1,000	1,000	
<i>Taft Port Construction</i>	Taft	E. Samar	750		
<i>Taft Various Rlandings.</i>	Taft	E. Samar		600	
<i>BabatngonPort</i>	Babatngon	Leyte			500
<i>Caraga Port</i>	Caraga	Leyte			1,000
<i>Inopacan Port</i>	Inopacan	Leyte			1,000
<i>San Francisco Wharf/Dike</i>	San Francisco	Leyte		750	
<i>Tabango Port</i>	Tabango	Leyte		10,000	5,000
<i>Tanauan river landing</i>	Tanauan	Leyte		1,000	
<i>Brgy San Jose Wharf</i>	Tacloban City	Leyte			1,000
<i>Villaba Fish Port</i>	Villaba	Leyte		5,000	5,000
<i>Uban Port</i>	Babatngon	Leyte	500		
<i>Planza Port</i>	Babatngon	Leyte	500		
<i>Taquite Port</i>	Babatngon	Leyte	500		
<i>Sta Cruz Port</i>	San Miguel	Leyte	500		
<i>Bacacay Port</i>	San Miguel	Leyte	500		
<i>Malpag Port</i>	San Miguel	Leyte	500		
<i>Brgy Silang Port</i>	Biri	Northern Samar	500		
<i>Biri Port</i>	Biri	Northern Samar		2,000	
<i>Brgy Cawayan</i>	Catarman	Northern Samar			500
<i>Catarman Various Riverlandings(6)</i>	Catarman	Northern Samar		3,200	
<i>Ligaya Port</i>	Rosario	Northern Samar	500		
<i>Jamoog Port</i>	Rosario	Northern Samar	500		
<i>Quezon Port</i>	Catarman	Northern Samar	500		
<i>Tinowaran Port</i>	Catarman	Northern Samar	500		
<i>Lapinig Port Const of RC Pier</i>	Lapinig	N. Samar		5,500	5,000
<i>Mondragon Brgy Wharves (4)</i>	Mondragon	N. Samar		1,200	
<i>San Agustin Port</i>	Lavares	N. Samar		1,000	
<i>San Vicente Port</i>	San Vicente	N. Samar		1,000	
<i>Brgy Jamoog Wharf</i>	Rosario	N. Samar			1,000
<i>Brgy Ligaya Wharf</i>	Rosario	N. Samar			1,000
<i>Limasawa Wharf</i>	Limasawa	S. Leyte			1,000
<i>Macrohon Extension</i>	Macrohon	S. Leyte			1,000

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
<i>San Juan Port Improvement</i>	San Juan	S. Leyte		750	
<i>St Bernard Port</i>	San Juan	S. Leyte			
<i>Pingping Port</i>	San Juan	S. Leyte			
<i>Sogod Port</i>	San Juan	S. Leyte			
<i>Brgy. Viejo(Poblacion)</i>	Pagsanhan	Samar		1,000	
<i>Brgy. Casab-ahan Riverlanding</i>	Gandara	Samar		350	
<i>Brgy. Bisitahan Wharf</i>	Tarangnan	Samar		400	
<i>Almagro Various Wharf Projects</i>	Almagro	W. Samar		1,500	1,000
<i>Cabungaon Port</i>	Daram	W. Samar		750	
<i>Quezon Port</i>	Catarman	W. Samar			1,000
<i>Tinowaran Port</i>	Catarman	W. Samar			1,000
<i>Calbiga Riverport (Poblacion)</i>	Calbiga	W. Samar	1,000	1,000	
<i>Gandara Various Rlandings. (5)</i>	Gandara	W. Samar		2,000	1,000
<i>Pagsanhan Wharf</i>	Pagsanhan	W. Samar	750	500	
<i>Pinagbacdao Port (Pob)</i>	Pinagbacdao	W. Samar	3,000		1,000
<i>Maguino-o Port Completion</i>	Calbayog City	W. Samar		5,000	5,000
<i>Matuginao Various Wharf Projects</i>	Matuginao	W. Samar		1,200	1,000
<i>Takut Port Ext.</i>	Sto Nino	W. Samar		300	
<i>Talalora Wharf Construction</i>	Talalora	W. Samar		1,500	1,500
<i>Various Portworks</i>	2nd District	W. Samar	2,000		
<i>Various Brgy. Wharves/Rocks wys.</i>	Sto Nino	W. Samar		2,750	2,000
<i>Zumarraga Wharf Improvement</i>	Zumarraga	W. Samar	1,000	1,000	1,000
<u>REGION IX</u>			<u>67,750</u>	<u>47,550</u>	<u>34,600</u>
<i>Brgy. Bato Wharf repair</i>	Lamitan	Basilan		3,000	
<i>Lamitan Port</i>	Lamitan	Basilan	1,000		
<i>Maluso Port</i>	Maluso	Basilan	1,000	2,000	
<i>Brgy. Mangal Wharf Reconst.</i>	Sumisip	Basilan		1,500	1,000
<i>Sumisip Port</i>	Sumisip	Basilan	1,000		
<i>Tipo-tipo Port</i>	Tipo-tipo	Basilan	1,000	750	750
<i>Tipo-tipo Brgy. Wharves (8)</i>	Tipo-tipo	Basilan	750	500	500
<i>Brgy. Bato-Bato Wharf</i>	Tuburan	Basilan		2,000	
<i>Tuburan Port</i>	Tuburan	Basilan	1,000		7,000
<i>Various Mini-wharves</i>	(7) sites	Basilan		2,800	
<i>Talusan Port</i>	Talusan	Zamboanga Sibugay	1,000	2,000	2,000
<i>Baleleng Area Port</i>	Talusan	Zamboanga Sibugay			
<i>Jose Dalman Fish Port Extension</i>	Jose Dalman	Zamboanga (N)		2,500	2,500
<i>Nabilid RoRo Wharf</i>	Roxas	Zamboanga (N)	10,000		
<i>Liloy Port</i>	Liloy	Zamboanga (N)	5,000		
<i>Gil Sanchez Causeway</i>	Gil Sanchez	Zamboanga (N)	5,000		
<i>Sta. Maria Wharf</i>	Sta. Maria	Zamboanga (N)	5,000		
<i>Sindangan Port</i>	Sindangan	Zamboanga (N)	10,000		
<i>Alicia Port</i>	Alicia	Zamboanga Sur		5,000	
<i>Dinas Port</i>	Dinas	Zamboanga Sur	5,000		
<i>Brgy. Punawan Wharf</i>	Mabuhay	Zamboanga Sur			750
<i>Brgy. Taguisan Wharf</i>	Mabuhay	Zamboanga Del Sur		2,500	2,500
<i>Ipil Port</i>	Ipil	Zamboanga Sur			1,000
<i>Lintugo Port</i>	Aurora	Zamboanga Sur			2,000
<i>Mabuhay Port Rehab</i>	Mabuhay	Zamboanga Sur		10,000	13,000
<i>Malangas Port</i>	Malangas	Zamboanga Sur		5,000	
<i>Margosatubig Port Rehab</i>	Margosatubig	Zamboanga Sur	10,000		
<i>Naga Port</i>	Naga	Zamboanga Sur		1,000	
<i>Payao Wharf</i>	Payao	Zamboanga Sur			600
<i>Sabangan Fish Port Ph. II</i>	Dimataling	Zamboanga Sur		1,000	
<i>Siay Port</i>	Siay	Zamboanga Sur		5,000	
<i>Tukuran Feeder Port</i>	Tukuran	Zamboanga Sur	1,000	1,000	1,000
<i>Tabina Port</i>	Tabina	Zamboanga Del Sur	10,000		

NAME OF PORT	LOCATION	PROGRAM AMOUNT (Thousand Peso)		
		2003	2004	2005
<u>REGION X</u>		<u>44,000</u>	<u>4,000</u>	<u>7,750</u>
Brgy Agusan Seaport	Cagayan De Oro Misamis Occ.	1,000	1,000	1,000
Canubay Port	Oroquieta City Misamis Occ.		1,000	1,000
Clarín Port	Clarín Misamis Occ.	1,000		
Lapasan Wharf	Clarín Misamis Occ.			1,000
Ozamiz City Port(Dna. Consuelo)	Ozamiz City Misamis Occ.	2,000		
Oroquieta Port	Oroquieta Misamis Occ.	9,000		
Lopez Jaena Port	Lopez Jaena Misamis Occ.	10,000		
Plaridel Port Dredging	Plaridel Misamis Occidenta	9,000		
Bonifacio Port	Bonifacio Misamis Occ.	2,000		
Balingoan Port	Balingoan Misamis Or.	10,000		
Brgy Gimangpang	Initao Misamis Or.			250
Hermano Wharf	Balingasag Misamis Or.			1,000
Gingoog City Port	Gingoog City Misamis Or.		2,000	3,500
<u>REGION XI</u>		<u>36,700</u>	<u>16,500</u>	<u>94,000</u>
Kiamba Port	Kiamba Sarangani		1,500	1,500
Tuka Road Batasin	Kiamba Sarangani			1,000
Island Garden City	Samal Is. Davao Oriental			1,000
Penaplata Port Expansion	Samal Is. Davao del Norte	4,000		
Panabo Port	Panabo Davao Del Norte			1,000
Casodeco Ferryboat Landing	Samal Is. Davao Del Norte	5,000		
Babak Wharf	Babak Davao Del Norte	4,000		
Kaputian Wharf	Kaputian Davao Del Norte	3,000		
Brgy. Sta Cruz Wharf	Talikud Island Davao Del Norte	1,500		
Adecor Wharf	Adecor Davao Del Norte	1,000		
Tucanga Wharf	Tucanga Davao Del Norte	700		
(6) Municipal Ports	1st District Davao Oriental	6,000		
Lupon Port	Lupon Davao Oriental	4,500		
Maluta Port	Sarangani Davao Sur			1,000
Mabila Port	Sarangani Davao Sur	500		
Patuco Port	Sarangani Davao Sur	500		1,000
Laker Port	Laker Davao Sur	500		
Don Marcelino Wharf	Don Marcelino Davao Del Sur			1,000
Jose Abad Santos Port	Jose Abad Santos Davao Del Sur	1,000		1,000
Malalay Port	Malalay Davao Del Sur			60,000
Piape Mini Seaport	Padada Davao Del Sur			1,000
Baybay Astorga Wharf	Sta Cruz Davao Del Sur	1,000		1,000
Tubalan Fishing Port Completion	Malita Davao del Sur		5,000	5,000
Tubalan Commercial Port Constrution	Malita Davao del Sur	1,500	10,000	18,500
Malita Port	Malita	2,000		
<u>REGION XII</u>		<u>3,000</u>	<u>7,000</u>	<u>3,000</u>
Balo-i Port	Balo-I Lanao del Norte		2,000	
Baroy Various Fishlandings (4)	Baroy Lanao del Norte		1,000	
Kapatagan Port	Kapatagan Lanao del Norte		1,000	
Lala Port	Lala Lanao del Norte		1,000	
Bacolod Fishport	Bacolod Lanao del Norte			
Kauswagan Port	Kauswagan Lanao del Norte	2,000		
Brgy. Wasag Fishport	Palimbang Sultan Kudarat	1,000	1,000	1,000
Lebak Port	Lebak Sultan Kudarat		1,000	2,000
<u>REGION XIII</u>		<u>16,000</u>	<u>38,050</u>	<u>36,400</u>
Carmen Fishlanding	Carmen Agusan del Norte	1,000	500	

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
Jabonga Port	Jabonga	Agusan del Norte		2,000	
Magallanes Seawall(Continuation)	Magallanes	Agusan del Norte	1,000	1,000	1,000
Tubay Port	Tubay	Agusan del Norte			
Masao Fish Port/Feeder Port	Butuan City	Agusan del Norte		5,000	5,000
Various River Landings	Butuan City	Agusan del Norte			
Hinatuan Port	Hinatuan	Surigao del Norte	5,500		
Placer Port	Placer	Surigao del Norte	5,500		
Basilisa Port	Basilisa	Surigao del Norte		10,000	10,000
Carles Wharf	Basilisa	Surigao del Norte		350	
Del Carmen Port	Del Carmen	Surigao Del Norte		10,000	10,000
Navarro Wharf	Basilisa	Surigao Del Norte		350	
Nazareth Wharf	Basilisa	Surigao Del Norte		350	
Dona Helene Wharf	Basilisa	Surigao Del Norte		350	
Gen. Luna Jetty Landing	Gen. Luna	Suigao Del Norte			5,000
Geotina Wharf	Basilisa	Surigao Del Norte		350	
Sering Wharf	Basilisa	Surigao Del Norte		350	
Tag-abaca Wharf	Basilisa	Surigao Del Norte		350	
Brgy Pamaon Wharf	Loreto	Surigao del Norte			550
Loreto Port	Loreto	Surigao del Norte			550
Brgy Esperanza	Loreto	Surigao del Norte			550
Sta Cruz Port	Socorro	Surigao del Norte	1,000	600	
Punta Pilar Port	Surigao City	Surigao del Norte		500	
Sugbay Port	Surigao City	Surigao Del Norte		1,000	
Barobo Port	Barobo	Surigao del Sur		2,000	2,000
Bayag Fishport	Bayag	Surigao Del Sur		750	
Bislig Port	Bislig	Surigao Del Sur	1,000	1,000	1,000
Embarkadero Mini-Wharf(Linintian)	Cantilan	Surigao del Sur	1,000	750	750
San Roque Wharf	Pilar	Surigao Del Sur		500	
<u>ARM</u>			<u>160,500</u>	<u>67,550</u>	<u>56,000</u>
Bacolod Kalawi (Poblacion)	Bacolod Kalawi	Lanao del Sur	1,000	2,000	1,000
Balabagan Port	Balabagan	Lanao del Sur		10,000	15,000
Bayang Ports (5)	Bayang	Lanao del Sur			2,000
Buntong (Buadipuso)	Manacab	Lanao del Sur		1,000	
Balabagan Port	Balabagan	Lanao del Sur	10,000		
Kapatagan Port	Kapatagan	Lanao del Sur	10,000		
Balindong Port	Balindong	Lanao del Sur	5,000		
Lumbatan Port	Lumbatan	Lanao del Sur	5,000	5,000	5,000
Ganassi (5 wharves)	Lake Lanao, Ganass	Lanao del Sur		1,000	1,000
Madaya Port	Ganassi	Lanao del Sur	1,500		
Marawi Commercial Port	Marawi City	Lanao del Sur			
Brgy. Punud ProperPort	Marantao	Lanao del Sur	1,000	1,000	1,000
Marandacon Putad	Masiu	Lanao Del Sur		1,200	
Mangandato Calilangan	Masiu	Lanao Del Sur		1,200	
Ator TalubWharf	Masiu	Lanao Del Sur		1,200	
Lomiguis Sogod Wharf	Masiu	Lanao Del Sur	1,000	1,200	
Punud Proper Wharf	Masiu	Lanao Del Sur			1,000
Dalog Balt	Masiu	Lanao Del Sur	1,000		1,000
Saricala Rogan	Masiu	Lanao Del Sur		1,200	
Pugaan Port	Ditsaan-Ramain	Lanao del Sur		2,000	2,000
Pumping Port	Ditsaan-Ramain	Lanao del Sur		2,000	2,000
Tamparan Fishport	Tamparan	Lanao del Sur	2,000	1,000	1,000
Tamparan Port(Pob)	Tamparan	Lanao del Sur	2,000	2,000	1,000
Dasomalog Port	Tamparan	Lanao del Sur	2,000	1,000	1,000
Lunuk Port	Tamparan	Lanao del Sur	2,000	1,000	1,000
Taraka	Taraka	Lanao Del Sur		750	

NAME OF PORT	LOCATION		PROGRAM AMOUNT (Thousand Peso)		
			2003	2004	2005
Buluan Lake Port	Buluan Lake	Maguindanao			1,000
Lamion Wharf	Bongao	Tawi-Tawi	1,000		
Bongao Port	Bongao	Tawi-Tawi	30,000		
Lower Busay Rock causeway	Lower Busay	Tawi-Tawi		5,000	
Manok Mankaw Piehead Const.	Simunul	Tawi-Tawi		1,000	
Bato-Bato Wharf	P. Sugala	Tawi-Tawi	1,000		
Singtakai Port	Singtakai	Tawi-Tawi	20,000		
Mapun Port	Mapun	Tawi-Tawi	20,000		
Sapa-Sapa Port	Sapa-Sapa	Tawi-Tawi	20,000		
Sibutu Port	Sibutu	Tawi-Tawi	18,000		
Bangas Pob. Commercial Port Rehab	H. Panglima Tahil	Sulu		2,500	1,000
Brgy. BatoBato	Indanan	Sulu		500	500
Brgy. Buan causeway	Siasi	Sulu		500	
Brgy. Nipa-nipa causeway	Siasi	Sulu		500	
Duhol-Duhol, Dungon Seaport	Tongkil	Sulu	2,000	3,000	2,000
Dungon Causeway Phase III	Tongkil	Sulu	2,000	2,000	2,000
Kalong, Dungon	Tongkil	Sulu	1,000	10,000	10,000
Panguturan Fishlanding	Panguturan	Sulu	1,000		
Panamao Port extension	Suuh	Sulu		1,000	
Sitio Lom-lom, Brgy Kansipat	Panamao	Sulu			1,000
Brgy Bas Buaya Wharf	Pandami	Sulu			500
Pandami Wharf	Pandami	Sulu		1,800	
Alu Port, Brgy. Alu-Layag	Parang	Sulu		3,000	2,000
Parang Various Brgy. Wharves(3)	Parang	Sulu	1,000		
Parang Port	Parang	Sulu		1,000	1,000
NATIONWIDE			<u>10,000</u>	<u>20,000</u>	<u>30,000</u>
Immediate Repair/Rehabilitation of Municipal Lighthouses			10,000	20,000	30,000

Appendix 18.2 Port Cargo Throughput

Table A18.2.1 Result of Private Cargo Demand Forecast

Based on GDP Growth Rate 4.5%	Cargo Tonnage (ton), 2001 (4.5%)	Average Growth Rate (2001-2009)	Cargo Tonnage (ton), 2009 (5.3%)	Average Growth Rate (2009-2024)	Cargo Tonnage (ton), 2024 (6.6%)	Average Growth Rate (2001-2024)
Container Cargo (International + Domestic)	4,220,554 (4.5%)	7.80%	7,697,085 (5.3%)	6.17%	18,906,060 (6.6%)	6.74%
Bulk Cargo (International + Domestic)	75,308,646 (79.9%)	5.66%	117,017,772 (81.2%)	4.88%	239,142,419 (83.4%)	5.15%
Other Cargo (International + Domestic)	14,744,087 (15.6%)	3.47%	19,368,396 (13.4%)	2.69%	28,831,839 (10.1%)	2.96%
Total Private Cargo	94,273,287 (100.0%)	5.45%	144,083,253 (100.0%)	4.70%	286,880,318 (100.0%)	<u>4.96%</u>

Source: JICA Study Team Estimation

Appendix 18.3 Public Port Development Plans

Table A18.3.1 Port Development Plans at International Container Terminals in Philippines (1/3)

Container Terminal	Port Facility, Capacity and Investment	2003 At Present	Port Extension between 2004 & 2009	2009 Short Term	Port Extension between 2010 & 2024	2024 Long Term
Manila MICT (ICTSI)	Port Facility & Equipment	5berths, -12m 10 G. Cranes	-	5 berths -12, -13 m 10 G. Cranes	1 berth, -13m 2 G. Cranes	6 berths -12, -13 m 12 G. Cranes
	C. Handling Capacity	1,500,000 TEU	-	1,500,000 TEU	300,000 TEU	1,800,000 TEU
	Investment (Cost and Resource)				Private investment (BOT/ Concession)	Private Investment (BOT / Concession)
Manila South Harbor (ATI)	Port Facility & Equipment	3berths -11m, -13.5m 9 G. Cranes	-	3berths -11, -13.5m 9 G. Cranes	1berths, -13.5m 2 G. Cranes	4berths -11, -13.5 m 11 G. Cranes
	C. Handling Capacity	900,000 TEU	-	900,000 TEU	300,000 TEU	1,200,000 TEU
	Investment (Cost and Resource)				Private Investment (BOT/ Concession)	Private Investment (BOT / Concession)
Subic (SBMA)	Port Facility & Equipment	-	2berths, -13m 4 G. Cranes	2berth, -13m 4 G. Cranes	1berth, -13m 2 G. Cranes	3berths,-13m 6 G. Cranes
	C. Handling Capacity		600,000 TEU	600,000 TEU	300,000 TEU	900,000 TEU
	Investment (Cost and Resource)		6.800 bil Pesos JBIC Loan	6.800 bil Pesos JBIC Loan	3.400 bil Pesos B.O.T./ Foreign Loan	10.200 bil B.O.T./ Foreign Loan
Batangas (PPA)	Port Facility & Equipment	Under Construction	2berth, -13m 4 G. Cranes	2 berth, -13m 4 G. Cranes	7 berth, -13m 14 G. Cranes	9 berths,-13m 18 G. Cranes
	C. Handling Capacity	-	600,000 TEU	600,000 TEU	2,100,000 TEU	2,700,000 TEU
	Investment (Cost and Resource)	3.130 bil Pesos JBIC Loan	2.550 bil Pesos JBIC Loan [*]	2.550 bil Pesos JBIC Loan	11.840 bil B.O.T.(Ph-3)/ Foreign Loan(Ph-4)	14.390 bil B.O.T./ Foreign Loan

Note: [*]; Assuming that port construction for Stage-1 (-2004) and Stage-2 (2008-2009) of Batangas Phase-2 project is completed in the short-term period.

Source : JICA Study Team, PPA, CPA , SBMA and PIA

Table A18.3.2 Port Development Plans at International Container Terminals in Philippines (2/3)

Container Terminal	Port Facility, Capacity and Investment	2003 At Present	Port Extension 2004 & 2009	2009 Short Term	Port Extension between 2010 & 2024	2024 Long Term
Cebu (CPA)	Port Facility & Equipment	Existing 1 berth, -9m, 2	1berths, -13m 2 G. Cranes	1berth, -13m 2 G. Cranes	3berth, -13m 6 G. Cranes	4berths, -13m 8 G. Cranes
	C. Handling Capacity	(200,000 TEU)	300,000 TEU	300,000TEU +(200,000TEU)	900,000 TEU	1,200,000TEU +(200,000TEU)
	Investment (Cost and Resource)	-	3.700 bil Pesos Own Fund / Foreign Loan	3.700 bil Pesos Pesos Own Fund / Foreign Loan	11.100 bil Own Fund./ Foreign Loan	14.800 bil Own Fund/ Foreign Loan
Iloilo (PPA)	Port Facility & Equipment	-	-	-	1 berth, -12m 1 Q. Crane	1 berth, -12m 1 Q. Crane
	C. Handling Capacity	-	-	-	100,000 TEU	100,000 TEU
	Investment (Cost and Resource)	-	-	-	2.500 bil P	2.500 bil P
Cagayan de Oro (PPA) /Mindanao Container Terminal	Port Facility & Equipment	Under Construction	1berth, -12m 2 G. Cranes	1berth, -12m 2 G. Cranes	1berth, -12m 2 G. Cranes	2berths, -12m 4 G. Cranes
	C. Handling Capacity	-	300,000 TEU	300,000 TEU	300,000 TEU	600,000 TEU
	Investment (Cost and Resource)	4.048 bil Pesos (JBIC Loan) has already been disbursed.			3.700 bil Pesos B.O.T./ Foreign Loan	3.700 bil Pesos B.O.T/ Foreign Loan
Davao (PPA)	Port Facility & Equipment	1 berth (No Q. Crane)	1 berth 2 Q. Cranes	2berths, -12m 2 Q. Cranes	Berth extension, - 2 Q. Cranes	2berths, -12m 4 Q. Cranes
	C. Handling Capacity	10,000 TEU	190,000 TEU	200,000 TEU	150,000 TEU	350,000 TEU
	Investment (Cost and Resource)		2.600 bil Pesos PPA Own Fund/ Foreign Loan	2.600 bil Pesos PPA Own Fund/ Foreign Loan	1.160 bil Pesos PPA Own Fund/ Foreign Loan	3.760 bil Pesos PPA Own Fund/ Foreign Loan

Source: JICA Study Team, PPA, CPA, SBMA and PIA

Table A18.3.3 Port Development Plans at International Container Terminals in Philippines (3/3)

Container Terminal	Port Facility, Capacity and Investment	2003 At Present	Port Extension 2004 & 2009	2009 Short Term	Port Extension between 2010 & 2024	2024 Long Term
General Santos (PPA)	Port Facility & Equipment	-	-	-	1 berth, -12m 2 Q. Cranes	1 berth, -12m 2 Q. Cranes
	C. Handling Capacity	-	-	-	200,000 TEU	200,000 TEU
	Investment (Cost and Resource)	-	-	-	2.600 bil Pesos	2.600 bil P
Zambo-anga (PPA)	Port Facility & Equipment	-	-	-	1 berth, -12m 1 Q. Creane	1 berth, -12m 1 Q. Creane
	C. Handling Capacity	-	-	-	100,000 TEU	100,000 TEU
	Investment (Cost and Resource)	-	-	-	2.500 bil Pesos	2.500 bil Pesos
Total	Port Facility & Equipment	9 berths (+1 berth: Cebu) 19 G. (+2 G. Cranes at Cebu)	7 berths, 14 Q. Cranes	16 berths (+1 berth: Cebu) 33 Q. Cranes , (+2 G.Cranes: Cebu)	17.4 berths, 34 Q. Cranes,	33.4 berths, 67 Q. Cranes
	Cargo Handling Capacity	2,410,000 TEU +200,000:	1,990,000 TEU	4,400,000 TEU +200,000:	4,750,000 TEU	9,150,000 TEU +200,000:
	Investment (Cost and Resource)	7.178 bil Pesos (JBIC loan)	15.650 bil (Privatization/ B.O.T./ Concession/ PMB Own Fund/ JBIC Loan)	15.650 bil (Privatization/ B.O.T./ Concession/ PMB Own Fund/ JBIC Loan)	38.800 bil (Privatization/ B.O.T./ Concession/ PMB Own Fund/ Foreign Loan)	54.450 bil (Privatization/ B.O.T./ Concession/ PMB Own Fund/ Foreign Loan)

Source: JICA Study Team, PPA, CPA, SBMA and PIA

Appendix 18.5 Public Port Revenues

Table A18.5.1 Revenue Allocation between Public and Private (ICTSI)

	Revenue Items	2002	Public/Private Revenue Share (%)
PPA	Port Due	49.9 mil P	
	Wharfage	337.0 mil P	
	20% of Handling tariff	931.5 mil P	Total container handling volume is 1,040,700TEUs
	(+) Fixed Fee	(+) 667.7 mil P	Total fixed fee for 25 years is 313,756 thousand US\$.
	Total	1,986.1 mil P	39.4%
Operator (ICTSI)	80% of Handling tariff	3,726.1 mil P	Total container handling volume is 1,040,700TEUs
	(-) Fixed Fee	(-) 667.7 mil P	Total fixed fee for 25 years is 313,756 thousand US\$.
	Total	3,058.4 mil P	60.6%
Grand Total		5,044.5 mil P	100.0%

Source: JICA Study Team

Table A18.5.2 Revenue Allocation between Public and Private (ATI)

	Revenue Items	2002	Public/Private Revenue Share (%)
PPA	Port Due	29.4 mil P	
	Wharfage	201.6 mil P	
	20% of Handling Charge	549.7 mil P	Total container handling volume is 612,487TEUs
	(+) Fixed Fee	(+) 244.7 mil P	US\$ 4.6 Mil/Annum based on Compromise Agreement in 1995
	Total	1,025.4 mil P	34.4%
Operator (ATI)	80% of Handling Charge	2,198.9 mil P	Total container handling volume is 612,487TEUs
	(-) Fixed Fee	(-) 244.7 mil P	US\$ 4.6 Mil/Annum based on Compromise Agreement in 1995
	Total	1,954.2 mil P	65.6%
Grand Total		2,976.6 mil P	100.0%

Source: JICA Study Team

Appendix 18.6 Comparison of Port Revenues and Investment Cost

Table A18.6.1 List of Proposed Foreign Loan Port Development Projects in Short Run

(Unit: billion pesos)

Port Function	Port	Investment Cost	Loan Application (Foreign loan is basically 85% of project cost)
International gateway port	Subic Phase-1	6.800	5.780
	Batangas Phase-2	[*] 2.550	2.170
	Cebu Phase-1	3.700	3.145
	Davao	2.600	2.210
Principal international trade port	Zamboanga	1.670	1.420
	General Santos	1.670	1.420
	Iloilo	1.700	1.445
Regional port	17 Candidate Ports for Trans-Visayas Intermodal Transport Network	3.200	2.720
Total		23.890	20.310

Note : [*]; Batangas Phase-2 project cost during 2004 and 2009.

Source: DOTC, PPA, CPA, SBMA and JICA Study Team

Appendix 18.7 Cash Flow Analysis of Port Authorities

Table A18.7.1 PPA's Cash Flow in Case of Short-term Project Implementation (1)

(Unit: million pesos)

Classification	2003	2004	2005	2006	2007	2008
1.Cash Balance Beginning	4,715	2,486	1,907	1,752	2,545	3,222
2.Cash Inflows	6,853	6,346	9,524	10,110	10,460	8,339
+Port Revenues	5,263	5,501	6,149	6,735	7,080	7,439
+Foreign Loan Proceedings	1,340	595	3,125	3,125	3,130	650
+Fund Management	250	250	250	250	250	250
3.Cash Outflows	9,082	6,925	9,679	9,317	9,783	7,305
+Personal Services						
(For Existing facilities)	996	1,006	1,016	1,026	1,036	1,047
(For New facilities)	-	-	1.0	1.0	1.0	3.8
+Administration Expenses(MOOE)						
(For Existing facilities)	704	711	718	725	732	739
(For New facilities)	-	-	0.6	0.6	0.6	2.3
+Repair and Maintenance						
(For Existing facilities)	361	380	390	410	440	460
(For New facilities)	-	-	105	105	105	436
+Dredging	250	330	360	400	440	440
+Foreign Loan Repayment	353.7	353.7	307.6	307.6	307.6	206.4
+Foreign Loan Interest	143.1	155.7	151.9	207.5	262.9	318.3
+Capital Outlay						
(Batangas Stage-1)	1,900	1,020	-	-	-	-
(Batangas Stage-2)	-	-	-	-	-	765
(Philippine Port Package)	-	-	3,675	3,675	3,680	-
(Other Ports Investment)	3,415	2,309	2,394	1,909	2,058	2,117
+Dividend Payment	959	660	560	550	720	770
4.Ending Cash balance	2,486	1,907	1,752	2,545	3,222	4,256

Table A18.7.2 PPA's Cash Flow in Case of Short-term Project Implementation (2)

(Unit: million pesos)

Classification	2009	2010	2011	2012	2013	2014
1.Cash Balance Beginning	4,256	4,786	5,749	4,834	4,680	4,724
2.Cash Inflows	8,736	8,505	8,596	8,843	9,104	9,385
+Port Revenues	7,836	8,255	8,496	8,743	9,004	9,285
+Foreign Loan Proceedings	650	-	-	-	-	-
+Fund Management	250	250	100	100	100	100
3.Cash outflows	8,206	7,542	9,511	8,997	9,056	9,027
+Personal Services						
(For Existing facilities)	1,057	1,068	1,078	1,089	1,100	1,111
(For New facilities)	3.9	4.4	4.4	4.5	4.5	4.6
+Administration Expenses(MOOE)						
(For Existing facilities)	747	754	762	770	777	785
(For New facilities)	2.3	2.6	2.6	2.7	2.7	2.7
+Repair and Maintenance						
(For Existing facilities)	480	510	560	590	620	650
(For New facilities)	436	482	482	482	482	482
+Dredging	440	440	500	500	500	500
+Foreign Loan Repayment	206.4	197.7	197.7	102.6	52.3	119.3
+Foreign Loan Interest	322.6	326.8	317.0	307.2	300.6	299.4
+Capital Outlay						
(Batangas Stage-1)						
(Batangas Stage-2)	765	-	-	-	-	-
(Philippine Port Package)	-	-	-	-	-	-
(Other Ports Investment)	2,376	2,356	4,047	3,799	3,737	3,613
+Dividend Payment	1,370	1,400	1,560	1,350	1,480	1,460
4.Ending Cash balance	4,786	5,749	4,834	4,680	4,728	5,086

Table A18.7.3 CPA's Cash Flow in Case of Short-term Project Implementation (1/2)

(Unit: million pesos)

Classification	2004	2005	2006	2007	2008	2009
1.Cash Balance Beginning	281	459	656	859	1,115	1,404
2.Cash Inflows	486	525	536	2,492	2,534	876
+Port Revenues	486	525	536	642	684	876
+Foreign Loan Proceedings	-	-	-	1,560	1,560	-
+Local Loan Proceedings	-	-	-	290	290	-
3.Cash Outflows	307.6	328.2	333.2	2,235.8	2,245.2	539.4
+Personal Services	65	67	68	70	72	73
+Administration Expenses(MOOE)	68	70	72	73	75	77
+Repair and Maintenance	40	41	42	43	44	45
+Dredging	-	-	-	-	-	-
+Foreign Loan Repayment	-	-	-	-	-	-
+Foreign Loan Interest	-	-	-	-	34.3	68.6
+Local Loan Repayment	50	50	50	50	29	58
+Local Loan Interest	10	10	10	10	43.5	82.7
+Capital Outlay	-	-	-	1,850	1,850	-
(New Container Terminal)	-	-	-	(1,850)	(1,850)	-
+Dividend Payment	74.6	90.2	91.2	139.8	97.4	135.1
4.Ending Cash balance	459	656	859	1,115	1,404	1,741

Source: JICA Study Team

Table A18.7.4 CPA's Cash Flow in Case of Short-term Project Implementation (2/2)

(Unit : million pesos)

Classification	2010	2011	2012	2013	2014	2015
1.Cash Balance Beginning	1,741	2,082	2,427	2,777	3,131	3,489
2.Cash Inflows	876	876	876	876	876	876
+Port Revenues	876	876	876	876	876	876
+Foreign Loan Proceedings	-	-	-			-
+Local Loan Proceedings	-	-	-			-
3.Cash Outflows	535	530.7	526.4	522	517.7	513.3
+Personal Services	73	73	73	73	73	73
+Administration Expenses(MOOE)	77	77	77	77	77	77
+Repair and Maintenance	45	45	45	45	45	45
+Dredging						
+Foreign Loan Repayment						
+Foreign Loan Interest	68.6	68.6	68.6	68.6	68.6	68.6
+Local Loan Repayment	58	58	58	58	58	58
+Local Loan Interest	74	65.3	56.6	47.9	39.2	30.5
+Capital Outlay						
(New Container Terminal)						
+Dividend Payment	139.4	143.8	148.2	152.5	156.9	161.2
4.Ending Cash balance	2,082	2,427	2,777	3,131	3,489	3,852

Source: JICA Study Team

Appendix 18.8 Financial Feasibility of Representative Projects

Table A18.8.1 FIRR for Davao Short-term Project (Unit: million pesos)

Year	Revenues	Cost		
		Investment cost	Maintenance and operational cost	Total
2005	-	1,200	73	1,058
2006	-	1,400	78	1,263
2007	280		103	103
2008	302		137	137
2009	325		142	142
2010	350		148	148
2011	377		154	154
2012	406		162	162
2013	438		169	169
2014	472		176	176
2015	509		185	185
2016	548		193	193
2017	592		202	202
2018	639		209	209
2019	691		209	209
2020	700		209	209
2021	700	200	399	599
2022	700		209	209
2023	700		209	209
2024	700		209	209
2025	700		209	209
2026	700		209	209
2027	700		209	209
2028	700		209	209
2029	700		209	209
2030	700		209	209
2031	700		209	209
2032	700		209	209
2033	700		209	209
2034	700		209	209
2035	700		209	209
2036	700		209	209
2037	700	200	399	599
Total	17,829	2,570	6,273	8,843

FIRR = 9.9%

Source: JICA Study Team

Table A18.8.2 FIRR for Zamboanga Short-term Project

(Unit: million pesos)

Year	Revenues	Cost		
		Investment cost	Maintenance and operational cost	Total
2004	-	-	-	-
2005	-	-	-	-
2006	-	785	68	903
2007	-	885	73	1,008
2008	133	-	94	94
2009	144	-	120	120
2010	158	-	126	126
2011	167	-	132	132
2012	182	-	137	137
2013	196	-	144	144
2014	212	-	151	151
2015	230	-	158	158
2016	250	-	166	166
2017	270	-	175	175
2018	291	-	184	184
2019	315	-	188	188
2020	340	-	188	188
2021	360	-	188	188
2022	360	100	283	383
2023	360	-	188	188
2024	360	-	188	188
2025	360	-	188	188
2026	360	-	188	188
2027	360	-	188	188
2028	360	-	188	188
2029	360	-	188	188
2030	360	-	188	188
2031	360	-	188	188
2032	360	-	188	188
2033	360	-	188	188
2034	360	-	188	188
2035	360	-	188	188
2036	360	-	188	188
2037	360	100	283	383
Total	9,008	1,970	5,490	7,460
				FIRR = 3.7%

Note: It is assumed that the present port charge is raised up to 80%.

Source: JICA Study Team

Table A18.8.3 FIRR for General Santos Short-term Project

(Unit: million pesos)

Year	Revenues	Cost		
		Investment cost	Maintenance and operational cost	Total
2006	-	785	49	834
2007	-	885	53	938
2008	122		72	72
2009	132		97	97
2010	143		101	101
2011	154		106	106
2012	167		111	111
2013	182		116	116
2014	196		122	122
2015	212		128	128
2016	230		135	135
2017	250		142	142
2018	271		147	147
2019	286		151	151
2020	286		151	151
2021	286		151	151
2022	286	100	246	346
2023	286		151	151
2024	286		151	151
2025	286		151	151
2026	286		151	151
2027	286		151	151
2028	286		151	151
2029	286		151	151
2030	286		151	151
2031	286		151	151
2032	286		151	151
2033	286		151	151
2034	286		151	151
2035	286		151	151
2036	286		151	151
2037	286	100	246	346
Total	7,493	1,870	4,438	6,308

FIRR = 3.1%

Note : It is assumed that the present port charge is raised up to 10%.

Source: JICA Study Team

Table A18.8.4 FIRR for Iloilo Short-term Project

(Unit: million pesos)

Year	Revenues	Cost		
		Investment cost	Maintenance and operational cost	Total
2004	-	-	-	-
2005	--	800	50	850
2006	--	900	54	954
2007	140	-	78	78
2008	148	-	106	106
2009	157	-	110	110
2010	166	-	115	115
2011	176	-	120	120
2012	187	-	125	125
2013	198	-	130	130
2014	210	-	137	137
2015	223	-	144	144
2016	237	-	150	150
2017	251	-	157	157
2018	265	-	164	164
2019	281	-	164	164
2020	298	-	164	164
2021	315	-	259	259
2022	334	-	164	164
2023	354	-	164	164
2024	375	-	164	164
2025	400	-	164	164
2026	400	-	164	164
2027	400	-	164	164
2028	400	-	164	164
2029	400	-	164	164
2030	400	--	164	164
2031	400	-	164	164
2032	400	-	164	164
2033	400	-	164	164
2034	400	-	164	164
2035	400	-	164	164
2036	400	-	259	259
Total	9,115	1,700	4,782	6,582
				FIRR = 4.9%

Source: JICS Study Team

Appendix 18.9 Development of International Gateway Port

Table A18.9.1 FIRR of Batangas Phase-3 Project (First Berth of Three)

FIRR= 25.05%	Revenue (Thousand P)	Investment (Thousand P)	Expenses (Thousand P)	Total(expense) (Thousand P)	Net Present Value (Thousand P)
2010	0	702	0	702	-702
2011	0	1,183	0	1,183	- 946
2012	189	0	133	133	36
2013	412	0	133	133	143
2014	649	0	133	133	211
2015	898	0	133	133	250
2016	910	0	133	133	203
-	-	-	-	-	-
2030	910	481	133	614	3
-	-	-	-	-	-
2043	910	0	133	133	0
Total	27,628	2,366	4,256	6,622	0

Source: JICA Study Team

Appendix 18.14 Foreign Loan Appropriation

Table A18.14.1 Loan Project Record Regarding Public Port Development

Loan Account Number	Loan Borrower	Project Title	Revised Loan Amount	Date of Contract	Repayment Period	Grace Period & Interest Rate
IBRD 939	PPA	Port Development and Equipment of C.D.O. and Gen. Santos	US\$ 6,037,306.1	Oct. 24 1973	21 years Feb. 1978 to Aug. 1998	5 years 7.25 %
IBRD 1855	PPA	3 rd IBRD Port Project	US\$ 66,865,956.23	Jun. 13 1980	15 years Sep. 1985 to Mar. 2000	5 years 8.25 %
IBRD 2823	PPA	4 th IBRD Port Project	US\$ 30,065,959.84	Jun. 30 1987	15 years Dec. 1992 to Jun. 2007	5 years 7.76 %
ADB 126	PPA	Port of Polloc	US\$ 6,427,074.39	Apr. 11 1973	21 years Dec. 1977 to Jun. 1998	5 years 7.50 %
ADB 412	PPA	MIP-ICT Phase II	US\$16,806, 628.09	Nov. 07 1979	20 years Apr. 1984 to Oct. 2003	4 years 7.60 %
ADB 875	PPA	2 nd Manila Port Project	US\$ 37,380,226.9	Feb. 01 1998	20 years Apr. 1993 to Oct. 1993	5 years 6.53 %
OEFC PHP 20	PPA	Harbor Maintenance Dredging Project I	Y 3,957, 728,210.0	Jan. 14 1978	18.5 years Apr. 1993 to Oct. 2012	7 years 3.25 %

Table A18.14.2 Recent Foreign Loan Project Record for International Container Terminal

Loan Account Number	Loan Borrower	Project Title	Revised Loan Amount	Date of Contract	Repayment Period	Grace Period & Interest Rate
OEFC PHP 91	PPA	Batangas Port Development Project(BPDP)	Y 169,158,544.0	Jan. 27 1988	20.5 years Jan. 1998 to Jan. 2018	10 years 3.0 %
OEFC PHP 172	PPA	BPDP – Phase II	Y 876,000,000.0	Mar. 18 1997	20.5 years Mar. 2007 to Mar. 2027	10 years 2.3 %
OEFC PHP 122	PPA	BPDP Phase II	Y5,788, 000,000. 0	Jul. 16 1991	20.5 years Jun.2001 to Jun. 2021	10 years 2.7 %
OEFC PHP 187-I	PPA	BPDP Phase II	Y 13,788,000,000.0	Sep. 10 1998	20.5 years Sep. 2008 to Sep. 2028	10 years 2.2 %
JBIC	PIA	C.D.O. Container Terminal Project	Y 8,266,000,000.0	Apr. 07 2000	20 years 2010 to 2030	10 years 2.2 %
JBIC	SBMA	Subic Container Terminal Project	Y 16,450,000,000.0	Aug. 31 2000	20 years 2010 to 2030	10 years 2.2 %