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DEC 15 2004

PPA ADMINISTRATIVE ORDER

NO. 03 - 2004



TO : All Port District Managers
Port Managers
Shipping Companies
And All Others Concerned

SUBJECT : **Guidelines on the Development, Construction, Management & Operation of Ferry Terminals under the Road Roll-On/ Roll-Off Terminal System (RRTS)**

Pursuant to the provisions of Sections 6 a (ii) (iii) (iv) b (vi) (ix) (xv), Article IV, and Section 19 and Section 20 (a), Article VII, of Presidential Decree No. 857, as amended, Rule VI, Section 17, Rule X, Sections 34.2 & 35 of the Implementing Rules and Regulations of R.A. 9184 and in consonance with Executive Order Nos. 170 and 170-A as well as DOTC Department Order Nos. 2003-16 and 2003-39, the following guidelines are hereby prescribed for the guidance of and compliance by all concerned.

ARTICLE I – PRELIMINARY PROVISIONS

Section 1. **Scope**

This Administrative Order prescribes the procedures in processing applications for the development, construction, management and operation of the RRTS. It shall also cover the procedures for the privatization of PPA-owned Ro-Ro terminals listed under the following links or sub-systems: 1) Western Nautical Highway; 2) Central Nautical Highway; 3) Eastern Nautical Highway.

Section 2. **Objectives**

- To provide a special facility for the processing of applications for RRTS investments within the 30-day period prescribed under Executive Order Nos. 170 and 170-A.
- To prescribe procedures for the privatization of PPA-owned Ro-Ro terminals under the RRTS.

VISION

By 2010, PPA shall have met the international standards in port facilities and services in at least ten (10) ports in support of national development.

MISSION

We commit to provide reliable and responsive services in our ports, sustain development of our port communities and the environment, and be a model corporate agency of the government.

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09/12/2004 - G-08

Section 3. **Definition of Terms**

For purposes of this Order, the following terms shall be understood to mean as follows:

- 3.1 **Road Ro-Ro Ferry Terminal System** – refers to the network of terminals all over the country, regardless of the distance covered and linked by Ro-Ro vessels.
- 3.2 **Ro-Ro Operation** – refers to the method of loading and discharging of self-powered vehicles, such as cars and trucks, on their own wheels by their owners or drivers between vessel and shore via a ramp.
- 3.3 **Ro-Ro Ferry Terminals** – refer to ferry terminals which cater basically to Ro-Ro linked ferry vessels servicing passenger buses & private vehicles.
- 3.4 **Ro-Ro Facilities** – refers to Ro-Ro terminals constructed and operated by either the private sector or the port Authority.
- 3.5 **Mediterranean berthing** – refers to vessels berthed perpendicular to the pier or wharf.
- 3.6 **Liberalized Private Ports Policy of PPA** – also known as PPA Administrative Order No. 06-95, provides guidelines on the grant of PPA clearance to develop, permit to construct and operate a private port facility.

Article II - CRITERIA FOR EVALUATION

Section 4. **Eligibility of an RRTS Terminal Operator**

An RRTS Terminal Project Proponent must have the following qualifications in order for the proposed private investment to be considered:

- 4.1 Be a registered single proprietorship, partnership, corporation or cooperative registered with the appropriate government agency. In case of a joint venture, the requirement for SEC registration shall be complied with before the issuance of a Certificate of Registration/Permit to Operate (COR/PTO).
- 4.2 Have under its employ key officials with at least two (2) years minimum experience in port management and/or vessel operations.
- 4.3 Have the financial capability to fund and sustain the detailed engineering design, construction and the operation and maintenance of the RRTS Ro-Ro ferry terminal project to be implemented.

Existing PPA registered private port operators who desire to operate Ro-Ro port services under the RRTS may likewise be qualified, subject to the above paragraphs 4.1, 4.2, 4.3 & Sec. 5 of this Order.

Section 5. **Minimum Investment for an RRTS Facility**

All RRTS Ro-Ro ferry terminals or ports must be able to cater to any type or design of Ro-Ro vessels, whether berthing alongside or Mediterranean. It must likewise have sufficient facilities and amenities to cater to the passengers and Ro-Ro vehicles related needs and requirements which shall include but not limited to:

- Ro-Ro docking facilities (An ordinary ramp must be able to accommodate a Ro-Ro vessel with 1,000 GRT or equivalent to the width of two (2) trucks;
- Passenger Terminal facilities with basic amenities such as:
 - sufficient passenger seats;
 - clean comfort rooms for male/female;
 - drinking stations and water system;
 - child care stations with feeding area for nursing mothers/diaper changing table;
 - access ramps, railings for handicapped passengers/port users;
 - priority lanes for pregnant women, women with children and senior citizens;
 - properly labeled receptacles to segregate wastes; and
 - covered walkways within entry/exit doors.
- Marshalling yard;
- Lane meter measurement area;
- Parking area; and
- Security and safety facilities.

Section 6. **Incentives to RRTS Operators**

- 6.1 The RRTS Terminal Operator may be allowed to develop, construct and operate the RRTS terminal facility for a period of twenty-five (25) years and may be renewed for another twenty-five (25) years, subject to DENR and PPA requirements.
- 6.2 For the privilege of operating the port, the RRTS terminal operator shall pay the PPA through the PMO, an annual privilege fee of ₱20,000.00 per port/terminal.

ARTICLE III - PROCEDURES

Section 7. **Clearance to Develop, Construct & Operate RRTS Terminal Facility**

The following procedures shall be complied with in the processing of said clearance to develop:

- 7.1 The Applicant or Project Proponent shall file his formal letter of intent with the PMO concerned together with the documents required under Annex A. The PMO evaluates within one (1) week from receipt of complete documentary requirements and submits its recommendation to the PDO. In turn, the PDO reviews PMOs findings within one

(1) week and forwards pertinent documents to the Office of the AGM for Operations Attn: Commercial Services Department (CSD).

- 7.2 The CSD evaluates within one (1) week and submits its recommendation to the General Manager thru the AGM for Operations. The General Manager may issue the corresponding clearance to develop and construct within one (1) week, copy furnished the PDO and the Applicant or Project Proponent.
- 7.3 The Project Proponent shall register their Ro-Ro ferry terminal or port upon its completion and shall submit the documents required under Annex B.

Section 8. Privatization of PPA-Owned Ro-Ro Ferry Terminals

- 8.1 A Special Bids and Awards Committee (SBAC) shall be created to handle the documentation, evaluation and processing of the bid activities for the privatization of all identified PPA-Owned Ro-Ro ferry terminals under the RRTS, which shall endorse the same to the General Manager thru the AGM for Operations, for disposition.

As a general rule, the privatization of Ro-Ro ferry terminals shall be conducted thru Open and Competitive Bidding based on the Terms of Reference to be prepared by the BAC.

- 8.2 All pertinent provisions contained under RA 9184 shall likewise be complied with.

ARTICLE IV – MISCELLANEOUS PROVISIONS

Section 9. Termination/Cancellation of Permit

- 9.1 The terms of the permit shall include a condition that the PPA may suspend, cancel and terminate the certificate of registration/permit to operate for violations/infractions committed by the Permittee. It shall also include a waiver of the Permittee's rights, in favor of PPA, over the foreshore lease area where the facilities are located, including the corresponding easement or right of way.
- 9.2 Violations/infractions cited under Section 9.1 shall refer to non-compliance to any of the terms and conditions attached to and made an integral part of the certificate of registration/permit to operate, as shown in Annex C. It shall also refer to violations of other rules, laws and regulations promulgated and to be promulgated by PPA and other concerned Authorities relative to private port operations.

- 9.3 There shall be due process in the termination/cancellation as enumerated hereunder:
- 9.3.1 A Notice of Violation shall be issued to Permittee of any infraction/s committed. Said Permittee shall be granted a 30-day grace period within which to explain and resolve/correct the violation committed.
- 9.3.2 Should the Permittee fail to correct, to the satisfaction of PPA, said violation/s within the 30-day grace period given, the PPA shall suspend the permit issued and temporarily take-over the operation of the port until appropriate actions have been taken. If after six (6) months, the violations remain unacted, PPA may cancel the RRTS permit and conduct public bidding for the lease, management and operation of the RRTS facility.
- 9.4 All RRTS Operations shall be strictly monitored by the PMOs. They shall oversee the implementation of all contract provisions including the terms and conditions of the permit issued. Any violation/s and/or infraction/s committed shall be reported immediately to the AGM for Operations, Attn: Commercial Services Department (CSD).

Section 10. Penalty Clause

Violation of any of the provisions of this Order and other relevant PPA regulations shall subject the violators to the penalties provided for under PD 857, as amended.

Section 11. Repealing Clause

All PPA orders, rules and regulations or issuances inconsistent herewith are hereby deemed modified, amended or otherwise revoked accordingly.

Section 12. Separability Clause

If any provision or section of this Order, or its 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 13. Effectivity

This Order shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.



ATTY. OSCAR M. SEVILLA
General Manager

Published in the following newspaper:

1. Philippine Star) ⁵ December 22, 2004
2. Manila Standard)

Effectivity Date - January 6, 2005

**CHECKLIST OF REQUIREMENTS FOR CLEARANCE TO
DEVELOP AND CONSTRUCT AN RRTS FACILITY**

1. Three (3) copies of letter-proposal to develop Ro-Ro facility, addressed to the PMO, specifying the exact location of the foreshore area, area size in sq.m., RRTS facility/amenities to be put up.
2. Project summary of scope and description.
3. Copy of company profile.
4. Two (2) copies of vicinity map showing the location of the proposed RRTS facility relative to the foreshore site reclaimed land or private lands and to the nearest government pier.
5. DENR approved Foreshore Lease Contract.
6. Copy of SEC Registration Permit.
7. Copy of Articles of Incorporation and By-Laws.
8. Copy of BIR Tax Identification Number Certificate
9. Copy of Environmental Compliance Certificate.
10. Detailed engineering plans & drawings, technical specification, design computations, PERT/CPM bar chart, construction schedules duly signed by a duly licensed Civil/Structural engineer.

(ALL DOCUMENTS TO BE FILED IN A FOLDER)

**CHECKLIST OF REQUIREMENTS FOR ISSUANCE OF
CERTIFICATE OF REGISTRATION/PERMIT TO OPERATE RRTS FACILITY**

1. Project Completion Report accompanied by pictures of the RRTS Terminal/Port Facility, As-Built Plans/Sworn Statement signed by the Engineer supervising the project that the said facility was constructed in accordance with the plans and specifications.
2. Secretary's Certificate Authorizing Company's Representative to enter into an agreement with PPA.
3. Copy of Clearance to Develop and Construct.
4. PMO/PDO comments and recommendations.

(ALL DOCUMENTS TO BE FILED IN A FOLDER)

CONDITIONS

1. This certificate serves as a permit which entitles the PERMITTEE to operate the Road Roll-On/Roll-Off Terminal System (RRTS) facility herein registered.

2. This certificate is effective for ____ years and shall commence on the date of the conforme of the terms and conditions. Upon the expiration of the final period, said port facilities shall become the property of the PPA, free from any liens and encumbrances without any obligation on the part of PPA to make reimbursement of the value thereof of the owner/operator.

3. The PERMITTEE shall pay ₱20,000.00 privilege fee per year exclusive of VAT.

4. The PERMITTEE shall allow authorized personnel of the Authority to inspect the facilities and its premises, including examination of specific records to determine compliance with this permit and other requirements and shall submit such data/documents or information which the Authority may require from time to time for statistical or other purposes.

5. The PERMITTEE shall ensure that the RRTS facility herein registered shall not be utilized for illegal activities such as gunrunning and smuggling as stipulated under PPA Operations Memorandum Order No. 02-2001 and other pertinent issuances.

6. The PERMITTEE shall maintain the RRTS facilities in good condition and shall be responsible for the safe and efficient operations thereof.

7. No alterations or improvements, other than ordinary repair for wear and tear shall be made on the existing facilities (as shown on the as-built plans submitted to and stamped received by this Authority) without the prior approval of PPA.

8. Where applicable, no other rates, dues or charges other than those officially authorized or published by the Authority shall be levied for the use of said facilities without the prior written approval of the Authority.

9. No vessel shall be allowed berth unless properly authorized by the Authority.

10. The PERMITTEE shall allow the Authority or any other government entity or other private port users to use said facilities in case of emergency, necessity or congestion at the government pier.

11. The PERMITTEE hereby absolves the Authority from any responsibility for any accidents, deaths, damages to property or person due to failure in the design, structural stability of the facilities or defects in the construction as well as from any legal suit/s, court action/s which may result from said operation.
12. The PERMITTEE shall submit a comprehensive port security survey plan consistent with PPA MC No. 10-2003.
13. The PERMITTEE must comply with the requirements for Shore Reception Facilities (SRF) as contained under PPA Administrative Order No. 02-2003 consistent with the MARPOL 73/78 requirements.
14. The PERMITTEE shall comply with the provisions of PPA AO _____ and other rules, laws and regulations promulgated and to be promulgated by the Authority, and/or other proper authorities.
15. Violation/s of any of the conditions herein specified shall be a sufficient ground for the Authority to temporarily suspend the operating permit. Under said circumstances, the PERMITTEE hereby waives his rights, in favor of PPA, over the foreshore area including easement and right of way to the RRTS facility.
16. Failure of the PERMITTEE to act on said violation/s within a period of six (6) months shall cause the pre-termination/cancellation of this permit.

CONFORME:

By:

Authorized Representative

Name of Company

Date