

Republika ng Pilipinas  
**PANGASIWAAN NG DAUNGAN NG PILIPINAS**  
(PHILIPPINE PORTS AUTHORITY)  
MARS MAN BLDG SOUTH HARBOR PORT AREA  
MANILA PHILIPPINES

PHILIPPINE PORTS AUTHORITY  
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JAN 25 1995

HEAD OFFICE

Rec'd by \_\_\_\_\_

PPA ADMINISTRATIVE ORDER  
NO. 11 - 95

T O . PDO/PMO Managers  
Cargo Handling Operators/Contractors  
Others Concerned

SUBJECT : **AMENDMENT TO THE APPLICATION OF THE REVISED FIXED  
FEE AND THE FIXED FEE/VARIABLE FEE POLICIES IN  
THE IMPOSITION OF GOVERNMENT SHARE/PPA SHARE FROM  
CARGO HANDLING OPERATORS/CONTRACTORS**

1. AUTHORITY/REFERENCE:

- 1.1 Section 20 (a), P.D. 857, as amended
- 1.2 LOI 1005-A dated 11 April 1980
- 1.3 PPA Administrative Order No. 07-80
- 1.4 PPA EXCOM Res No. 90-137 dated 16 May 1990 as confirmed by PPA Board Res. No 1120
- 1.5 PPA EXCOM Res. No. 90-169 dated 29 October 1990 as confirmed by PPA Board Res No. 1155
- 1.6 PPA Memorandum Circular No 50-90

2. OBJECTIVE:

- 2.1 To harmonize the implementation of the Fixed Fee/Variable Fee and Revised Fixed Fee schemes and percentage share system as reasonable mode of sharing between PPA and the cargo handling operators in the grant of the privileges to the latter to manage and operate cargohandling related services

3. PURPOSE

- 3.1 To provide guidelines in the implementation of the said Fixed Fee/Variable Fee, Revised Fixed Fee and Percentage Fee schemes

4. SCOPE

- 4.1 This Administrative Order shall apply to existing cargo handling contractors/operators in all government ports, whose contracts with PPA stipulate the payment of Fixed/Variable Fee/Revised Fixed Fee and those contractors who will be issued contracts containing stipulation on the Revised Fixed Fee

5. GUIDELINES:


- 5.1 The policy of the Authority imposing the Revised Fixed Fee in contracts that will be issued and for existing contracts with Fixed Fee/Variable Fee and Revised Fixed Fee shall likewise continue in the imposition of government share from their cargo handling and related services income, provided that in no case shall the government share be less than ten (10%) percent of the gross revenue in any given year of the contract involving purely domestic cargo handling service and not less than twenty (20%) percent of the gross revenue for foreign cargo handling service.
- 5.2 If the Fixed Fee/Variable Fee and the Revised Fixed Fee stipulated in the existing contracts of cargo handling operators are found in any given contract year to be less than ten (10%) percent of the gross revenue from cargo handling and related services on domestic cargoes and less than twenty (20%) of the gross revenue from cargo handling services on foreign cargoes, the difference between the actual remittance and the computed 10% or 20% as the case may be, shall be paid by the operator/contractor concerned
- 5.3 The PMO shall strictly monitor remittances made by all contractors/operators within its jurisdiction and shall conduct periodic audit on the financial aspect, among others, of the operators/contractors concerned in coordination with the PDO-Internal Control Staff and Internal Control Department at the Head Office

5. AMENDATORY CLAUSE

- 5.1 Any provisions of existing guidelines and rules and regulations which are contrary to or inconsistent herewith shall be deemed amended or accordingly modified

6 EFFECTIVITY

- 6.1 This Administrative Order shall, after approval by the Board of Directors of the Authority, take effect fifteen (15) days after publication in a newspaper of general circulation

  
CARLOS L. AGUSTIN  
General Manager

Approved per PPA Board Resolution No. 1441  
dated 10 February 1995

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