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JUN 25 2007

PPA OPERATIONS MEMORANDUM ORDER
NO. 02 - 2007

TO : Port District Manager, PDO Manila/Northern Luzon
Port Manager, PMO South Harbor
Officer-In-Charge, PPA MICT
Asian Terminals, Inc. (ATI)
The International Container Terminal Services, Inc. (ICTSI)
Importers/Exporters/Brokers/Cargo Representatives
International and Domestic Shipping Lines/Agents
And Others Concerned

S U B J : **Implementation of the Megaports Initiative Project at the South Harbor and MICT for the Detection, Deterrence and Prevention of Illicit Trafficking of Nuclear and Other Radioactive Materials**

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1. AUTHORITY

1.1 Section 6a (iii) of Presidential Decree No. 857 also known as the Revised Charter of the Philippine Ports Authority;

1.2 Memorandum of Intent (MOI) dated 19 July 2005 between the Department of Science and Technology (DOST) of the Republic of the Philippines and the Department of Energy (DOE) of the United States of America concerning cooperation to prevent the illicit trafficking in nuclear and other radioactive materials.

1.3 International Ship and Port Facility Security Code (ISPS) of the International Maritime Organization (IMO).

1.4 Memorandum of Agreement dated 09 February 2007 among the Bureau of Customs, the Philippine Nuclear Research Institute and the Philippine Ports Authority.

2. OBJECTIVES

2.1 To safeguard and strengthen the security of vessels, cargoes, port facilities and general public transacting business in the ports;

2.2 To detect, deter and prevent the illegal trafficking through the ports of special nuclear materials and other radioactive materials;

2.3 To protect the health and safety of the public against accidental or intentional exposure to radiation.

3. DEFINITION OF TERMS

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

a. PPA - Philippine Ports Authority

b. BOC - Bureau of Customs

c. PNRI - Philippine Nuclear Research Institute

d. MICT - Manila International Container Terminal

e. SH - South Harbor

f. ATI - Asian Terminals Inc., the SH Terminal Operator

g. ICTSI - International Container Terminal Services Inc., the MICT Terminal Operator

h. CAS - Central Alarm Station is the physical location of the computer workstation, as well as the computer workstation itself. The CAS location is where all alarm information from a radiation portal monitor (RPM) is displayed and monitored by the authorities. The CAS workstation (computer terminal) is the display where radiation profiles and images are provided for an operator to assess and make decisions regarding the alarm events.

i. LAS – Local Alarm Station is a station used to help the CAS operator manage the inflow of alarm information.

j. Special Nuclear Material (SNM) - plutonium and uranium enriched to twenty percent (20%) or more in the isotope U-235

k. "Other Radioactive Material" - radioactive materials that include, but not limited to, radioactive sources for use in radiological dispersal devices.

l. RPM – Radiation Portal Monitor; a passive device that detects radiation emitted from objects passing near it

m. Secondary Inspection – an inspection activity using hand-held radiation instruments to inspect the cargo that generated an alarm event after passing through a RPM

n. SWS - Secondary Work Station is a computer workstation at the Secondary Inspection Section where secondary inspections are conducted with hand-held radiation instruments

o. Tertiary Inspection – an inspection activity involving the stripping/unpacking of the cargo for the purpose of conducting a more detailed inspection after the secondary inspection warrants further inspection of the cargo as determined by the CAS operator

4. GENERAL DESCRIPTION OF THE PROJECT

In consonance with the Megaports Initiative Project, radiation detection monitors, related equipment and devices necessary for the effective operation of the Alarm and Detection System have been installed at SH and MICT. The Alarm and Detection System shall screen containers and cargoes for nuclear and radiological weapons of mass destruction. The System shall be operated by trained personnel for the purpose of detecting, deterring, and preventing the illicit trafficking of special nuclear materials and other radioactive materials.

As part of the Alarm and Detection System, a CAS is established in SH at the 3rd Floor, Bureau of Customs Building. At the MICT, the CAS is located at the Container Office at the back of the BOC Building. As part of the Agreement, the BOC and PNRI will designate trained operators/personnel to man the SH CAS and MICT CAS on a 24 hour, 7 days week basis.

The CAS will function as the command and control station of the Alarm and Detection System. The CAS Operator of the BOC, with the assistance of the PNRI CAS Operator, will make all decisions regarding cargo disposition and will coordinate additional investigation with other concerned agencies.

At strategic areas of the SH and MICT, Local Alarm Stations (LAS), Secondary Inspection Stations (SIS) and Tertiary Inspection Stations (TIS) have been established for the operation of the Alarm and Detection System. ATI at SH and ICTSI at MICT shall designate trained personnel who shall continuously man all LAS and SIS. The TIS shall be manned in accordance with the Memorandum of Undertaking whenever there is cargo subject to tertiary inspection

5. SCOPE

These guidelines shall be applicable to all containerized and non-containerized import and export shipments handled by ATI at SH and ICTSI at MICT.

6. SYSTEMS AND PROCEDURES IN CHECKING OF CARGOES

6.1 Primary, Secondary and Tertiary Checking at SH (Flowcharts are attached as (ANNEXES "A" and "A-1")

6.1.1 Export container shall pass through the SH Entry Gate (Gate 7) for primary check and shall follow the normal routing through Gate 7, if no alarm is triggered.

6.1.2 Domestic containers discharged at Pier 15 destined for loading as export and import containers routed for loading on a domestic vessel at Pier 15 shall pass through the Muelle de San Francisco (MDSF) Gate then proceed to CY01 to the alley leading to Gate 6 for primary check and shall follow normal routing, if no alarm is triggered.

6.1.3 Import container prior to withdrawal from the port shall pass through the SH Exit Gate (Gate 6) for primary check and shall follow normal routing, if no alarm is triggered.

6.1.4 Any container that triggers a primary alarm at Gate 7, CY01, or Gate 6 shall be directed by ATI personnel to proceed to the Designated Examination Area (DEA) where the Secondary Inspection Station is located.

6.1.5 Loose and break-bulk cargo for export shall pass through Gate 4 for primary check and if no alarm is triggered, shall follow normal routing by proceeding to Pier 9 or Container Freight Station (CFS).

6.1.6 Break-bulk import cargo coming from Pier 9 area shall pass through Gate 4 for primary check and shall follow normal routing if no alarm is triggered.

6.1.7 Any loose or break-bulk cargo that triggers a primary alarm at Gate 4 shall be directed by ATI personnel to proceed to the designated Secondary Inspection Station located at the Container Freight Station (CFS) for loose cargo and Pier 9 for break-bulk cargo.

6.1.8 At the Secondary Inspection Station, the radiation profile information shall be displayed as guide in identifying the type of radiation source. Hand held devices will be used in determining what is the source of radiation. Any cargo whose status remains unresolved after undergoing verification at the Secondary Inspection Station shall be directed to proceed to the designated Tertiary Inspection Station (TIS).

6.1.9 The Tertiary Inspection Station (TIS) for containers is located at the Dangerous Cargo Area (DCA), at the CFS for loose cargo and at Pier 9 for break-bulk cargo.

6.2 Primary, Secondary and Tertiary Checking at MICT (Flowcharts are attached as ANNEXES "B" and "B-1")

6.2.1 Export container shall pass through the MICT Central Container Gate for primary check and shall follow normal routing, if no alarm is triggered.

6.2.2 Import container upon discharge from the carrying vessel shall pass through the Quay-side Scanning Lanes for primary check and if no alarm is triggered, shall follow normal routing prior to stacking at the container yard.

6.2.3 Import and export loose cargoes handled at CFS No. 2 or CFS No. 3 shall pass through the CFS Gate for primary check and shall follow normal routing, if no alarm is triggered.

6.2.4 Any container that triggers a primary alarm at the Central Container Gate or Quay-side Scanning Lanes shall be directed by ICTSI personnel to CFS No. 1 where the Secondary Inspection Station is located.

6.2.5 Any loose cargo that triggers a primary alarm at the CFS Gate shall be directed by ICTSI personnel to the designated Secondary Inspection Station located at CFS No. 2 and CFS No. 3.

6.2.6 At the Secondary Inspection Station, the radiation profile information shall be displayed and cargo data shall be further investigated, verified and analyzed. Hand held devices will be used in determining what is the source of radiation. Any cargo whose status remains unresolved after undergoing verification at the Secondary Inspection Station shall be directed to proceed to the designated Tertiary Inspection Station (TIS).

6.2.7 The TIS for containers and loose cargoes is located at the Hazardous Cargo Control Area (HCCA).

7. REQUIREMENTS FOR TERTIARY INSPECTION

7.1 The BOC CAS Operator with the assistance of the PNRI CAS Operator will decide whether to send a container/cargo for tertiary inspection. Should a tertiary inspection be required, BOC shall issue an Alert Notice against the shipment following customs regulations and procedures. ATI/ICTSI shall place the subject container/cargo in an isolated area. The tertiary inspection will be conducted by the BOC and PNRI assigned personnel, while the cargo handling will be undertaken by trained ATI/ICTSI personnel. Tertiary inspection will be carried out the same day the cargo was seized or immediately the following day should the cargo be determined for tertiary inspection after PNRI Office hours.

7.2 Once the status of the shipment is resolved after subjecting the same to tertiary inspection, lifting of the Alert Order and Clearance will be issued by BOC.

7.3 After tertiary inspection, PNRI shall check and examine the TIS areas and ensure that there is no radiation hazard. In the event of radiation contamination, PNRI shall conduct decontamination of the area.

8. SEIZURE OF RADIOACTIVE MATERIALS

8.1 The BOC is responsible for the confiscation and seizure of illegal special nuclear material or other radioactive materials which will be properly turned over to PNRI.

8.2 In the event of seizure of special nuclear material and other radioactive material, PNRI is responsible for the overall safe management of the radioactive material. PNRI, in close coordination with BOC, PPA and other concerned agencies and cargo handling operators, shall undertake safety measures to prevent danger to terminal employees and minimize disruption in port operation.

9. RESPONSIBILITIES

9.1 **Cargo Owner** -When the container/cargo is stripped or unpacked for inspection at the designated inspection station, the corresponding handling charges shall be to the account of the cargo owner/representative. PNRI, BOC, ATI, ICTSI and PPA shall not be responsible for any damages and/or losses that may result from the inspection of

containers/cargoes positively identified as containing/bearing radioactive materials.

9.2 ATI/ICTSI - ATI/ICTSI shall develop internal operating procedures that shall cover the operation of the installed Alarm and Detection System at the SH and MICT. They shall be responsible for the security of the equipment installed within their premises and for the maintenance and repair of the same after three (3) years following its turnover.

9.3 BOC - BOC will provide import and export manifest information electronically to the primary Central Alarm Station (CAS) and to the mirror CAS located at PNRI. BOC will also be responsible for the security of the equipment installed in the primary Central Alarm Station of South Harbor and MICT that are located and housed at BOC premises.

10. **REPEALING CLAUSE**

All port rules and regulations which are inconsistent herewith are hereby repealed or modified accordingly.

11. **EFFECTIVITY**

This Order shall take effect fifteen (15) days after publication in a newspaper of general circulation.

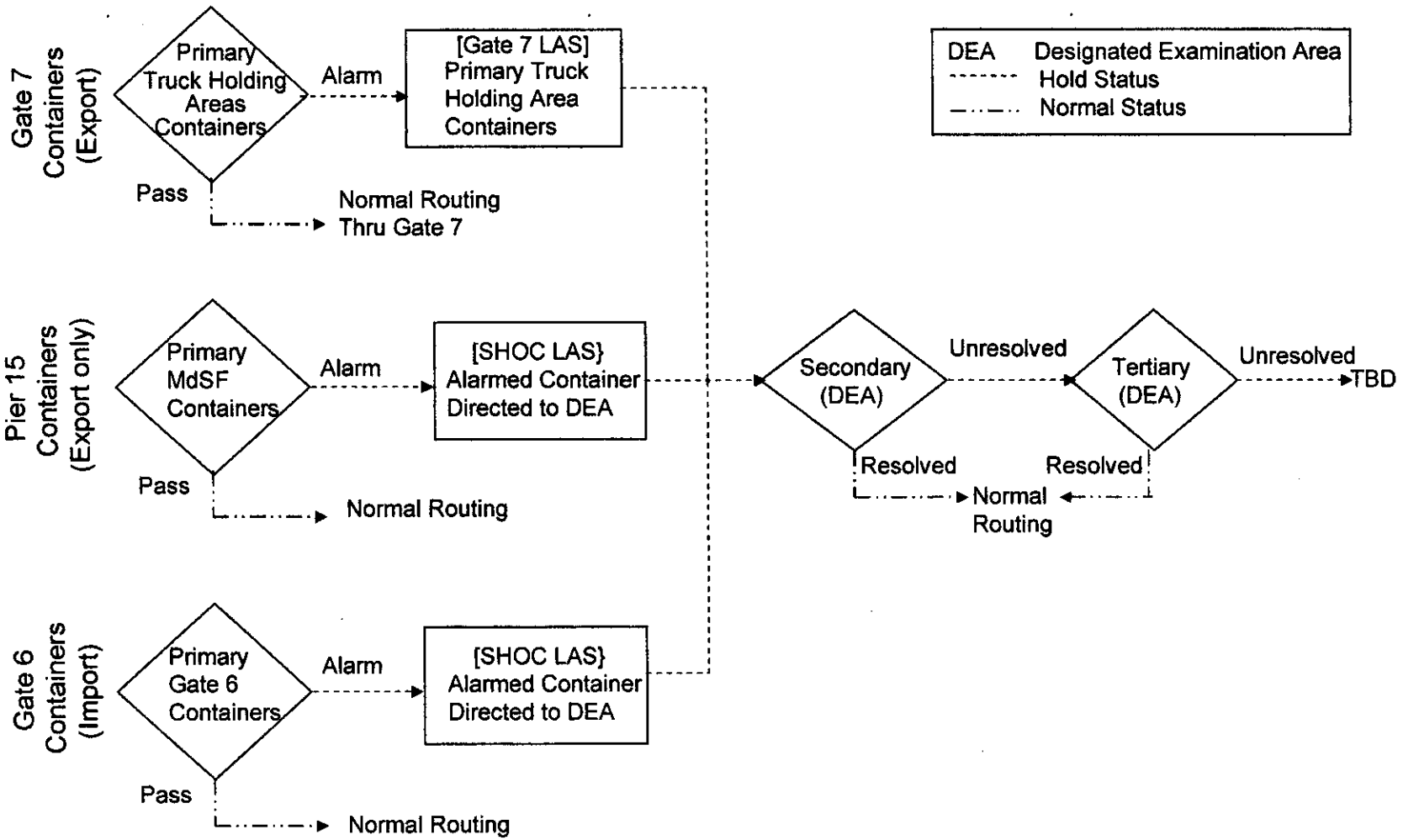
BENJAMIN B. CECILIO
Asst. General Manager
Operations Office

Published in the Philippine Star - June 29, 2007

Effectivity Date - July 14, 2007

SOUTH HARBOR FLOW

ANNEX A



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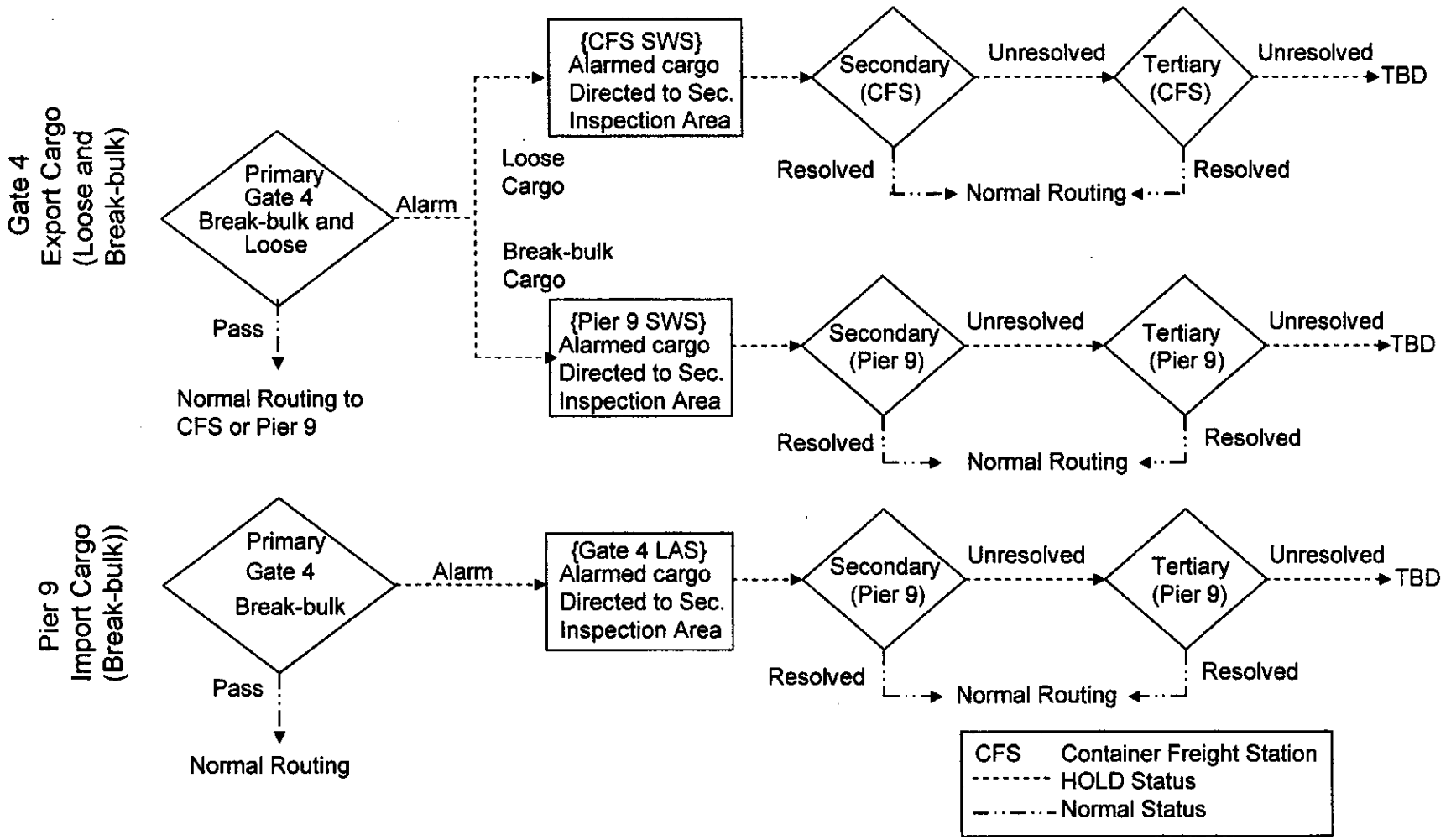
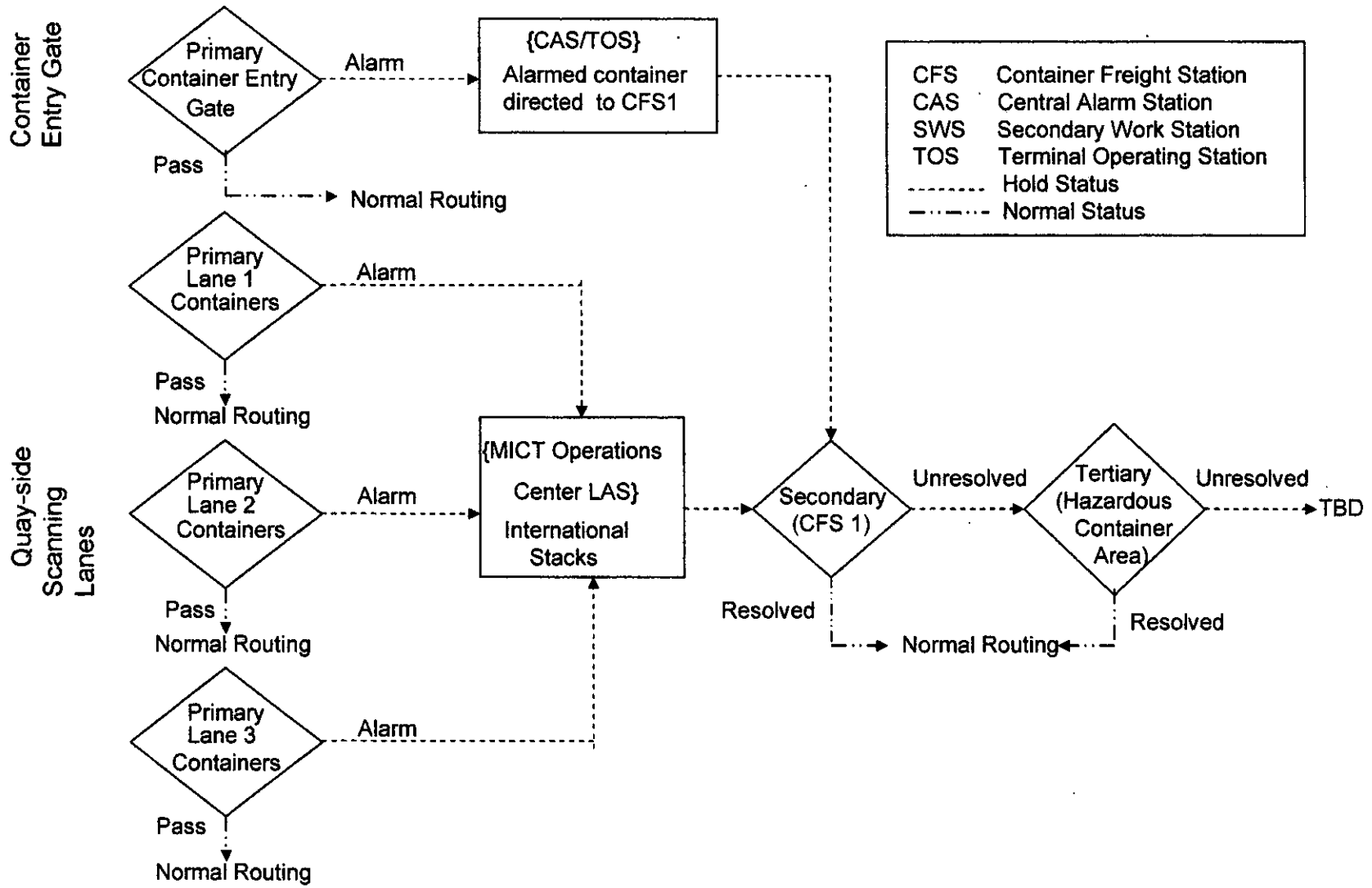
SOUTH HARBOR FLOW

ANNEX A - 1



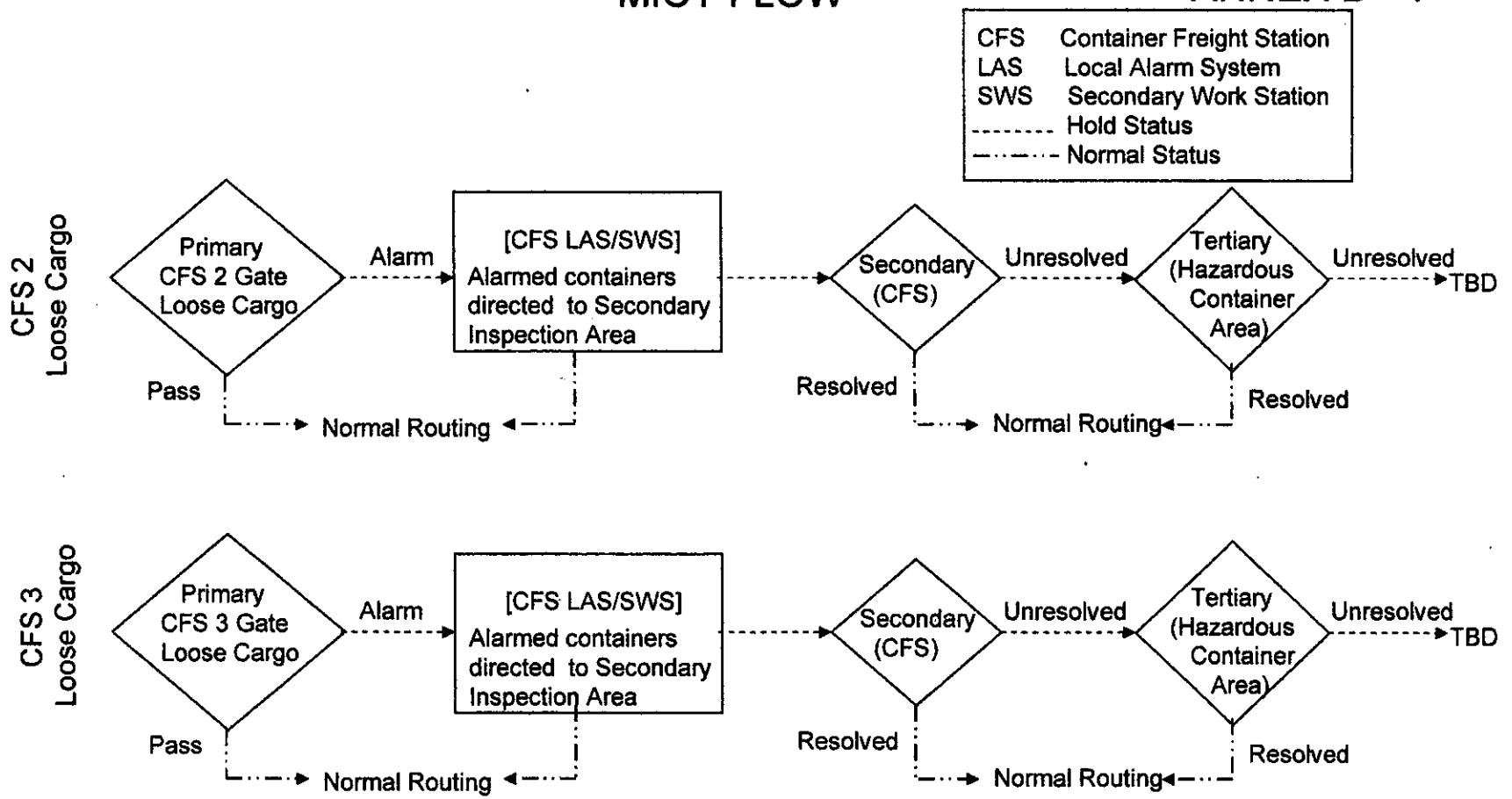
MICT FLOW

ANNEX B



MICT FLOW

ANNEX B - 1



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