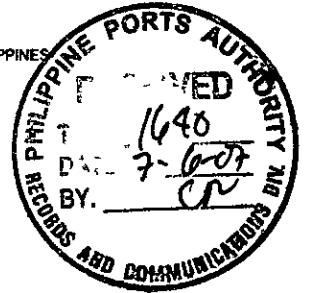




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JUL 06 2007

PPA MEMORANDUM ORDER

No. **23** - 2007

TO : Port District Managers and Port Managers
Shipping Companies and Their Agents
All Others Concerned

SUBJECT : **Issuance of New and/or Re-issuance of Existing Policies Pertinent to the Documentation and Payment of Charges for Inbound and Outbound Cargoes**

The PPA MIS Computerization Project, mainly the Port Operations and Management System (POMS), is now in various stages of implementation in all ports. As in any computerized application, its success is largely dependent on the timely and complete submission of source documents, particularly for coastwise operations, by shipping lines or their agents, i.e. Manifest and/or Bill of Lading, which form the basis of invoicing, collection and issuance of appropriate clearances to vessels and cargoes. In the major ports, this involves on-line processing of transactions. In smaller ports, documents continue to be manually processed and required data are just summarized in prescribed templates and uploaded to the central database.

In accordance with existing PPA guidelines and regulations, procedures for the accomplishment and submission of the above-mentioned documents are hereby reiterated and/or issued.

1. Documentation for Inbound Cargoes

- 1.1 As a policy, PPA requires the submission of inbound manifest within at least eight (8) hours prior to vessel arrival. For vessels with shorter sailing time, inbound manifest should be submitted as soon as the vessel has departed from the port of origin.
- 1.2 Based on current practices, this policy has not been effectively complied with. Instead, shipping lines submit manifest upon vessel arrival or long after vessel arrival. This has resulted in prolonged processes for invoicing, billing and clearance to allow withdrawal of cargoes since cargo information needs to be encoded sequentially as documents are received in PPA.

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

OPWRO 62707 - G - 01
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.

- 1 3 To facilitate the delivery of encoding tasks, PPA resorts to authorizing overtime service by PPA personnel and/or hiring of job order (JO) personnel, either of which option entails additional expenditures. To defray the cost of this expense item, PPA shall henceforth levy a fee from the shipping line concerned corresponding to the amount of OT pay of an organic PPA personnel and/or daily rate of JO personnel. The overtime fee of PPA organic personnel shall be computed based on existing guidelines of the Civil Service Commission while the rate of JO personnel shall be the industry rates for computer operator and/or data controller.
- 1 4 To conform with international best practices with regard to ensuring safety and security, PPA will, in the long term, prohibit the discharging and loading of cargoes without prior submission of corresponding manifest.

2. Documentation for Outbound Cargo

- 2 1 It is an existing practice that shipping companies or their agents come to PPA to pay for pertinent cargo charges without providing adequate cargo information to support payment. In some instances pro-forma B/L which is not an official form of the Bill of Lading is submitted. There are many occasions when documentation of cargo is submitted at the last minute prior to loading of cargoes. All of these practices deprive PPA of the opportunity to encode the particulars of cargo, properly raise the necessary invoice through the computerized system, issue official receipt and issue the necessary clearance to load cargo.
- 2 2 As a policy, PPA will immediately enforce the use of Manifest or officially issued Bill of Lading as basis of cargo information. Pro-forma B/L will not be accepted. LCL cargoes to be stuffed into containers by shipping lines in areas within the port leased to them should reflect the container number opposite each Bill of Lading Number. This should enable PPA to calculate the charges due LCL cargoes. All cargoes which do not have a corresponding container number shall be presumed to be non-containerized cargoes and will be levied charges corresponding to non-containerized cargoes.
- 2 3 A single manifest covering multiple ports of destination may be accepted but only if cargoes are grouped by port of destination.

3. Documentation for Overlanded or Shortlanded Cargoes

- 3 1 It will be PPA's policy to process only cargoes for withdrawal or loading purposes which are properly manifested. Unmanifested cargoes, therefore, should be covered by a supplemental manifest duly issued by the shipping companies before they can be invoiced, paid and cleared. Even empty containers (MTs) should be recorded in the manifest.

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- 3 2 For cargoes which are erroneously manifested, they may only be invoiced, paid and released from the port upon the presentation of a duly amended manifest issued by the shipping companies
- 3 3 All shut-out cargoes must be covered by an amended manifest issued by the shipping companies. They must also be covered by corrected Bills of Lading, if such cargoes are to be loaded to another vessel of the same shipping company, and by new Bills of Lading, if the same cargoes are to be loaded to another vessel of a different shipping line, before PPA can issue the proper authorization to load
- 3 4 Undocumented cargoes as well as storage charges and penalties incurred for the lack, incomplete and/or incorrect documentation of cargoes shall be billed to the shipping line which carried the said cargoes

4. Reconciliation of Shipping Lines' Manifests Data and Cargo Handler's Tally Sheet Data

- 4 1 Upon the departure of vessels, the PPA Terminal Supervisors will do a reconciliation of data between the Manifest and cargo handler's Discharging/Loading Tally Sheet. This will be done initially for containerized and other unitized cargoes. PPA will invoice and charge to shipping lines cargoes found to be overlanded or loaded but unmanifested

5. Pre-payments


- 5 1 Consignees who would like to pay for PPA charges prior to the arrival of the vessel must submit necessary data that are required for the preparation of invoice on the cargoes to be loaded. The same holds true for shippers who may want to pay port charges of inbound cargoes before the arrival of the vessel. Without the required particulars of cargo, any payment will be accepted as cash deposit and cargoes may be brought into the port with invoice to follow. Shipping lines or consignees with revolving fund may also have their cargoes cleared for withdrawal or loading purposes with invoices to follow

6. Documentation of RO-RO Cargoes

- 6 1 RO-RO cargoes like other cargoes must be properly documented and must conform with the submission schedule of documentation to PPA as described earlier. They may be recorded in a traditional cargo manifest or in a separate RO-RO cargo manifest. In lieu thereof, a summary listing of all Bills of Lading together with the copy of the Bills of Lading themselves must be submitted to PPA in accordance with the timeline stipulated for manifest submission

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This Memorandum Order supersedes and/or rescinds provisions in other guidelines of the PPA inconsistent herewith. This shall be implemented fifteen (15) days after publication in a newspaper of general circulation



ATTY OSCAR M. SEVILLA
General Manager

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Effectivity Date - July 27, 2007