
Nurturing
Our Feats,
Embracing
New Horizons

ANNUAL REPORT

20140

YEARS



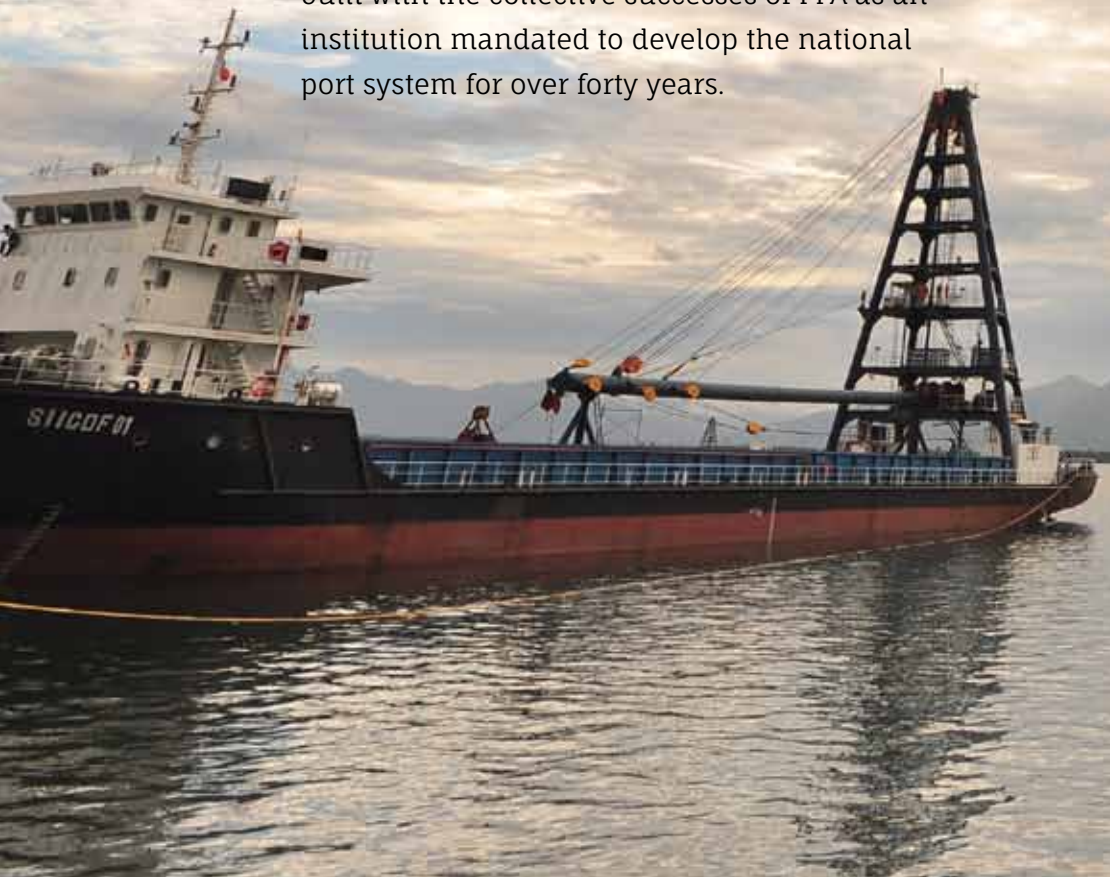
40

YEARS

Instead of focusing on one particular image to symbolize Philippine Ports Authority's first 40 years, the cover uses multiple images to showcase its accomplishments over four decades.

Nurturing Our Feats, Embracing New Horizons

The unique tabbed approach of the cover shows dramatic photographs that represent the different highlighted topics of the annual report. These images, also functioning as breakers, are collated as thin strips to build the visual front of the report. The concept gives the idea of the annual report as being built with the collective successes of PPA as an institution mandated to develop the national port system for over forty years.



05

Mission / Vision
Mandate
Core Values

06

Performance
at a Glance

PPA Strategy Map
and Corporate
Responsibility
Statements

08

Message of
the General
Manager

16

Port
Services

Shipping & Trade
Performance

13

11

23

Physical
Infrastructure
Development
& Maintenance

Inside the Report

29

Financial
Performance

35

Sustainability,
Environment
& People

43

PPA:
40 Years
Milestone

53

Our Leaders:
PPA Alternative
Board Members,
Observers and
Technical Working
Group

52

Our Leaders:
Board of Directors

54

Our Leaders:
Executive
Officers

55

PPA
Management
Team

56

CY 2014 PPA
Policy Issuances

58

Locally-Funded
Projects

62

Port Statistics

Independent
Auditor's
Report

66

67

Financial
Statements

71

Notes to
Financial
Statements



MISSION

1. Provide reliable and responsive services in ports, sustain development of communities and the environment, and be a model corporate agency of the government.
2. Establish a mutually beneficial, equitable, and fair relationship with partners and service providers.
3. Provide meaningful and gainful employment while creating a nurturing environment that promotes continuous learning and improvement.
4. Establish a world-class port operation that is globally competitive, adding value to the country's image and reputation

MANDATE

To establish, develop, regulate, manage and operate a rationalized national port system in support of trade and national development.

VISION

By 2020, PPA shall have provided globally competitive port services in the Philippines characterized by increased productivity, efficiency, connectivity, comfort, safety, security, and environmental sustainability.

Excellence.
Professionalism,
Efficiency

Creativity.
Innovation,
adaptability

Customer Satisfaction.
Customer Focus

Responsible Citizenship.
Sustainability,
Accountability, Risk
Management

CORPORATE VALUES

Ethics.
Integrity within
moral bounds.

Sincerity.
Commitment to
fulfill mandate.

Teamwork.
Synergy
of working
together.
Esprit de corps

PERFORMANCE AT A GLANCE

Financial Performance

PHP 12.567B

GROSS EARNINGS
UP BY 13.54% from 2013



PHP 4.244B

NET INCOME
UP BY 13.25% from 2013



PHP 7.115B

EXPENSES
UP BY 7.71% from 2013

Shipping and Trade Performance



CONTAINER TRAFFIC

5.525M

TEUs
UP BY 5.47%
from 2013

CARGO THROUGHPUT

214.813

MMTs UP BY 6.31% from 2013

SHIP TRAFFIC
or VESSEL CALLS

362,994

UP BY 1.82%
from 2013



PASSENGER TRAFFIC

55.990M

UP BY 3.94% from 2013

Physical Infrastructure Development & Maintenance

50

LOCALLY
FUNDED
PROJECTS

Completed valued at
Php1.96 Billion in 2014



107



REPAIRS AND
MAINTENANCE
PROJECTS

Completed valued at
Php1.12 Billion in 2014

Dividend Remittance

REMITTED TO THE NATIONAL
GOVERNMENT CASH DIVIDEND OF

PHP1.8B

UP BY Php416,897,052 or 30.15%
from Php1,382,619,064.43 in 2013

Current Ratio

measures the ability of the Authority to meet current obligations. Result ratio must be >1.

2.84:1

in 2014
versus

1.93:1

in 2013

This year's ratio increased to 2.84 from last year's 1.93, meaning PPA has Php2.84 current assets to cover every Php1.00 current obligation.

Return on Assets (ROA)

Indicates the degree of profits realized in relation to the amounts invested in assets. Resultant percentage must be >7%

14.28%

in 2014
versus

12.57%

in 2013

This year's ROA increased to 14.28% from last year's 12.57% due to increase in net operating income with a decline in average operating fixed assets.

Port Operating Ratio

measures the effectiveness of management in terms of keeping down costs in relation to revenue. Resultant ratio must be <70-75%

40.04%

in 2014
versus

63.94%

in 2013

This year's port operating ratio decreased to 40.04% from last year's 63.94% which is still within the threshold.

Debt to Equity Ratio

In compliance with PD 857, total indebtedness of the PPA in principal amount on local and foreign currency shall not at any time exceed the net worth of the PPA at the relevant time. Resultant ratio must be <1.

0.13:1

in 2014
versus

0.15:1

in 2013

This year's ratio of 0.13:1 is safely within the required limit.

MESSAGE OF THE GENERAL MANAGER

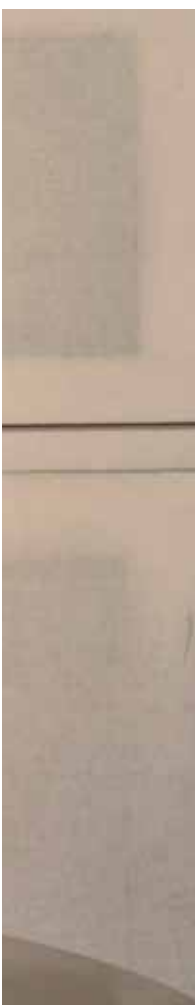
The year 2014 saw the Authority maintaining its growth trajectory in key areas of its operations and exhibiting sustained resilience characteristic of a mature and stable organization. Notwithstanding the impact of the usual and extraordinary challenges in recent years, PPA's positive fundamentals continue to satisfy the surge in the volume of business activities at the ports and the requirements of its clientele. The strong and favorable economic climate and the resurgent business confidence in the country boosted PPA's capability to hurdle the headwinds posed by the volatility in the external markets as seaborne commerce managed to show improved performance. This is evident in the steady stream of cargoes handled at the country's ports which posted 214.813 million metric tons (MMT) or a rise of 6.31 percent over the previous year owing primarily to the large volume of exportation of mineral ores, coconut oil and copra, among others. Export volumes expanded in the Port Management Offices (PMO) of Surigao and Batangas and the Manila International Container Terminal (MICT). Likewise, both passenger traffic of 55.99 million and vessel calls of 362,994 showed sustained but modest climb for the period in review. On the other hand, containers handled in terms of unit cargo capacity grew to 5.525 million twenty-foot equivalent units (TEUs) or about 5.47 percent.

Lifted by the country's sustained economic growth, the Authority achieved a remarkable corporate fiscal performance as Gross Revenues reached Php12.567 billion



corresponding to 13.54 percent double-digit expansion. Expenditures incurred during the year rose, consistent with increases in fixed assets and increased deployment of manpower pursuant to the initial phases of the implementation of the

“Here at PPA, we will continuously resolve to provide our clients, stakeholders and the general public with facilities, amenities and services that meet regionally benchmarked standards and best practices parallel with the pursuit of ISO compliant processes and procedures.”



PPA Rationalization Plan (RATPLAN). PPA likewise continues to address and allocate funds for repair and rehabilitation of port facilities damaged by calamities such as the destructive typhoons and earthquakes that struck the country in the latter part of 2013. Expenses however remained within manageable levels as a result of sound fiscal measures adopted by the Authority. This is manifested in the Net Income After Tax recorded at Php4.244 billion or 13.25 percent higher than the figure posted in 2013 brought about by the boost in foreign cargo traffic volume at PMOs North Harbor, Surigao and Batangas. Optimism in revenue generation is seen in the medium term as external trade outlook continues to ease with moderate recovery in the more established economies which are our major trading partners.

Here at PPA, we will continuously resolve to provide our clients, stakeholders and the general public with facilities, amenities and services that meet regionally benchmarked standards and best practices parallel with the pursuit of ISO compliant processes and procedures. Most of our major gateways are already ISO certified as far as Vessel Entrance and Clearance (VEC) is concerned. Our ultimate goal is to achieve 100 percent ISO VEC certification for all our major gateways and other high volume ports. Our commitment is to look into other areas of our operations which could be subjected to ISO certification to attain consistent quality processes and procedures, ensure optimum productivity at the ports and more efficient ways of doing and implementing programs and projects.





Having this in mind, we have fast tracked several projects in 2014 in response to the requirements of our stakeholders and the port community. For the year in review, PPA completed fifty (50) major infrastructure projects amounting to Php1.96 billion as part of its commitment to increase port capacity with the completion of 468.98 meters of berth length and 37,089.07 square meters of storage/operational and back-up area; and, additional passenger seating capacity of 2,300 with the construction/improvement of Passenger Terminal Buildings (PTB). We have intensified the pace of our repairs and maintenance (R&M) with the completion of Php 1.12 billion R&M projects in various ports nationwide on top of the implementation of dredging projects covering a total dredged volume of 58,489 cubic meters of silt.

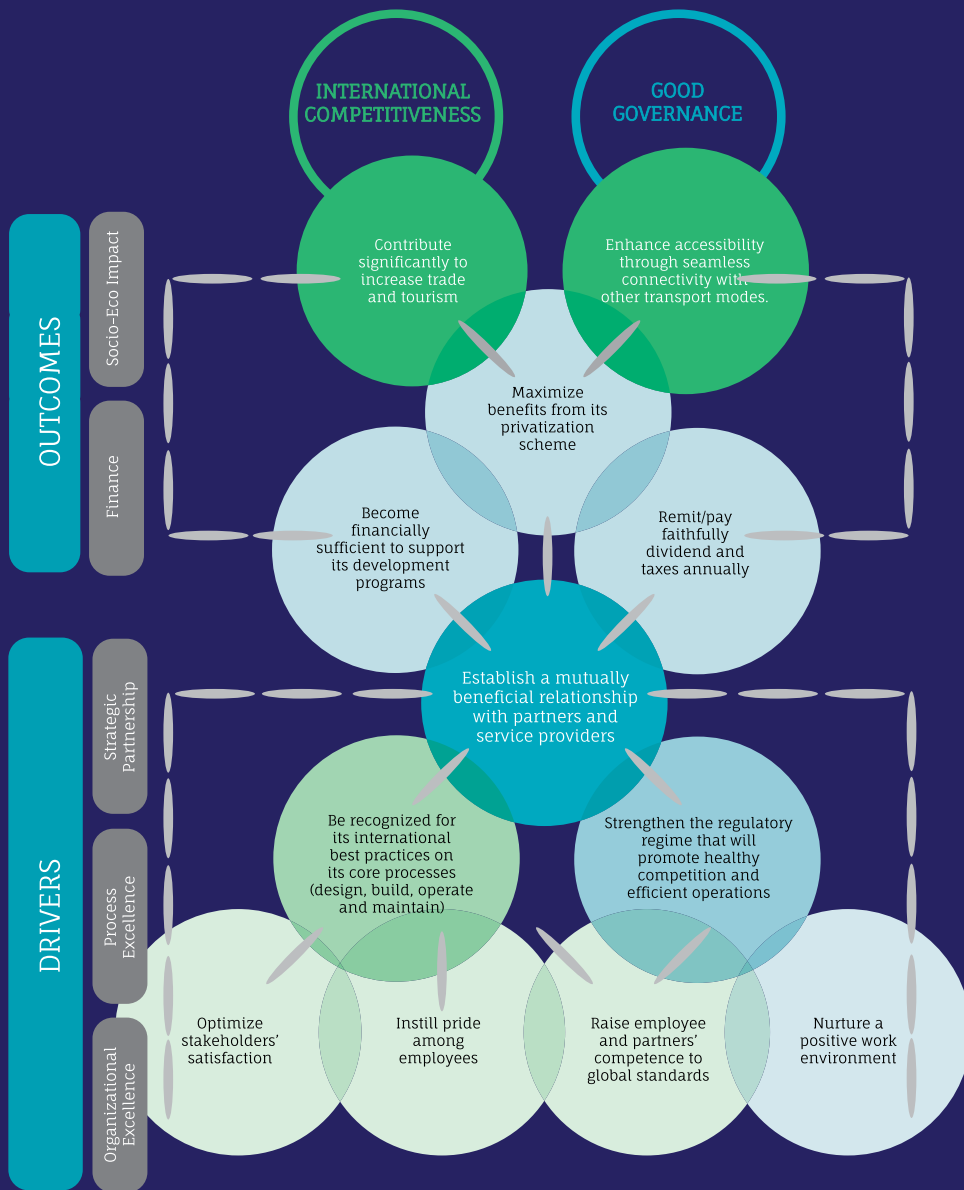
our present status while ensuring that these will stay relevant with changing times and the needs of the public we serve. Looking further into the future, we will strive harder to nurture our feats, preserve our gains and embrace new horizons.

Drawing inspiration and unrelenting guidance from our Board of Directors and our empowered workforce, we remain optimistic that our shared aspirations will lead us to achieving uninterrupted success in many more years to come.

Our status as a well-performing GOCC as we reach 40 years of viable existence and operation has been underpinned by the hard work and dedication of our people. As we continue to grow, we will carry with us the cherished corporate values, ideals and work ethics that have brought us to


JUAN C. STA. ANA
 General Manager

PPA STRATEGY MAP



CORPORATE RESPONSIBILITY STATEMENTS (CSR)

As a leading GOCC, PPA continues to work towards upholding the highest standards of corporate governance by simply being a responsible corporate citizen. This entails (i) developing and operating ports that cater to the needs of local and/or global clients in accordance with best practices and state-of-the-art technologies; (ii) promoting the growth of communities by linking them to the mainstream of economic activities; (iii) establishing fair and equitable business relationships which are beneficial to both port stakeholders and the government; and, (iv) uplifting the lives of its employees by giving them a work environment that is conducive and offers opportunities for career advancement.





SHIPPING & TRADE PERFORMANCE



CARGO, PASSENGER AND SHIP TRAFFIC

CARGO

Trade Performance

The country's Gross Domestic Product (GDP) in 2014 grew by 6.1 percent. Parallel with the sustained economic performance, total cargo volume of 214.81 million metric tons (MMT) handled at the ports nationwide accelerated at almost the same pace or 6.31 percent higher than the 202.06 MMTs recorded in 2013. The pace of activities at the ports remains upbeat with the robust growth in the domestic and foreign components of conventional and containerized cargoes, the moderate increase in domestic conventional cargo and the steady and sustained passenger volume despite the stiff competition posed by budget domestic airline carriers.

Cargo

Total cargo for the year was higher by 6.31 percent or a positive variance of 12.754 MMTs which is suggestive of a brisk movement of cargo passing through the ports. Foreign cargo went up by 11.00 MMTs or 8.87 percent while domestic cargo grew at a slower rate of 2.25 percent corresponding to 1.752 MMTs.

Both import and export components of foreign cargo notably increased by 9.45 percent and 8.30 percent, respectively, as compared to the previous year. The large volume exportation of river sand, magnetite sand, crude minerals, nickel ore, limestone ore, clinker and slag, coconut oil and copra, fruits and fish as well as the sizeable importation of fuel, coal, grains and fertilizers were responsible for the impressive performance of both sectors.



Container (in TEUs)

Likewise, container traffic grew by about 286,699 TEUs or 5.47 percent over the previous year. Both domestic and foreign container traffic grew by 5.56 percent and 5.42 percent, respectively. The import and export components of foreign TEU traffic likewise increased by 5.78 percent and 5.05 percent, respectively.

Coordinated efforts from various government agencies and the private sector cushioned the adverse impact of the truck ban imposed in Manila in February of 2014 with the volume of containers handled in Manila ports still managing to post an increase.

CY 2014 Cargo Throughput, Container, Passenger & Ship Calls

	2014	2013	Inc/(Dec)	
			Volume	%
Cargo (m.m.t.)	214,812,620	202,058,707	12,753,913	6.31%
Domestic	79,713,233	77,961,028	1,752,205	2.25%
Foreign	135,099,387	124,097,680	11,001,707	8.87%
Import	66,633,058	60,880,181	5,752,877	9.45%
Export	68,466,329	63,217,498	5,248,831	8.30%
Container (in TEUs)	5,525,121	5,238,422	286,699	5.47%
Domestic	2,171,163	2,056,876	114,287	5.56%
Foreign	3,353,958	3,181,546	172,412	5.42%
Import	1,712,206	1,618,695	93,511	5.78%
Export	1,641,752	1,562,851	78,901	5.05%
Passenger	55,990,029	53,869,097	2,120,932	3.94%
Disembarked	28,746,341	27,659,956	1,086,385	3.93%
Embarked	27,243,688	26,209,141	1,034,547	3.95%
Shipcalls	362,994	356,517	6,477	1.82%
Domestic	353,323	345,945	7,378	2.13%
Foreign	9,671	10,572	(901)	-8.52%



Passengers

Passenger traffic for the year reached 55.99 million, a favorable improvement of 3.94 percent over the 2013 figure of 53.87 million passengers. Despite the impact of competition posed by airlines offering budget fares, the sea travelling public has apparently responded positively to the government's domestic tourism programs encouraging leisure inter-island Ro-Ro travel to heavily promoted tourism sites such as Batangas, Boracay, Coron and other popular tourist destinations.

Ship Calls

The country's ports serviced 362,994 vessels during the year, up by 1.82 percent compared to a year ago figure of 356,517. Domestic ship calls, which largely accounted for the increase, posted a 2.13 percent growth while foreign vessel traffic suffered a decline of 8.52 percent. The drop in foreign vessel calls is attributed to the deployment of larger capacity ships which therefore can carry bigger loads.





PORT SERVICES

CLEARANCE TO DEVELOP PRIVATE PORTS/ SPECIAL PERMIT TO OPERATE

Private port facilities with dedicated bulk handling facilities continue to complement Philippine Ports Authority's (PPA) operations. As of end of December 2014, twelve (12) Clearance to Develop private port facilities were approved by PPA in various locations nationwide. Most of the applications involved private port facilities for handling liquid and mineral bulk cargo.

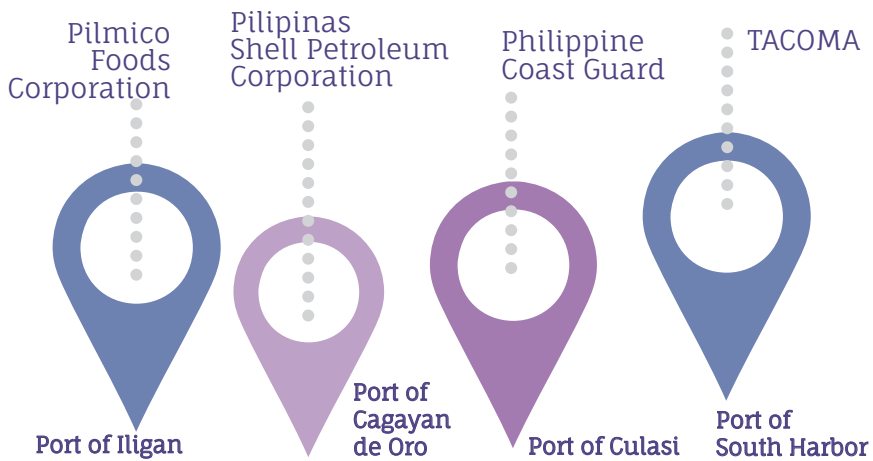


PRIVATE PORT OWNER/OPERATOR	LOCATION
1. North Luzon Renewable Energy Corp.	Brgy. Caparispisan, Pagudpud, Ilocos Norte
2. Atro Mining-Vitali, Inc.	Sitio Sucamao, Brgy. San Vicente, Tungawan, Zamboanga Sibugay
3. KTC Container Terminal, Inc.	Km 20, Buhisan, Brgy. Tibungco, Davao City
4. La Filipina Uygongco Corp.	Ingore, La Paz, Iloilo
5. Minimax Mineral Exploration Corp.	Sitio Payongpong, Brgy. Tinagbasan, Tubay, Agusan del Norte
6. Palm Conception Power Corp.	Brgy. Nipa, Conception, Iloilo
7. PMR Group Retirement Plan, Inc.	Brgy. Libertad, Kauswagan, Lanao del Norte
8. Minergy Coal Corp.	Brgy. Mandangoa, Balingasag, Misamis Oriental
9. SL Harbor Bulk Terminal Corp.	Brgy. Luz, Limay, Bataan
10. Pilmico Foods Corp.	Kiwalan Cove, Dalipuga, Iligan City
11. Seaoil Philippines, Inc.	Sitio Bentirao, Brgy. Malcampo, Roxas, Palawan
12. Seaoil Philippines, Inc.	Brgy. Paratong No. IV, Bangar, La Union

PORT SERVICES



Four (4) lease applications were approved in 2014 as follows:





CARGO HANDLING SERVICE CONTRACTS & PERMITS

The PPA in partnership with the private sector, continues to provide responsive and streamlined cargo handling services to the public that are compliant with PPA regulations and best practices in port operations .

PPA awarded a total of eight (8) CHO/Supplemental Contracts and one (1) MOA with varying duration of one (1) year to ten (10) years in 2014.



Cargo Handling

PORT SERVICES

	COMPANY	LOCATION/PORT
1-YEAR	Oroport Cargo Handling Services, Inc.	Port of Cagayan De Oro
3-YEARS	MVM Stevedoring & Arrastre Services Seaside Arrastre Services Multi-Purpose Coop. Doming Arrastre and Stevedoring Services, Inc.	Port of Nasugbu, Brgy. Wawa, Nasugbu Port of Siquijor Port of San Jose, Dinagat
5-YEARS	San Ricardo Port Management Services Balbagon Arrastre Stevedoring & Portorage Services Dapa Labor Services	Port of Benit Port of Cagayan de Oro Port of Dapa
10-YEARS	Leyte Integrated Port Services, Inc.	Port of Tacloban
MEMORANDUM OF AGREEMENT	LGU Sarangani	Port of Mabila



CERTIFICATE OF REGISTRATION / PERMIT TO OPERATE

In 2014, the Authority issued forty (40) Certificates of Registration or Permits to Operate (COR/PTO) to various firms of which ten (10) were in PDO Manila/Northern Luzon, nine (9) in PDO Southern Luzon, six (6) in PDO Visayas, six (6) in PDO Northern Mindanao, and nine (9) in Southern Mindanao.

1.	First Balfour, Inc.	Brgy. Ablan, Burgos, Ilocos Norte
2.	Third Millenium Oil Mills, Inc.	Tabo-o, Jimenez, Misamis Occidental
3.	Orica Nitrates Philippines, Inc.	Brgy. Buntis, Bacong, Negros Oriental
4.	International Global Mining Exchange, Inc.	Cato, Infanta, Pangasinan
5.	Hijo International Port Services, Inc.	Brgy. Madaum, Tagum City, Davao del Norte
6.	Seaoil Philippines, Inc.	Brgy. Coronon, Sta. Cruz, Davao del Sur
7.	Libjo Mining Corp.	Sitio Balite, Brgy. San Antonio, Libjo, Dinagat Islands
8.	SL Harbour Bulk Terminal Corp.	Manila Harbor Center, Vitas, Tondo, Manila
9.	Alpha Water & Realty Services Corp.	Bani, Masinloc, Zambales
10.	Southbay Bulk Terminal, Inc.	Brgy. San Rafael, Calaca, Batangas
11.	LGU-Bataan/Herma Port Terminals, Inc./Herma Shipyard, Inc.	Herma Industrial Port Complex, Brgy. Baseco, Mariveles, Bataan
12.	MAP 2000 Terminals, Inc.	Brgy. Masipag, Puerto Princesa City, Palawan
13.	North Luzon Renewable Energy Corp.	Brgy. Caparispisan, Pagudpud, Ilocos Norte
14.	Islands Integrated Offshore Services, Inc.	Pasig River, Cristobal, Paco, Manila
15.	Benguetcorp Nickel Mines, Inc.	Binabalian, Candelaria, Zambales
16.	United Coconut Chemicals, Inc.	Brgy. Aplaya, Bauan, Batangas
17.	Sarangani Energy Corp.	Brgy. Kamanga, Maasim, Sarangani Province
18.	EEL Corporation	Brgy. Sta. Maria, Bauan, Batangas
19.	Citnickel Mines & Development Corp.	Brgy. Punang, Sofronio, Española, Palawan
20.	San Miguel Mills, Inc.	Tabangao, Batangas
21.	Pilipinas Shell Petroleum Corp./Shell Foundation Landholdings & General Services, Inc.	Sto. Niño, Brgy. 1, Banago, Bacolod City
22.	Marcventures Mining and Development Corp.	Brgy. Bon-ot, Carrascal, Surigao del Sur
23.	Kingresource Mining Inc.	Brgy. Naubay, Llorente, Eastern Samar
24.	Therma South, Inc.	Brgy. Binugao, Toril District, Davao City
25.	Batangas Agro-Industrial Development Corp.	Pinamucan, Batangas City
26.	Therma South, Inc.	Brgy. Inawayan, Sta. Cruz, Davao del Sur
27.	Golden Bay Grain Terminal Corp.	Brgy. Bulacan, Mabini, Batangas
28.	Global Business Power Corp./Panay Energy Development Corp.	Brgy. Ingore, La Paz, Iloilo City
29.	Phoenix PetroTerminals & Industrial Park Corp.	Brgy. Puting Bato West, Calaca, Batangas
30.	MAP 2000 Terminals, Inc./Filoil Energy, Inc.	Brgy. Tandayag, Amlan, Negros Oriental
31.	Atro Mining Vitali, Inc.	Sitio Sucamao, Brgy. San Vicente, Zamboanga Sibugay
32.	Minimax Mineral Exploration Corp.	Sitio Payongpayong, Tinigbasan, Tubay, Agusan del Norte
33.	KTC Container Terminal Corp.	Km 20, Barangay Buhisan, Tibungco, Davao City
34.	Lite Shipping Corporation	Brgy. Looc, Sibulan, Negros Oriental
35.	Taganito Shipping Corp.	Taganito, Claver, Surigao del Norte
36.	C.T.P. Construction and Mining Corp.	Brgy. Adlay and Dahican, Carrascal, Surigao del Sur.
37.	SM Prime Holdings, Inc./SM Land, Inc.	Manila Bay, Mall of Asia Complex, Pasay City
38.	Sarangani Energy Corp.	Brgy. Kamanga, Maasim, Sarangani Province
39.	Marala Vitas Central Terminal & Shipyards Corp.	Vitas, Tondo, Manila
40.	Atro Mining Vitali, Inc.	Sitio Sucamao, Brgy. San Vicente, Tungawan, Zamboanga Sibugay

HARBOR PILOTS

For 2014, PPA issued appointments for two (2) chief pilots, six (6) regular pilots and six (6) probationary pilots at various pilotage districts.

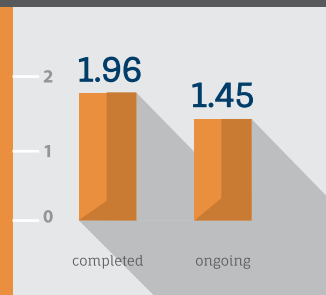


PHYSICAL & INFRASTRUCTURE DEVELOPMENT MAINTENANCE

COMPLETED AND ONGOING LOCALLY-FUNDED PROJECTS

For the year in review, PPA spent a total of Php3.58 billion for 132 locally-funded projects (LFP) nationwide distributed as follows: 44 projects for Luzon ports, 41 projects for Visayas ports and 47 projects for Mindanao ports. As of yearend, 50 LFPs amounting to Php1.96 billion were completed while Php1.62 billion were in various stages of development, i.e. 29 ongoing (Php1.45 billion), 5 suspended (Php171.55 million) and 48 under procurement.

CY 2014 COMPLETED & ONGOING LOCALLY-FUNDED PROJECTS (in billion pesos)



PHYSICAL INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE



The distribution of capital investment shows Luzon ports having the most number of completed projects (20 projects) by end of 2014, followed by both Visayas ports and Mindanao ports at 15 completed projects each. As of yearend, 5 projects are ongoing for Luzon ports, 9 for Visayas ports and 15 for Mindanao ports.

Below is the Project Implementation Status as of yearend.

PROJECT IMPLEMENTATION STATUS

Implemented by Head Office & Field Office as of December 31, 2014

	Luzon			Visayas			Mindanao			Total
	Head Ofc	Field Ofc	Sub-Total	Head Ofc	Field Ofc	Sub-Total	Head Ofc	Field Ofc	Sub-Total	
Completed	6	14	20	9	6	15	4	11	15	50
Ongoing	5	0	5	7	2	9	7	8	15	29
Terminated	0	0	0	0	0	0	0	0	0	0
Suspended	1	0	1	0	2	2	1	1	2	5
Under Procurement (Under DE/POW/etc.)	4	14	18	3	12	15	2	13	15	48
Total	16	28	44	19	22	41	14	33	47	132

Below are some of the big infrastructure projects implemented within the year:

Port/Location	Project Description	Project Cost	Status as of year-end
South Harbor	Rehabilitation/Upgrading of West Breakwater	Php129.33 million	Completed
Matnog, Sorsogon	Port Expansion Project	Php192.04 million	Completed
Iloilo Commercial Port Complex	Construction of Back-up Area and Installation of Port Lighting System	Php135.47 million	Completed
Iloilo River Wharf	Construction of Berthing Facilities, RC Platform and Ro-Ro Ramp	Php114.83 million	Completed
Zamboanga	Construction of RC Wharf & Two (2) Ro-Ro Ramps with Breasting Dolphins	Php228.03 million	Completed
Currimao, Ilocos Norte	Rehabilitation/Upgrading & Extension of RC Pier	Php124.50 million	70.27% completed
San Jose, Caminawit, Occidental Mindoro	Port Expansion Project	Php117.81 million	53.34% completed
Tacloban	Port Improvement/Rehabilitation	Php235.50 million	93.50% completed
Makar, General Santos	Rehabilitation/Upgrading of Western Wharf	Php102.16 million	Project has just started



Areas Covered by CY 2014 Dredging Program

1. South Harbor Entrance
Channel Fairway leading to Pier 15

2. Pier 18, North Harbor

3. Tabaco Port, Albay

4. Legazpi Port, Albay

5. Iloilo Port (ICPC)

6. Iloilo Port (Iloilo Ro-Ro & Fastcraft Berth)

7. Siquijor Port, Siquijor

8. San Carlos, Negros Occidental

9. Nasipit Port

10. Zamboanga Port



DREDGING OPERATIONS

Part of the yearly allocation of the PPA budget is set aside for the dredging of its piers and harbors to maintain serviceable water depths for all types of vessels calling at the ports. For CY 2014, PPA has allotted some Php217.00 million for 16 projects nationwide which were programmed under the privatized contract with F.F. Cruz & Co. Due to factors which are beyond the control of the Authority, however, only a total of 58,489 cubic meters of silts were removed.





HYDROGRAPHIC AND TOPOGRAPHIC SURVEYS

In 2014, PPA completed thirty-four (34) hydrographic and topographic surveys. Twelve (12) of these were programmed during the start of the calendar year while 22 unprogrammed surveys were accommodated in response to identified and valid requests outside of the regular scheduled survey activities. Hydrographic and topographic surveys are implemented to support port planning, project development and identification of areas for port zone delineation.



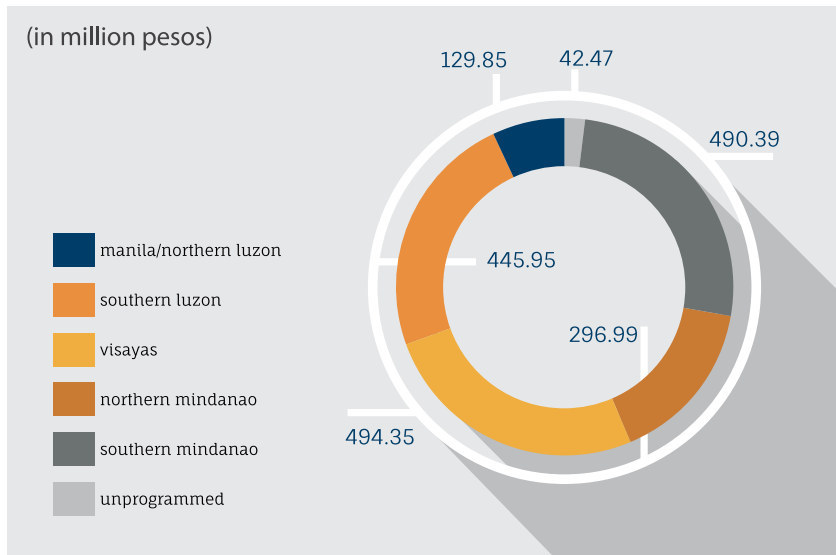
REPAIR AND MAINTENANCE PROGRAM

The PPA through the Engineering Office oversees and ensures that all port facilities under its jurisdiction maintain their serviceability and safety. For CY 2014, the Authority has allotted Php1.90 billion for its Repair and Maintenance Program covering Php782.79 million or 41.20 percent for new repair projects; Php928.41 million or 48.86 percent for carry-over repair projects; Php146.34 million or 7.70 percent for maintenance projects; and Php42.47 million or 2.24 percent for other unprogrammed projects.

Of the two hundred forty-seven (247) projects programmed for repair and maintenance for CY 2014, 107 were completed, 112 are ongoing and 28 are under pre-procurement/procurement stages.

PDO Visayas received the biggest allotment of the R&M Budget - Php494.35 million with 55 projects followed by PDO Southern Mindanao (Php490.39 million, 53 projects), PDO Southern Luzon (Php445.95 million, 63 projects), PDO Northern Mindanao (Php296.99 million, 48 projects), and PDO Manila/Northern Luzon (Php129.85 million, 28 projects).

REPAIR & MAINTENANCE CY 2014 BUDGET



CONSULTANCY SERVICES FOR ENGINEERING-RELATED STUDIES

PPA undertook the consultancy services for the formulation of master plan and conduct of feasibility study of selected ports to determine the long-term development directions and to evaluate the technical soundness, operational and economic feasibility and financial viability of any proposed short-term improvements and/or expansion of selected ports. In July 2014, a Notice to Proceed was issued to Syconsult, Inc. for the study focusing on the Initial Environmental Examinations (IEEs) of each of the study port.

To make available the needed information for foundation design analysis and for the evaluation of alternative type of structures, the technical services for the conduct of soil investigation at 22 identified ports (El Codo Canal, Lucena, Tabaco, Legazpi, Calapan, Sta. Teresita, Buliluyan, Caticlan, Iloilo, San Carlos, Siquijor, Tagbilaran, Talibon, Ubay, Ormoc, Jasaan, Jimenez, Iligan, Dapitan, Zamboanga, Kalamansig and General Santos) were undertaken. The work shall also cover the drilling and testing of soil samples.

To determine the present structural soundness and capacity of the existing structural components, i.e. wharf/pier, crane beams, etc. and to check whether

the existing crane beams can accommodate the wheel load of the proposed Quay Crane, the consultancy services for the conduct of structural survey at the Ports of Iloilo, General Santos and Zamboanga were undertaken involving a contract amount of Php11.67 million. The Notice to Proceed was issued to E.H. Sison Engineers, Co. in November 2014.

Consultancy services for the Architectural and Detailed Engineering Design of the proposed passenger terminal building at the Port of Cagayan de Oro was also undertaken by PPA for the year in review. The study is expected to provide the planning, architectural, structural, mechanical, electrical and site development design as well as preparation of working drawings and tender documents for the bidding of the project. The Notice to Proceed was issued to Filipinas Dravo Corp./CPI Total Corp. in September 2014. Contract amount is Php7.34 million.

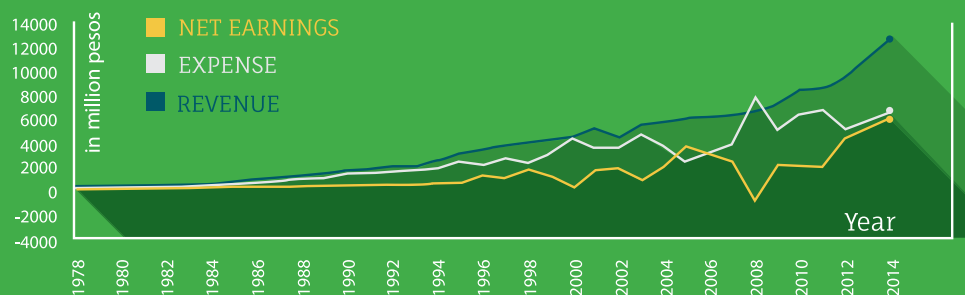
Other consultancy services which are for review and management approval as of yearend are as follows: Modernization of Selected Gateway Ports through Private Terminal Concession; Conduct of the Master Plan & Feasibility Study for the South Harbor Port Economic Zone (SHEPZ); and, the Formulation of Master Plans and Feasibility Studies for Mindanao.



FINANCIAL PERFORMANCE

PPA's financial performance remained strong as signified by the upward trend in net earnings over the last 38 years which yielded an average annual growth rate (AAGR) of 27.67 percent. Shown below is the Authority's financial performance from 1978 up to 2014:

PPA FINANCIAL PERFORMANCE FY 1978-2014 /¹



¹No Income Statements were prepared during the transitional period (1974-1977) pursuant to the Transitory Provisions of P.D.857.

The Authority's revenue performance continues to be relatively stable since it took complete takeover and control of ports under the supervision of the then Bureau of Public Works or BPW. This positive business outcome was brought about by the sustained pace of development in the Authority's key areas of operations. The steady rise in revenues as reflected in the favorable and uninterrupted stream of income was largely propelled by the successful implementation of gateway expansion and modernization program of PPA since its inception.



FINANCIAL PERFORMANCE

Expenses and Net Earnings, on the other hand, behaved in congruence with prevailing global market and economic forces such as among others, the Latin American debt crisis and the country's political turmoil and "people power" revolution during the 1980s; the world economic slowdown and oil crisis during the Iraq-Kuwait war in 1991; the Asian crisis in 1998; the global financial contagion in 2008 originating in the US and major European economies; the string of destructive natural calamities that hit the country; and a host of external volatilities attributed to globalization.

Overall, financial performance is expected to display sustained positive growth parallel with the prognosis of a generally upbeat business and market atmosphere and strengthened economic environment over the near-term.

REVENUE

The Authority exhibited robust financial performance in 2014 as it reached its 40th year with Gross Revenues of Php12,567.46 million, the highest recorded in PPA's corporate history since its complete takeover of ports under the supervision of the BPW in 1978. When compared with the previous year's earnings, actual revenue generated during the year corresponded to a double-digit growth of 13.54 percent, despite the one-time lump sum fee remitted by the International Container Terminal Services, Inc. (ICTSI) and the Asian Terminal, Inc. (ATI) in 2013 amounting to Php670.00 million and Php282.00 million, respectively.

The total revenue is the aggregation of revenues from port operations and the Fund Management Income (FMI). Operating Revenue consists of earnings derived from charges against vessels (Port Dues, Dockage Fee, Port Usage Fee, Lay Up Fee and Pilotage); charges against cargoes (Wharfage

COMPARATIVE INCOME STATEMENT

For the Year Ended December 31, 2014

(With Comparative Figures for the Year Ended December 31, 2013)

(in million pesos)

	2014		Inc/(Dec)		2013	Inc/(Dec)	
	Actual	Target	Amount	%	Actual	Amount	%
Gross Revenue	12,567.46	10,499.02	2,068.44	19.70	11,068.97	1,498.49	13.54
Operating Revenue	12,469.83	10,417.52	2,052.31	19.70	9,994.47	2,475.36	24.77
Fund Management Income	97.63	81.50	16.13	19.79	122.50	(24.87)	(20.30)
One-Time Lump Sum Fee	-	-	0.00	-	952.00	(952.00)	100.00
Expenses	7,115.24	7,584.70	(469.46)	(6.19)	6,605.68	509.56	7.71
Operating	6,839.18	7,964.53	(1,125.35)	(14.13)	6,270.51	568.67	9.07
Non-operating	276.07	(379.83)	655.90	(172.68)	335.17	(59.10)	(17.63)
Other Income(Expenses)	638.01	0.00	638.01	-	710.96	(72.95)	(10.26)
FOREX Gain(Loss) on Revaluation	638.01	-	638.01	-	710.96	(72.95)	(10.26)
Net Income Before Tax	6,090.22	2,914.32	3,175.90	108.98	5,174.25	915.97	17.70
Income Tax	1,845.80	874.29	971.51	111.12	1,426.29	419.51	29.41
Net Income After Tax	4,244.42	2,040.02	2,204.40	108.06	3,747.96	496.46	13.25

Dues, Storage Charges and the government share on Arrastre and Stevedoring services); and other sources such as the fixed and variables fees from Manila International Container terminal (MICT), Asian Terminals, Inc. (ATI) and Manila North Harbor Port, Inc. (MNHPI) and other ancillary services. FMI, on the other hand, is entirely a passive income generated from temporary or short-term investments.

REVENUE BY SOURCE OR TARIFF ITEM

During the period being examined, total revenue from port operations registered a notable increase of 24.77 percent to Php12,469.83 million from the Php9,994.47 million posted in 2013. The upturn in earnings is primarily attributed to the high volume of vessel and cargo traffic at the ports coupled with the increase in revenue generated from other sources.

ICTSI Fees remained the largest contributor - accounting for 29.86 percent share of the total Port Revenue followed by Wharfage Fees at 15.93 percent and Vessel Charges (Port Dues, Dockage Fees, Port Usage Fees and Lay-up Fees) at 14.15 percent. Other revenue sources and their corresponding percentage



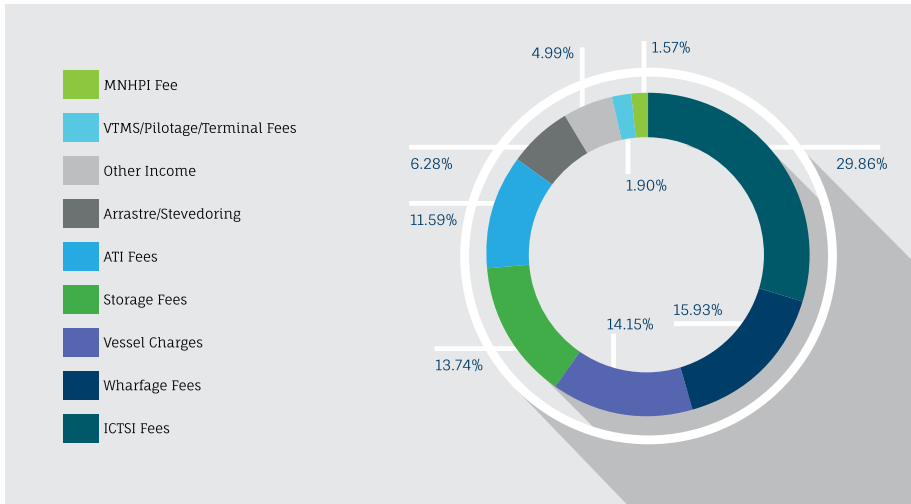
revenue shares are as follows: Storage Fees at 13.74 percent; ATI Fees at 11.59 percent; Arrastre and Stevedoring at 6.28 percent; Other Income at 4.99 percent; MNHPI Fees at 1.57 percent, Terminal Fees at 1.39 percent; Pilotage Charges at 0.38 percent; and, VTMS Fees at 0.13 percent. Illustrated below is the distribution of 2014 revenue by source with comparative figures for 2013:

COMPARATIVE REVENUE BY SOURCE, 2014 vs. 2013

(in million pesos)

Account	2014	2013	Increase/(Decrease)	
			Amount	%
Port Dues	469.69	417.02	52.67	12.63
Dockage	945.39	752.68	192.71	25.60
Usage Fees	336.34	322.47	13.87	4.30
Lay-up Fees	12.46	2.35	10.11	430.21
Wharfage Dues	1,986.61	1,848.69	137.92	7.46
Storage	1,712.83	379.54	1,333.29	351.29
Arrastre/Stevedoring	783.05	760.95	22.10	2.90
Other Income	622.26	566.50	55.76	9.84
Pilotage	47.07	38.15	8.92	23.38
ICTSI Fees	3,723.03	3,223.41	499.62	15.50
ATI Fees	1,444.68	1,316.73	127.95	9.72
MNHPI	196.05	188.40	7.65	4.06
VTMS Fees	15.69	16.03	(0.34)	-2.12
Terminal Fees	174.69	161.54	13.15	8.14
TOTAL	12,469.84	9,994.46	2,475.38	24.77

2014 DISTRIBUTION OF REVENUE BY SOURCE



FUND MANAGEMENT INCOME (FMI)

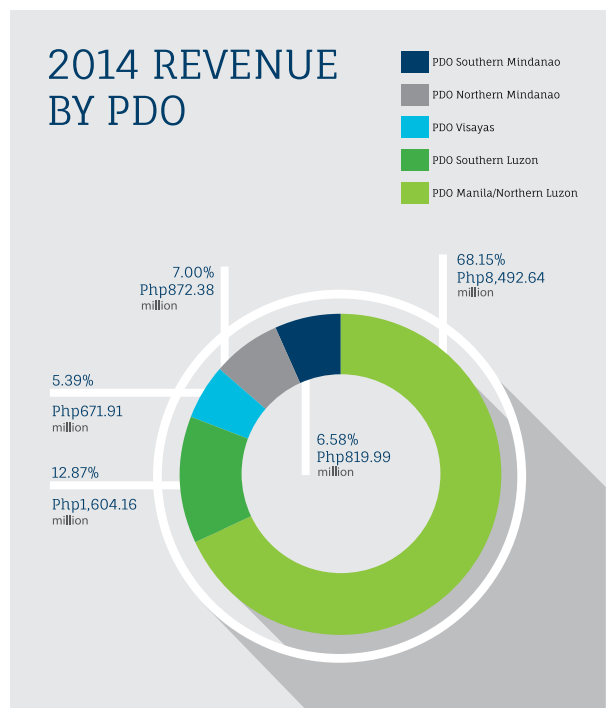
In 2014, FMI amounted to Php97.63 million or a decline of 20.30 percent as against the Php122.50 million realized in 2013. This is primarily due to the drop in interest rates on special and high-yield savings deposits maintained with the Philippine Veterans Bank (PVB) and Land Bank of the Philippines (LBP) as well as the termination of the Bond Sinking Fund held by the Bureau of Treasury (BTr) from which Interest Income was also derived.

The Bond Sinking Fund was administered by the Bureau of Treasury and was also used to pay off the Php2B Development Bank of the Philippines (DBP) Corporate Notes upon their redemption on 18 July 2014.



GROSS REVENUE BY PORT DISTRICT OFFICE (PDO)

During the year under review, the consolidated revenues of the PDOs reached Php12,461.09 million or an increase of 13.92 percent. Of this amount, 68.15 percent was generated by PDO Manila/Northern Luzon while PDO Southern Luzon contributed 12.87 percent, PDO Northern Mindanao with 7.00 percent, PDO Southern Mindanao with 6.58 percent, and PDO Visayas with 5.39 percent.



All five (5) PDOs posted increases in their growth rates with PDO Visayas taking the lead at 23.89 percent. This was followed by PDO Northern Mindanao at 16.24 percent, PDO Southern Luzon at 15.55 percent, PDO Manila/Northern Luzon at 12.94 percent and PDO Southern Mindanao at 11.28 percent.

Shown below is the revenue generated per PDO for the year 2014 with comparative figures for 2013:

COMPARATIVE REVENUE BY DISTRICT, 2014 vs 2013

(in million pesos)

PDO	2014	2013	Deviation (%)
Manila/ Northern Luzon	8,492.64	7,519.93	12.94
Southern Luzon	1,604.16	1,388.32	15.55
Visayas	671.91	542.40	23.89
Northern Mindanao	872.38	750.48	16.24
Southern Mindanao	819.99	736.85	11.28
TOTAL	12,461.09	10,937.99	13.92

EXPENDITURES

Expenditures incurred during the period totalled Php7,115.24 million, an increase of 7.71 percent compared to the previous year. This amount covers Operating and Non-operating Expenses of the Authority recorded at Php6,839.18 million and negative Php276.07 million, respectively.

Expenses relative to operations went up by 9.07 percent from last year's recorded outlays. The increase of Php568.67 million is primarily attributed to the payment of separation benefits to employees affected by the Rationalization Plan, the Amortization of Intangible Asset (Computer Software), higher administrative costs for utilities and services and the more efficient implementation of Dredging and Repairs and Maintenance Projects.

Non-operating Expenses, on the other hand, decreased by 17.63 percent as compared to the previous year. The drop in expenses is mainly attributed to the decline in interest payments on foreign currency denominated loans.

NET INCOME

The surge in revenue from port operations coupled with the prudent and efficient use of funds resulted in Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of Php8,500.95 million. After taking into account Depreciation, Amortization, Non-operating Expenses and the net effect of the Gains on Revaluation of Outstanding Balance of Foreign Loans and of Foreign Currency Deposit Accounts, the Authority recorded a Net Income Before Income Tax of Php6,090.22 million.

Overall, PPA ended the year with Net Earnings of Php4,244.42 million after adjustment to consider Corporate Income Tax of Php1,845.80 million computed at thirty (30) percent Regular Tax. This corresponds to a 13.25 percent increase against the Php3,747.96 million netted in 2013.

DIVIDEND REMITTANCE TO THE NATIONAL GOVERNMENT

Pursuant to Republic Act (R.A.) 7656 which requires all Government-Owned and Controlled Corporations (GOCCs) to remit to the National Treasury at least fifty (50) percent of their annual net earnings in either cash, stock or property dividends, the Port Authority forwarded a total of Php1,799.52 million as cash dividends, well above the 2013 dividends amounting to Php1,382.62 million.



SUSTAINABILITY & ENVIRONMENT, PEOPLE

IMPLEMENTATION OF INTERNATIONAL SHIP & PORT FACILITY SECURITY (ISPS) CODE

As of 2014, 95 ports with existing Statement of Compliance of Port Facility were declared compliant to the ISPS Code while 19 other ports as of yearend have pending application and have submitted their Port Facility Security Plan/Port Facility Security Assessment to the Office for Transportation Security (OTS) for evaluation.

To remain compliant with the ISPS Code, PPA has taken steps to update its guidelines particularly on the handling, safekeeping and disposition of confiscated items and the screening as well as inspection of passengers, baggage, cargoes and vehicles at the ports. It has likewise adopted stern regulations on port security and safety at the ports particularly those with RoRo operations. As of yearend, the draft of the updated guidelines has been endorsed for Management approval.

Consistent with ISPS standards for security compliant ports, PPA has also continuously equipped various ports nationwide with the necessary equipment for detecting dangerous, contraband and illegal cargo.

The latest inventory as of yearend shows a total of 42 Baggage X-ray Machines (BXM) and 42 Walk Thru Metal Detectors (WTMD) acquired and installed by PPA at various ports nationwide. A large number of equipment have been scheduled for either repair, parts/total replacement, refurbishing or upgrading for 2015 to address contingencies





arising from interruptions in operation as a number of them have reached or are nearing their serviceable life.

A total of 888 cases nationwide were handled and addressed by PPA. These security related cases/incidents/offenses involved violation of port rules & regulations as well as crimes against persons, properties, personal liberty/security, etc.

VESSEL TRAFFIC MANAGEMENT SYSTEM (VTMS)

The VTMS Control Center continues to be jointly operated with the Philippine Coast Guard on a 24/7 basis in compliance with the provisions of the International Maritime Organization (IMO) on the Safety of Navigation. Through the years, the VTMS has been effective in providing round-the-clock assistance to pertinent government agencies in cases involving vessel distress, accidents, piracy and other related incidents.

The installation of additional facilities at Davao, Zamboanga, Panay (Guimaras) and Dangay (Roxas) will complement the existing VTMS facilities at

Batangas, Manila and Corregidor (Bataan). The Terms of Reference (TOR) for the identified sites have already been completed as of July 2014. As of yearend, PPA had been coordinating with the Philippine International Trading Corporation for the procurement of new security equipment and additional VTMS.

QUALITY MANAGEMENT SYSTEM (QMS)

In line with the government's Quality Management Program per Executive Order No. 605 issued on February 23, 2007, PPA continues to undertake the ISO QMS Certification on Vessel Entrance/Clearance (VEC) - a major frontline service - at its major gateways and frontline units.

As of end of 2014, TUV Rheinland issued the ISO QMS Certification on Vessel Entrance/Clearance (VEC) to the ports of Iloilo and Ozamiz, bringing to seven (7) the total number of PPA ports with certification. The other major ports of North Harbor, South Harbor and MICT are being managed and operated by private concessionaires.



TUV Rheinland likewise conducted a re-certification audit in February 2014 of Batangas while follow-up audits were also conducted for the rest of the ISO-certified ports of Cagayan de Oro, Davao, General Santos and Zamboanga.

Meanwhile, the application for ISO QMS certification on core processes for the PPA Head Office is scheduled in 2015.

PORT SAFETY HEALTH ENVIRONMENT MANAGEMENT SYSTEM (PSHEMS)

The PSHEMS is a port management system designed to ensure safety in port operations, protection of human life and property, health of port workers and the protection of the environment. It also integrates the essentials of other international standards such as ISO 9001 (QMS), the ISO 14001 (Environmental Management Systems) and the OHSAS 18001 (Occupational Health and Safety Assessment Series).

The PSHEMS as a tripartite project of the Partnerships in Environmental Management for the Seas of East Asia (PEMSEA) has proven to be an effective platform where members composed of the Association of Southeast Asian Nations (ASEAN), the ASEAN Ports Association (APA), and the German Technical Cooperation (GTC) are closely collaborating in dispensing overall policy and technical guidance to the PMOs in working towards their Certificates of Recognition.

The Ports of Iloilo and Cagayan de Oro received their Certificates of Recognition from PEMSEA in 2013 and 2014, respectively. PPA is now working towards the accreditation, scheduled in 2015, of the Ports Batangas and General Santos.

MAINTAINING CORPORATE STRUCTURE

PRIVATIZATION INITIATIVES

1. **Davao** – The Private Public Partnership Center has taken over the Davao-Sasa privatization as of yearend.
2. **Existing Passenger Terminal Buildings (PTB)** – Contracts and Notices to Proceed (NTP) were signed for the 8 PTBs at the Ports of Palompon, Maasin, Baybay, San Carlos, Naval, Fort San Pedro, Danao and Jagna on July 8, 2014.

Privatization of existing PTBs at the Ports of Dumaguete, Ozamiz, Cuyo, Dapitan, Dumangas, and Tubigon is scheduled to start in 2015.

COMMUNITY SUPPORT PROGRAM THRU GENDER AND DEVELOPMENT (GAD) FOCAL POINTS

In 2014, the Authority has completed socially-driven and gender-responsive GAD projects and activities aimed at protecting and empowering the marginalized sector particularly women and children. The activities covered not only the PPA employees but also the port community in general. The matrix below shows the complete details of PPA GAD programs/projects/activities that were successfully undertaken by PPA responsibility centers nationwide.

GENDER AND DEVELOPMENT (GAD)

Summary of Accomplishments 2014

GENDER ISSUES	GAD ACTIVITY	Responsibility Center (RC)
Organization-Focused		
Lack of comprehensive intervention programs to address gender issues based on established Sex-Disaggregated database	Conduct of Nationwide Gender-Responsive Database Research Project & Training Program	All RCs
	Training of PPA Focal Points and Key Personnel in the Utilization of the Gender Database for GAD Planning, Budgeting & Programming	All RCs
Lack of appreciation of employees on GAD programs, laws, values, issues and concerns	Wellness Orientation on Hydrotherapy that complemented the year round physical fitness activities of personnel	PMO Limay
	Improvement of GAD Library Corner	
	Various fora on employees' health concerns	
	Training on Violence Against Women & Children (VAWC)	PMO San Fernando
	Orientation on Levelling of Women's and Men's Roles/ Participation in the Workplace	
	Orientation on Awareness on Human Rights and Anti-Trafficking	PMO San Fernando PMO Calapan PMO Dumaguete PMO Tacloban PMO Tagbilaran PMO Davao
	Visit/Observation Tour to temporary shelters established for abused women & children	PMO South Harbor PMO Davao
	Seminar on Health: Cancer and Degenerative Diseases	PDO Visayas PMO Tagbilaran
	GAD Analysis, Mainstreaming & Audit Seminar	PDO Visayas PMO Dumaguete PMO Tacloban PMO Tagbilaran
	Seminar/Workshop on GAD Transformative Leadership	PDO Visayas PMO Dumaguete PMO Tacloban PMO Tagbilaran
Conduct of 9 th Women w/ Disabilities Day	Conduct of Organization of WIMAPHIL (Women in Maritime)	PMO Tagbilaran
	Lectures/Fora on Diabetes, Hypertension	
	Breast/Prostate Cancer Awareness (Symptoms and Prevention)	
Dumaguete City Nutri-Fit Walk & Fun Walk in celebration of Breast Cancer Month	Deaf Awareness Week Celebration	PMO Dumaguete
	Conduct of 9th Women w/ Disabilities Day	
	National Women's Day Celebration	PMO Tagbilaran PMO Davao
	Seminar on Cybercrime Prevention Act	
Seminar on Kasambahay Law	Seminar on Decriminalizing Vagrancy	PMO Cagayan de Oro
	Gender Sensitivity and Applicable Laws for Women and Children	
	Leadership for Women	PMO Iligan

	Gender Sensitivity for Female Guards and Spouses	
	Women's Empowerment, Development and Gender Equality	
	Gender Responsive Governance	PMO Surigao
	Responsible Parenthood and Reproductive Health Law	
	GAD Awareness and Capacity Building in Gender Analysis	
	Participation in the GAD-related Data Gathering Activities by the Development Academy of the Philippines (DAP)	
	Committee Hearings of the Committee on Women, Children and Family Relations	PMO Davao
	Womynet 2 nd and 3 rd Quarter General Assembly	
	Preventing Sexism and Gender Sensitive Language in the Workplace	PMO General Santos
Concern for environmental protection and preservation	Mini-Ecological Park, Greening Activities and outdoor landscaping	PMO Limay
Client-Focused		
Concern for the incidences of trafficked women and children in the ports	Provision and maintenance of gender-sensitive facilities and amenities at Bahay Silungan	PMO Calapan
	PTB (Passenger Terminal Building) amenities such as priority lanes, nursing mother area, play/kiddie areas, diaper changing facilities, CRs w/ ramps and signages	PMO Calapan PMO Dumaguete
Lack of appreciation of clients on GAD programs, laws, values, issues and concerns	Gender Sensitivity Training, including VAW and CEDAW for Cargo Handling Operators	PMO Tacloban PMO General Santos
	Seminars on Violence Against Women and Children for the wives of dockworkers and women in the port community	PMO Cagayan de Oro PMO General Santos
		PMO Davao
	Distribution of Leaflets on Human Trafficking to port users	PMO Davao

HUMAN RESOURCE DEVELOPMENT PROGRAM

In 2014, a total of 4,014 graduates benefited from 420 courses successfully undertaken by PPA in coordination with various sponsoring institutions. Likewise, twenty-eight (28) non-organic courses were conducted by PPA for private port operators. These courses focused on various subjects such as management, operations, safety, equipment and maintenance, among others.

MAINTAINING GLOBAL TIES

PPA is an active member of, among others, various international maritime associations such as the International Association of Ports and Harbors (IAPH), International Maritime Organization (IMO), Asia-Pacific Economic Cooperation (APEC), ASEAN Port Authorities (APA), Organization for Economic Cooperation and Development (OECD), and the Brunei-Indonesia-Malaysia-Philippines East Asia Growth Association (BIMP-EAGA). It has closely engaged with its global and regional counterparts

through meetings, conferences, policy-making, capacity building and dialogues on common endeavors related to port facility standards, anti-terrorism, anti-human trafficking, environmental protection, port security and safety and a host of other common areas of concern.

In 2014, sixty-one (61) PPA executive and management officers, in their capacity as PPA's official representatives, and employees have attended thirty-five (35) overseas meetings/conferences in Australia, Brunei Darussalam, Cambodia, Hong Kong, Indonesia, Japan, London, Malaysia, Myanmar, New Zealand, Singapore, South Korea, Thailand, USA and Vietnam to take up common regional and global endeavors and to keep abreast with global maritime trends and developments.

Meanwhile, PPA, in collaboration with PIANC (Permanent International Association Navigation Congresses), hosted the 1st PIANC-Philippines Workshop on October 16, 2014. This workshop is a gathering of experts from various countries whose main objective is to identify critical

challenges, advancements and new directions in technical, economic and environment issues pertaining to waterfront transport infrastructures. The PIANC workshop seeks to identify cost-effective, reliable and sustainable infrastructures to facilitate the growth of waterborne transport among member countries and organizations.

Below are the complete list of international meetings and conferences participated in by PPA officials and employees:

1. 77th ASEAN Coordinating Committee on Services and its Related Meetings in Yangon, Myanmar on February 10-14, 2014;
2. Port Electronic Data Interchange (EDI) Seminar and the 11th Port Technology Group Meeting in Bali, Indonesia on February 25-26, 2014;
3. Two-week Observation Trip to the Port Authority of Thailand on February 17-28, 2014;
4. 3rd Experts Group Meeting on ASEAN-Japan Cruise Promotion Strategy on February 27-28, 2014 in Kuala Lumpur, Malaysia;
5. Cruise Shipping Miami (CSM) Anniversary Activities in Miami, Florida, USA on March 10-13, 2014;
6. 1st ASEAN Single Shipping Market (ASSM) Task Force Meeting and 27th ASEAN Maritime Technical Working Group Meeting in Phnom Penh, Cambodia on March 18-21, 2014;
7. 39th APEC Transportation Working Group Meeting (TPT-WG39) in Christchurch, New Zealand on March 31-April 4, 2014;
8. International Association of Ports and Harbors (IAPH) Mid-Term Conference on April 6-10, 2014 in Sydney, Australia;
9. 27th ASEAN Transport Facilitation Working Group (TWG) Meeting and 3rd Expert Group Meeting on Cross Border Transport of Passengers (CBTP) in Lombok, Indonesia on April 22-25, 2014;
10. Asia Green Port Conference (AGPC) held in Kuala Lumpur, Malaysia on April 24-25, 2014;
11. ASEAN Maritime Transport Working Group and ASEAN Occupational Safety and Health Network on Port Occupational Safety and Health held in Singapore on May 9, 2014;
12. 93rd Session of Maritime Safety Committee (MSC) held in London on May 14-23, 2014;
13. 78th ASEAN Coordinating Committee on Services (CCS) in Can Tho, Vietnam on May 26-30, 2014;
14. 6th BIMP-EAGA Heads of Security Sector Meeting (CIQS Working Group) in Labuan, Malaysia on May 27-28, 2014;
15. Pre-Congress Technical Workshop and 33rd PIANC World Congress in San Francisco, USA on June 1-5, 2014;
16. 64th Session of the Technical Cooperation Committee in London on June 11-13, 2014;
17. IMO Council-112th Session in London on June 16-20, 2014;
18. ASEAN Ports Association (APA) Technical Committee Meeting in Balikpapan, Indonesia on June 22-25, 2014;
19. 35th ASEAN Ports Association (APA) Working Committee Meeting in Chiang-Mai, Thailand on August 5-8, 2014;
20. 40th APEC Transportation Working Group Meeting in Hong Kong, China on August 18-22, 2014;
21. 2nd Meeting of Task Force on the Implementation of ASEAN Single Shipping Market (2nd ASSM) and 28th ASEAN Maritime Transport Working Group (MTWG) Meeting in Siem Reap, Cambodia on August 19-22, 2014;

22. 79th ASEAN Coordinating Committee on Services (79th CCS) in Bali, Indonesia on September 22-27, 2014;
23. 4th ASEAN Finalization of Cross Border Transport of Passengers Agreement in Medan, North Sumatra, Indonesia on September 29-30, 2014;
24. 28th ASEAN Transport Facilitation Working Group Meeting in Medan, North Sumatra, Indonesia on September 30-October 2, 2014;
25. 6th ASEAN Transport Coordinating Board on October 2-3, 2014 at Medan, North Sumatra, Indonesia;
26. 4th Session of the Economic and Social Commission for Asia and the Pacific (ESCAP) Committee on Transport held in Bangkok, Thailand on October 15-17, 2014;
27. 7th Meeting of the APSN Council and the APSN Workshop on Gateway Ports and Supply Chain Connectivity held in Seattle, USA on November 3-6, 2014;
28. 94th Session of the International Maritime Organization (IMO) Maritime Safety Committee (MSC) held in London on November 17-21, 2014;
29. 2nd Busan International Port Conference held in Busan, Korea on November 14, 2014;
30. 9th BIMP-EAGA Transport Ministers Meeting held in Brunei Darussalam on November 18-20, 2014;
31. Cruise Shipping Asia Pacific held in Hong Kong on November 20-21, 2014;
32. 38th ASEAN Senior Transport Officials Meeting and 20th ASEAN Transport Ministers Meeting held in Mandalay, Myanmar on November 24-28, 2014;
33. International Port Security (IPS) Program Reciprocal Engagement in USA on December 1-5, 2014;
34. 40th ASEAN Ports Association Meeting held in Yangon, Myanmar on December 7-9, 2014; and,
35. Logistics and Transport Conference to Exchange Best Practices in ASEAN Region held in Hanoi, Vietnam on December 10-11, 2014.

INTERNAL AUDIT PROGRAM

In 2014, the Internal Audit Department (IAD) of Head Office and Internal Audit Staff of various PMOs conducted a total of 21 Contract Compliance/QMS and Special Audits in various ports nationwide, namely:

QMS Audits

1. PMO Cagayan de Oro
2. PMO Davao
3. PMO Iloilo
4. PMO Ozamiz
5. PMO Zamboanga
6. PMO Batangas
7. PMO General Santos

PSHEMS Recognition/Renewal Audit

8. PMO Iloilo
9. PMO Cagayan de Oro

Monitoring Systems and Contract Compliance Audit

10. Batanes Merchant's Services Cooperative
11. Jagna Arrastre Terminal Services, Inc.
12. Lockheed Detective Watchman, Inc. (Iloilo)
13. Lockheed Detective Watchman, Inc. (Dumaguete)
14. Masbate Consolidated Arrastre, Inc.
15. Sagitarius Security Agency (Nasipit)
16. Tabaco Port Consolidated Corporation
17. Tarsier Arrastre and Stevedoring Services, Inc. (Ubay)
18. Integrated Arrastre and Stevedoring Services, Inc. (Plaridel)
19. Zamboanga City Integrated Port Services, Inc.
20. Bacolod-Pulupandan Harbor Pilot Co.
21. Sagitarius Security Agency (Davao)

MIS COMPUTERIZATION

Since the expiration of the 1-year warranty period for the MIS Computerization Project/PROMPT (Providing Reliable Operations and Management of Ports thru Technology) in June 12, 2012, PPA in-house staff have taken over the responsibility for resolving implementation issues and developing strategies to further improve system performance.

Moreover, PPA also completed the Systems and Procedures documentation (Launch Guide) and User's Manual for the e-Payment System and Online Permit System (for vehicle pass, pedestrian pass, Permit to Operate Ancillary Services and Permit to Occupy). Roll-out activities such as coordination with related government agencies and pilot testing have been scheduled for 2015.

PORT CONGESTION ISSUES

PPA, together with the Cabinet Cluster, other agencies of the government and the private sector, exerted all efforts necessary to ease congestion and facilitate the flow of trade. This involved the movement of containers, i.e. loading to vessels for export and/or withdrawal of import containers from the ports.

From May 13-December 31, 2014 (when the truck ban was lifted), some 1,175,587 containers were cleared from the ports compared to the regular target of about 991,060 containers only based on the average containers moved daily on normal days.

The problem on port congestion arose from the implementation of a truck ban in February 2014 by the City of Manila. The effects of the truck ban in terms of slow movement of containers at the country's premier ports of South Harbor and the MICT persisted up to the last quarter of the year.

By yearend, the government has issued an official declaration attesting to the substantial resolution of port congestion at the two premier ports, taking into account the tight cooperation and collaboration of the involved sectors as well as the general public.

PPA RATIONALIZATION (RATPLAN)

Executive Order No. 366-2004 directed the strategic review of the operations and organizations of the Executive Branch including Government Owned or Controlled Corporations (GOCCs), and provided options and incentives for government employees who may be affected by the rationalization of functions and agencies of the Executive Branch. The RatPlan is expected to result in significant elimination of overlaps and duplication of functions, strengthening of field units, full compliance with the check and balance/transparency requirements set by oversight bodies such as the COA, DOF, DBM, DOTC and the GCG) and provide an enabling structure that addresses port safety and security as well as environmental protection and computerization of processes.

On March 25, 2014, the Governance Commission for Government Owned or Controlled Corporations (GCG) has approved the PPA RatPlan per Memorandum Order No. 2014-10. Under the said RatPlan, GCG has approved, among others, two hundred ninety-eight (298) organizational units of the PPA, the filling-up of 3,151 positions and the abolition of the 5 Port District Offices.

The PPA RatPlan will be completed through a staggered filling-up plan to be implemented over a period of 4 years or until 2018. The PPA is authorized to fill 25 percent of its vacant positions every year subject to placement guidelines of the Civil Service Commission. It shall also adopt and offer the retirement and separation package for the affected personnel as stipulated under Executive Order Nos. 366-2004 and 77-2012.

40

YEARS



“As we reflect on these milestones, we are humbled by the fact that we rely on the support and patronage of our customers and business partners; without them, these milestones cannot be realised.”

1974

- Presidential Decree No. 505, dated 11 July 1974, "Providing for Reorganization of Port Administration and Operation Functions in the Country, Creating the Philippine Ports Authority, Paving the way for the Establishment of Individual, Autonomous Port/Industrial Zone Authorities in the Different Port Districts and for Other Purposes", was issued by Pres. Ferdinand Marcos.

1975

- Presidential Decree No. 857, dated 23 December 1975, "Providing for the Reorganization of Port Administration and Operation Functions in the Philippines, Revising Presidential Decree No. 505 dated 11 July 1974, Creating the Philippine Ports Authority, by Substitution, and for Other Purposes, was issued.



1976

- Col. Eustaquio S. Baclic, Jr. was appointed as the 1st PPA General Manager.
- Marked the first year of operation since the issuance of Presidential Decree No. 857.

- Four (4) ports were vested in PPA: Cagayan de Oro, General Santos, San Fernando and Batangas.
- The scheme of ports take-over, for about 18 major ports, was put into place, organization, staffing and construction of offices started.
- Vertical and horizontal integration of arrastre and stevedoring operations was successfully implemented in Cagayan de Oro.
- The transfer and coordination arrangements of port functions and responsibilities with the Bureau of Customs were concluded.
- The ILO/NORAD-assisted Port Personnel Training Center (PPTC) was transferred to PPA.

1977

- Full operation of the PPA was attained with takeover of 94 national ports, 528 municipal ports and 216 registered private ports.
- The skeletal force of 50 personnel in 1975 has grown to 1,700 personnel.
- Integration of arrastre and stevedoring operations in 17 ports was completed.
- Long-range port development programs have been set up in coordination with other government entities for improved utilization of port facilities and increased efficiency in operations.
- Foreign-assisted port projects commenced at the ports of Cagayan de Oro, General Santos, Davao, Iligan, Cotabato and Manila International (Container) Port.

- The preparation of a Master Plan for the Port of Manila, which is also foreign-assisted, has begun.
- The PPA's General Port Rules and Regulations were issued.



1978

- PPA opened the Manila International (Container) Port to partial operations, catering to foreign trade.
- Completion of the Port of General Santos development project, which is part of the package loan from the International Bank for Reconstruction and Development (IBRD).
- Major Feasibility Studies for foreign funding were undertaken: (1) Third IBRD Project covering the ports of Iloilo, Cagayan de Oro, Zamboanga, Cebu, Surigao, Butuan, San Fernando, Pulpandan, Masao and Nasipit; (2) the Philippine Rural Infrastructure Project for selected ports in seven depressed provinces in Regions 4, 5, 10 and 11; (3) Samar Ports Component Study for the ports of Catbalogan, Guian and Dolores in Samar.
- The Manila Master Plan Study, which is partially financed by Germany, was completed.
- Executive Order No. 513, dated 16 November 1978, "Reorganizing the Philippine Ports Authority", was issued.

1979

- The Cagayan de Oro (Phase I) and Polloc port development projects were completed.
- Arrastre and stevedoring operations in 11 ports have been fully integrated.
- The Manila International Port Terminals, Inc. (MIPTI) took over the port operations

of the Manila International Container Port under a management contract from the PPA.

- A US\$27 million loan has been obtained from the Asian Development Bank to finance the MIP Project (Phase II) and development of a domestic container terminal.
- Five (5) Feasibility Studies were completed for the following ports: Baler, Virac, Buyabod, Balanacan, Masbate, Cataingan, Odiongan, Looc, Dapa, Tandag, Mindoro, Samar, Pasacao and Isabel.
- The PPA became an attached agency of the Ministry of Transportation and Communications (MOTC) by virtue of Executive Order No. 710.
- Two (2) foreign-assisted feasibility studies, the Manila Siltation Investigation Project and the Davao Masterplan Study, were completed.
- Two (2) Grab-Hopper Dredgers, under the 6th and 7th Yen Credit of the OECF, were delivered.

1982

- PPA implemented Letter of Implementation No. 97 and Corporate Compensation Circular No. 2 on salary standardization and position classification.
- The 1st Quarterly Executive Conference (QEC) was held, with PPA top management, senior staff and port managers as participants.
- PPA hosted the 6th annual meeting of the ASEAN Port Authorities Association (APAA) with Malaysia, Indonesia, Singapore and Thailand as guest countries.
- PPA signed an agreement on the exchange of technical expertise on port development, management and operation with the Port of Saudi Arabia and the Port of Oakland.
- Six (6) Feasibility Studies were completed for the following ports: Iloilo, Cebu, Cagayan de Oro, Zamboanga, Tacloban, Puerto Galera, San Jose, Sablayan, Puerto Princesa, Narra and Brooke's Point; the PPA's Computerization Feasibility Study, and, the Nationwide Fisheries Port Projects.
- Three (3) Feasibility Studies were completed: The Port of Irene Project, The Domestic Container Terminal Project, and The Management and Operations of the ICT Project.
- The PPA Port System was formulated and about 114 ports were put under the system.
- The Management Planning and Control System (MPCS) was formulated.
- Port of Manila was ranked as the 25th largest container port in the world.
- Two (2) Suction-Hopper type dredgers and 2 attendant vessels, part of the Yen Credit from OECF, were delivered.

1983

- Five (5) foreign-assisted projects were completed covering various facets of operation of the PPA: Delivery of Dredgers, Siltation, Hydrographic Organization and Survey Methodology, Interisland Passenger Sea Transport, and the MIS Improvement Project.
- The Ports Educational Foundation and Development Assistance, Inc. (PEFDA) was established to extend educational assistance to deserving employees of PPA.

1981

- The Port Management Advisory Council (PMAC) was reactivated in all Port Management Units (now Port Management Offices).

1984

- Phase I of tariff implementation (restructuring of rates) was applied on a number of cargo handling operators.



- The 4th IBRD Ports Project (Phase I), identification and evaluation of 16 secondary ports for possible development, was completed.
- Phase I of the Management Information Systems Improvement Project, covering the ports of Manila, Cebu and Davao and the PPA Head Office, was completed.

1985

- Capt. Maximo S. Dumlao, Jr. was designated as Officer-in-Charge of PPA.
- The 3rd IBRD Ports Project covering Cebu, Iloilo and Zamboanga was completed.
- The Batangas Port Feasibility Study, undertaken through assistance from the Japan International Cooperation Agency (JICA), was completed.
- The National Port Advisory Council (NPAC) was activated.

1986

- Capt. Primitivo S. Solis, Jr. was appointed as PPA General Manager.
- The 3rd IBRD Port Project in Cagayan de Oro was completed.

- PPA hosted the 12th Annual ASEAN Port Authorities Association (APAA) Executive Meeting.

1987

- Capt. Maximo S. Dumlao, Jr. was appointed as PPA General Manager.
- Executive Order No. 159, dated 13 April 1987, "Reverting to the PPA its Corporate Autonomy, Ensuring the Rapid Development of Ports or the Port System Directly under it, and Authorizing it to Execute Port Projects Under its Port Program", was issued.
- The implementation of the PPA's Reorganization Plan creating the 5 major Port District Offices (PDOs), namely: PDO Manila, PDO Luzon, PDO Visayas, PDO Northern Mindanao and PDO Southern Mindanao, was approved.
- Foreign assisted-Feasibility Projects were completed during the year for the following ports: South Harbor, North Harbor, and Davao (Sasa).
- Proclamation No. 197 was issued by Pres. Corazon Aquino, declaring the period December 16-23, 1987 and every year thereafter as National Ports Week.

1988

- Comm. Rogelio A. Dayan was appointed as PPA General Manager.
- The 25-year contract to operate and manage the Manila International Container Terminal (MICT) was awarded to the winning bidder, the International Container Terminal Services, Inc. (ICTSI).
- Executive Order No. 321, dated 17 March 1988, "Expanding the Territorial Area of the South Harbor Port Zone of the Port of Manila under the jurisdiction of the Philippine Ports Authority", was issued.
- The MIS Improvement Project was initiated.
- The IBRD-assisted port projects in Davao and Bauan were completed.

1989

- PPA was adjudged the top performer among 5 Government-Owned and Controlled Corporations (GOCC).
- PPA hosted the 10th ASEAN Port Authorities (APAA) Working Committee Meeting, with member-countries Singapore, Malaysia, Brunei-Darussalam, Thailand and Indonesia as guests.
- The ADB-assisted Manila International Container Terminal (Phase II) and the IBRD-assisted Bauan, Puluan (Dapitan) and Tabaco Projects were completed.
- The detailed engineering of the ADB-financed rehabilitation of the North and South Harbors was also completed.

1990

- Completion of the IBRD-assisted port projects covering the following ports: Calapan, Verano (Surigao), Cagayan de Oro, Sta. Cruz and Legazpi.
- A 3-year sister port tie-up was signed between the PPA and the Port of France.
- The 1st PPA Public Information Officers Council (PIOC), composed of representatives from the 5 PDOs and the 19 PMOs, was organized.

1991

- Executive Order No. 493, dated 3 December 1991, "Removing Red Tapes and Reducing Clearance Requirements for Interisland Vessels", was issued.
- Presidential Memorandum Order No. 129, "Establishing the Port Integrated Clearance Office in all Major Ports in the Country", was issued.
- Completion of the IBRD-assisted port projects covering the following ports: Nasipit, Pulupandan, San Jose, Pasacao and Tabaco.

1992

- MARKETNET, an information exchange program geared towards promoting Philippine ports abroad, was launched.
- The 18th ASEAN Port Authorities' Association (APAA) Meeting was hosted by PPA and was attended by 62 delegates from six-member countries.
- Completion of the IBRD-assisted port projects covering the following ports: Tacloban and Calbayog.
- The Kabisig Program, a pro-poor project and pioneer in the country's port community, was launched.

1993

- Comm. Carlos L. Agustin was appointed as PPA General Manager.



- Executive Order No. 111, expanding PPA's territorial jurisdiction, was issued.
- The PPA MISD Manager was designated as Chairperson of the ASEAN Port Authorities Association (APAA) Permanent Secretariat.
- Completion of the IBRD-assisted port projects covering the following ports: Tagbilaran, Ozamis, Dumaguete, Ormoc and Masbate.

1994

- Executive Order No. 212, dated 28 November 1994, "Accelerating the Demonopolization and Privatization for Government Ports, was signed by Pres. Fidel Ramos.
- The South Harbor component of the ADB-financed 2nd Manila Ports Project was completed.

1995

- PPA hosted for the first time the 5th ASEAN Ports Association (APA) Sports Meet, with a total of 350 delegates from the seven-member countries.
- PMO Cebu and all ports within the Cebu province were turned over to the Cebu Ports Authority.
- TMOs Ozamiz, Tagbilaran and Pulupandan were upgraded to PMOs.
- Executive Order Nos. 238 and 239, transferring the ports of Pagbilao and Lopez in Quezon province under the supervision of PPA, were issued.

1996

- MOA between DOTC and PPA, transferring to PPA without additional cost the Pan-Philippine Highway ferry terminals, was signed.
- The joint USAID/Phil Makar wharf expansion project, and the North Harbor component of the ADB-assisted 2nd Manila Ports Project were completed.
- Lease agreement between PPA and Asian Terminals Inc. (ATI) and PPA covering designated areas for use as international and domestic storage areas as part of the overall privatization scheme for South Harbor.

1997

- MOA between PPA and the Bases Conversion Development Authority



(BCDA) for the transfer of operations of San Fernando Port was signed.

- PPA organized its first Port Development Conference participated in by shipping firms and financing firms, management consultants, port operators, real estate and construction conglomerates, and port and maritime officials from Australia, Japan, Belgium, France and Singapore.
- Bilateral agreement between PPA and Indonesia, initiating a common tariff implementation for EAGA vessels, was signed.

1998

- Mr. Juan O. Peña was appointed as PPA General Manager.
- Executive Order No. 435, devolving all ports within the provinces of Maguindanao, Lanao del Sur, Sulu and Tawi-tawi to the Regional Port Authority-Autonomous Region for Muslim Mindanao (RPA-ARMM), was signed.
- The PPA Homepage was created which can be accessed by Internet users.

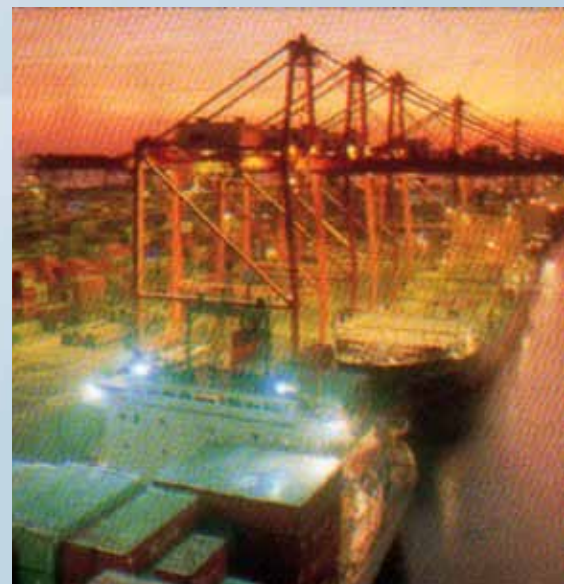
1999

- The Batangas Port Development Project (Phase I), financed by OECF under the 122nd Yen Loan Package, was completed.
- MOA with the Visayan Forum Foundation, Inc. for the management and operation of the Half-Way House at North Harbor, was signed.

- Executive Order Nos. 121, 171 and 172, placing the ports of Culasi, Dumangas and Dumaguít under PPA jurisdiction, were issued.
- Executive Order No. 182, dated 10 December 1999, "Returning and Placing the Government Port of Jolo under the Administration of the PPA", was issued.
- Agreement between PPA and the US Trade Development Agency for a US\$348,000-grant for the conduct of Feasibility Study on PPA's Computerization, was signed.
- The new PPA logo and hymn were unveiled and sung, respectively, during the PPA's 25th Anniversary Celebration.

2000

- TMOs Limay and Calapan were upgraded to PMOs, bringing the total of PMOs to 23.
- The management, operation and development of the Port of Irene was transferred to Cagayan Economic Zone Authority (CEZA).
- Executive Order No. 234, "Declaring and Delineating the Sual Port Zone under the Administrative Jurisdiction of PPA", was signed.



- The Feasibility Study on the PPA Computerization Project, which was funded from a U.S. grant, was completed.
- The Feasibility Studies for the Philippine Ports Development Package covering Iloilo, Davao, General Santos and Zamboanga, were completed.



- The first Halfway House (Bahay Silungan sa Daungan) was constructed at North Harbor.
- On 06 November 2001, original contract for a ten (10) year Rehabilitation, Operation and Maintenance of the PPA Dredging Fleet under the Rehabilitate and Maintenance Scheme was entered into by and between PPA and F. F. Cruz & Co. Inc. (FFCCI). Within the contract period, the Authority will pay FFCCI the cost of the actual volume dredged per year based on the contract rate per cubic meter and guaranteed annual minimum dredging volume of two (2) million cubic meters.

2002

- The Revised Management Planning and Control System (RMPCS) was pilot tested.
- PPA Memorandum Circular No, 13-2002 was issued, which significantly reduced the documentary requirements for vessel clearance from 19 documents to 5.
- South Harbor, which basically caters to foreign cargo, started serving domestic ships.
- The National Port Advisory Council (NPAC) was reorganized and reactivated.
- PPA embarked into its nationwide Management Information System Computerization Project otherwise known as the PROMPT (Providing Reliable Operations and Management of Ports Thru Technology) covers the automation of all aspects of the business processes of the PPA and consist of the following components or sub-systems: Port Operations Management System (POMS), RMS (Records Management System), Real Estate Management System (REMS), Accounting and Financial Management System (AFMS), Legal Services System (LSS), Executive Information System (EIS), Projects and Engineering Management System (PEMS) and Electronic Procurement (E-PROC).

2003

- PPA was awarded for its efforts in anti-human trafficking during the World Day Against Child Labor held in Geneva, Switzerland for the construction of Halfway Houses in the ports.
- PPA entered into contract with the Golden Dragon International Terminals, Inc. for the installation and operation of Shore Reception Facility (SRF).
- Launching and pilot-testing of the routes along the SRNH (Strong Republic Nautical Highway) by Pres. Gloria Macapagal-Arroyo together with PPA management team with Boracay as converging point.
- PPA, as part of the Philippines' 4-man contingent to London, bagged the No. 1 seat in the International Maritime Organization (IMO) Category C, composed of 163 countries with special interests in maritime transport or navigation.
- The PRAISE (Program on Awards and Incentives for Service Excellence) was formed, given to employees or groups who have shown exemplary performance or established innovative ideas.
- Construction of Halfway Houses in Batangas, Legazpi, Davao and Cotabato was completed.

2001

- Mr. Alfonso G. Cusi was appointed as PPA General Manager.
- The 1st Port User's Needs and Satisfaction Survey (PUNSS) covering all the PMOs (Port Management Offices) was jointly undertaken by the PPA and the Development Academy of the Philippines as a tool to assess the appropriateness and responsiveness of PPA facilities and services.
- The PPA Mission and Vision statements were crafted.
- Package 2 (Installation of Passenger Boarding Bridges) of the Japan-assisted Batangas Port Development Project (Phase II), was completed.



2004

- Atty. Oscar M. Sevilla was appointed PPA General Manager.
- Number of ports equipped with Ro-Ro ramps stood at 70, making sea travel seamless and continuous.
- The 2nd Port User's Needs and Satisfaction Survey (PUNSS) covering selected terminal ports was jointly undertaken with the Development Academy of the Philippines as a tool to assess the appropriateness and responsiveness of PPA facilities and services.
- PPA adopted the New Government Accounting System (NGAS) accounts prescribed under COA Circular No. 2004-02 and presented the financial statements in accordance with state accounting principles generally accepted in the Philippines.

2005

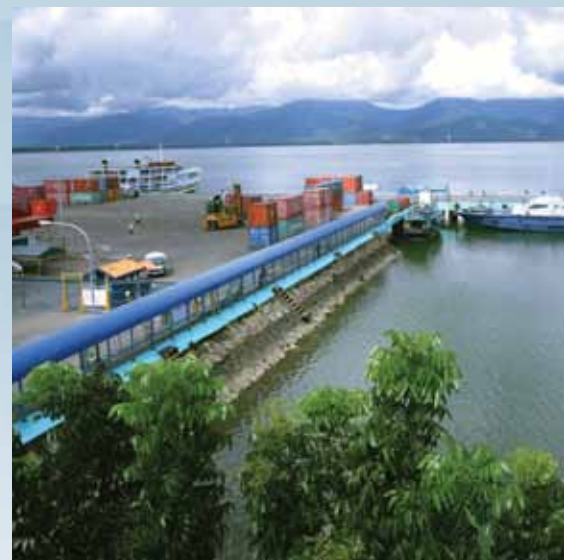
- PPA and FF. Cruz/Japan Radio Co. signed a contract on the operation, management and installation of the Vessel Traffic Management System (VTMS).
- The Port of Lamitan was turned over to RPMA-Autonomous Region for Muslim Mindanao.
- Package 1 (Civil and Marine Works) of the Japan-assisted Batangas Port Development Project (Phase II), was completed.
- The Long Term Contract for the Operations of Cargo Handling Services and Fastcraft Passenger Terminal Phase I was awarded to Asian Terminal Inc. (ATI) on 20 October 2005 effective for a period of 10 years. It authorized the contractor to manage, operate, and provide cargo handling services at the Port of Batangas, Phase I including the newly constructed General Cargo Berth and passenger services at the Fastcraft Passenger Terminal Building (PTB 3).
- Four (4) components of the PPA Computerization Project, otherwise known as the PROMPT (Providing Realible Operations and Management of Ports Thru Technology) were rolled out: the Port Operations Management System (POMS), the Real Estate Management System (REMS), Records Management System (RMS) and Legal Support System (LSS).
- The Third Supplemental Contract with Asian Terminals, Inc. (ATI) for the management and operation of South Harbor was executed on 19 October 2007 which extended the contract up to 18 May 2038. The 3rd Supplement covers areas/services under the (i) Lease Agreement in 1997 on certain areas of South Harbor intended for use as international and domestic storage areas and (ii) the Second Supplement which expanded the scope of services of the contractor to include the management of domestic terminal facilities. The Contract stipulated the implementation by ATI of a \$300.493 million investment plan covering projects for the rehabilitation, development and expansion of the South Harbor facilities.

2006

- The consultancy contract for the Cost-Based Tariff Analysis and Development Project was signed.
- Completion of the Vessel Traffic Management System (VTMS) facilities in MICT, North Harbor and Corregidor Island.

2007

- Pioneered the Environment Friendly Ports, a cleanliness, orderliness and beautification campaign aimed at protecting the environment and wise use and conservation of resources.
- Completion and inauguration of the new PPA Corporate Building.
- Another Halfway House was constructed at North Harbor.
- Package 3 (Construction of Access Road and Flyover) of the Japan-assisted Batangas Port Development Project (Phase II), was completed.



- PPA entered into an Issue Management and Underwriting Agreement with the Development Bank of the Philippines for the issuance of a P2.0 billion seven-year Corporate Notes with fixed interest rate of 7.783%, payable every quarter in three tranches beginning 2007 for the development of identified major gateways.

2008

- TMO Dapitan was upgraded to PMO.
- A supplemental contract was executed by PPA and FFCCI on 28 October 2008 mainly for the upward adjustment, effective 01 February 2008, of the dredging contract rates per cubic meter based on the locality to be dredged and the type of dredging work to be applied by the Contractor. A second supplemental contract was signed by both parties on 04 September 2009 extending the term of the dredging contract period for another ten (10) years.
- The Oracle software to replace the old Portrade Solution had been deployed and training of users and technical support personnel as well as mapping of the system requirements for various application components had been completed.
- The Port of Puerto Princesa, along with the Ports of Cagayan de Oro and Ozamis,



was cited as the most environment-friendly ports.

- The completed Halfway Houses of PMOs Zamboanga, Surigao, North Harbor and Iloilo were inaugurated.

2009

- On 01 August 2009, the Lease Agreement for the properties and facilities at Phase I, Port of Batangas was awarded to ATI, co-terminus with the long-term contract or until 20 October 2015 including any renewal and/or extension thereof.
- On 18 November 2009, PPA awarded to Manila North Harbor Port Incorporated (MNHPI) a 25-year contract for the exclusive development, management, operation and maintenance of North Harbor comprising of Pier 2 up to the Slipway, including Isla Putting Bato. The contract authorized MNHPI to collect cargo handling and storage charges, cranes fees, terminal fees and other port charges. The management of the PPA at Manila North Harbor, on the other hand, continues to collect charges such as Usage Fees, Wharfage and Vessel Traffic Management Services Fees.
- Two (2) components of the PPA Computerization Project (PROMPT) were rolled out: the Accounting and Financial

Management System (AFMS) and the Project and Engineering Management System (PEMS).

- The PPA and the Philippine Coast Guard (PCG) signed a MOA to jointly implement/operate the Vessel Traffic Management System (VTMS) Control Center to conduct stricter monitoring of vessel movements and navigation and maritime incidents.
- The PPA GAD Center (formerly known as PPA Educational and Sports Complex), which aims to provide training and sports facilities as well as temporary lodging to PPA personnel on official travel, was inaugurated.
- Launch and implementation of the Quality Management System (QMS), with the Port of Batangas as the pilot port.
- The contract for the management, operation, maintenance, development and promotion of Container Terminal "A-1", Phase II of the Port of Batangas was awarded to ATI on 25 March 2010 for a period of 25 years.

2010

- Atty. Juan C. Sta. Ana was appointed PPA General Manager.
- Construction of Halfway Houses in Batangas, Matnog and Davao was completed.
- Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) was



awarded the contract to construct, manage and operate the additional reefer rack structure/facility with at least 144 reefer outlets at the Sasa Wharf, Port of Davao on 23 April 2010. The contract was effective for a period of 10 years renewable for another 10 years.

2011

- PPA received the ISO QMS Certification on Vessel Entrance/Clearance (VEC) for the Port of Batangas.
- The PPA Board of Directors approved, in its Board Resolution 2254 dated 2 June 2011, Manila North Harbor Port Inc. (MNHPI) development plan for Terminal 1, Phase 1 and advance work



consisting of (i) construction of one single integrated Passenger Terminal Building (PTB) complex instead of two small PTB reconstruction works; and, (ii) extension of Pier 4 to consolidate Roll-ON Roll-OFF (RO-RO) and passenger operations, and provide sufficient deep water berths for Lift-ON Lift-OFF (LO-LO) vessels.

- Signing of Memorandum of Agreement (MOA) between PPA and Intellectual Property Office of the Philippines (IPOPHL), the lead agency in the country mandated to implement state policies on intellectual property (IP)

to ensure enforcement of intellectual property rights (IPR) in all the sea ports administered by the PPA, particularly in the prevention and shipment of counterfeit and pirated goods.

- The Port of Batangas was awarded its first ISO 9001:2008 Certificate for the "Facilitation of Vessels Entrance and Clearance Processes" at the Port of Batangas.
- The QMS-VEC Project at the Port of Cagayan de Oro was launched last June 6, 2011.
- PPA and Incheon Port of Korea forged a sister port affiliation for promoting trade and maritime transport between the Philippines and Korea, in addition to undertaking exchange programs on port technology and management.

2012

- The remaining component of the PPA Computerization Project (PROMPT) - Executive Information System (EIS) was rolled out.
- PPA received the ISO QMS-VEC for the Ports of Cagayan de Oro and Davao.
- In September 2012 and congruent with its privatization policy, the PPA Board of Directors approved the Terms of Reference (TOR) for the procurement of PTB operators of existing PTBs. PPA likewise issued on October 2012 Administrative Order (AO) Nos. 005-2012 the Guidelines Selection of Existing Passenger Terminal Buildings (PTBs) Operators of Existing PPA-owned PTBs for implementation in the ensuing year's plans and programs of the Authority.

2013

- The Philippine Ports Authority (PPA) signed a Memorandum of Agreement (MOA) with the Department of Justice (DOJ) to further promote the goals of RA 9208 otherwise known as the Anti-Trafficking in Persons Act of 2003 through the Inter-Agency Council Against Trafficking (IACAT).
- PPA adopted for its junior and senior managers TrainforTrade training program



scheme devised by the United Nations Conference on Trade and Development (UNCTAD) which aims to support port communities in developing countries in the quest for efficient and competitive port management.

- The Port of General Santos obtained its ISO 9001:2008 certification on February 22, 2013.
- The Manila North Harbor Port, Inc. (MNHPI) formally launched its new passenger terminal building, the first installment of its P14 billion committed investment to modernize the country's premier domestic port, the North Harbor. The 11,600 square meters passenger terminal complex inside the North Harbor, now known as the North Port can sit 1,875 passengers at any time and is equipped with five X-ray scanning machines as well as a dedicated area for check-in baggage.
- PPA hosted for the second time the 2013 ASEAN Ports Association (APA) Sports Meet participated in by member countries of Brunei Darussalam, Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand, Vietnam, and the Philippines.

2014

- PPA's reached its 40th Year of existence.
- Recorded a total of Php12,567.46 million, the highest annual earnings in its corporate history.
- Approval of the PPA Rationalization Plan.
- Completed the development of the e-Payment and On-Line Permit Systems.

- The Ports of Iloilo and Ozamiz have made 100% compliance with the requirements of QMS-ISO on Vessel Entrance/Clearance (VEC).
- Prioritized the redevelopment of port facilities in areas damaged by Typhoon Haiyan (Yolanda).
- PPA General Manager Juan C. Sta. Ana assumed as Chairperson of the ASEAN Ports Association (APA) for 2014-2015.
- Set the groundworks for the implementation of major port projects to meet 2015 ASEAN integration.
- Signing of a Memorandum of Agreement (MOA) to develop and publish an Orange Book on Port Safety, Health and Environmental (SHE) Regulations of the Philippine Ports Authority (PPA)
- PPA General Manager Juan C. Sta. Ana advanced the Permanent International Association Navigation Congresses (PIANC) during its Annual General Assembly Meeting on May 2014 in San Francisco, U.S.A. as a new qualifying member and First Delegate of the Philippines.



OUR LEADERS

Board of Directors



1. JOSEPH EMILIO A. ABAYA
Chairman/Secretary
Department of Transportation
and Communications

2. JUAN C. STA. ANA
Vice-Chairman/General Manager
Philippine Ports Authority

MEMBERS

3. GREGORY L. DOMINGO
Secretary
Department of Trade and Industry

4. CESAR V. PURISIMA
Secretary
Department of Finance

5. RAMON J.P. PAJE
Secretary
Department of Environment
and Natural Resources

6. ROGELIO L. SINGSON
Secretary
Department of Public
Works and Highways

7. ARSENIO M. BALISACAN
Director-General
National Economic and
Development Authority

8. MAXIMO Q. MEJIA, JR.
Administrator
Maritime Industry Authority

9. APOLLO S. ENRIQUEZ
Private Sector Representative

10. HECTOR E. MIOLE
Corporate Board Secretary
Philippine Ports Authority

PPA Alternate Board Members, Observers and Technical Working Group

ALTERNATE BOARD MEMBERS

JULIANITO G. BUCAYAN, JR.
Undersecretary for Project
Implementation & Special Concern
Department of Transportation
and Communications

NESTOR R. MIJARES
Undersecretary
National Economic
and Development Authority

ZENAIDA C. MAGLAYA
Undersecretary for
Regional Offices
Department of Trade
and Industry

CARLO A. CARAG
Undersecretary
Department of Finance

ROMEO S. MOMO
Undersecretary
for Regional Operations
Department of Public
Works and Highways

ERNESTO D. ADOBO, JR.
Undersecretary for Field Operations
Department of Environment
and Natural Resources

OBSERVERS

ATTY. ELPIDIO J. VEGA
Office of the Government
Corporate Counsel

RODOLFO ISORENA
Philippine Coast Guard

BOARD TECHNICAL WORKING GROUP

ROBERT E. ESTANDARTE
Department of Transportation
and Communications

ATTY. NICASIO A. CONTI
Maritime Industry Authority

ATTY. DANIELLE MARIE S. RIEZA
Department of Finance

ENGR. ABDULFATAK S. PANDAPATAN
Department of Public Works
and Highways

ANSELMO ABUNGAN
Department of Environment
and Natural Resources

JUDGE ROY CHRISTIAN MALLARI
Office of the Government
Corporate Counsel

ATTY. MA. SUSANA B. GARCIA
Office of the Government
Corporate Counsel



OUR LEADERS

Executive Officers



1



Raul T. Santos
Asst. General Manager,
Operations

Juan C. Sta. Ana
General Manager



Tomas B. Carlos
Asst. General Manager,
Engineering

3



Armando L. Guzman
Asst. General Manager,
Finance & Administration

4



Hector E. Miole
Asst. to the General Manager
for Special Projects

5

Port Management Office Managers

Manila/Northern Luzon PMOs

PMO NCR South	Francisquiell O. Mancile
PMO NCR North	Clarissa D. Ignacio
PMO Northern Luzon	Marietta G. Odicta
PMO Bataan/Aurora	German P. Tuguigui

Southern Luzon PMOs

PMO Batangas	Leopoldo C. Biscocho, Jr.
PMO Bicol	Fernando B. Claveria
PMO Palawan	Jose Cesario O. Bautista
PMO Mindoro	Eduardo P. Goles
PMO Marinduque/Quezon	Marcelino D. Manatad, Jr.

Visayas PMOs

PMO Negros Oriental/Siquijor	Sarah R. Mijares
PMO Panay/Guimaras	Rosenda G. Sumagaysay
PMO Eastern Leyte/Samar	Dominador D. Licayan
PMO Negros Occidental/ Bacolod/Banago/BREDCO	Enrique H. Fuentebaja
PMO Western Leyte/Biliran	Manuel A. Boholano
PMO Bohol	Annie Lee F. Manese

Northern Mindanao PMOs

PMO Misamis Oriental/ Cagayan de Oro	Isidro V. Butaslac, Jr.
PMO Lanao Del Norte/Iligan	Necitas G. Layola, Jr.
PMO Agusan	Carmelito F. Abitona
PMO Surigao	Mildred J. Padilla
PMO Misamis Occidental/ Ozamiz	Noeme W. Calderon

Southern Mindanao PMOs

PMO Davao	Leonilo E. Miole
PMO SOCSKSARGEN	Luis A. Cuison
PMO Cotabato	Asterio C. Gallardo, Jr.
PMO Zamboanga del Norte	Roger V. Asprer
PMO Zamboanga	Liberto C. Dela Rosa

Department Managers

Office of the General Manager

Internal Audit Dept.	Venicius V. Villaseñor
Legal Services Dept.	Ma. Asuncion Hiyasmin H. De Los Santos
Information and Communications Technology Dept.	Elizabeth C. Follosco
Port Management Systems & Organization Development Dept.	Hector E. Miole
Corporate Planning Dept.	Amelia M. Aquino
Special Assistant to the Corporate Head	Editha M. Del Rosario
Corporate Board Secretary	Hector E. Miole (concurrent)

Operations Office

Port Operations & Services Dept.	Roberto C. Aquino
Commercial Services Dept.	Emma L. Susara
PPA Training Institute	Lilian T. Javier
Port Police Dept.	Armando L. Guzman (concurrent)

Engineering Services Office

Port Construction & Maintenance Dept.	Carlito M. Castillo
Dredging and Survey Dept.	Rolando K. Perez
Port Planning and Design Dept.	Reynand C. Parafina

Finance & Administration Office

Controllership Dept.	Virginia S. Valero
Treasury Dept.	Elnora M. Sobrecarey
Human Resource Management Dept.	Virginia D. Garcia
Administrative Services Dept.	Antonio C. Ignacio, Jr.

PPA POLICY ISSUANCES FOR CY 2014

As part of its regulatory function, PPA issued new rules and regulations, and reviewed/updated some of the existing policies to keep its operation aligned with the thrusts and priorities of the national government and current business trends and best practices in the water transport industry. It also issued a number of circulars and internal regulations aimed at enhancing organizational and financial management.

MEMORANDUM CIRCULAR (MC)	
001-2014	Dated Jan. 10, 2014 re Guidelines in the Classification, Documentation and Funding of Expenditures for Infrastructure Project
002-2014	Dated April 21, 2014 re Implementation of PPA Quality Management System on Facilitation of Vessel Entrance and Clearance Processes (VEC) at the Port of Iloilo
003-2014	Dated May 28, 2014 re Prescribed Parking Fees at the Port of Zamboanga
004-2014	Dated April 21, 2014 re Implementation of PPA Quality Management System on Facilitation of Vessel Entrance and Clearance Processes (VEC) at the Port of Ozamiz
005-2014	Provisional Changes in the Present Revised Delegation of Authority
006-2014	Dated May 28, 2014 re Prescribed Parking Fees at the Port of Zamboanga
007-2014	Dated June 24, 2014 re Revised 20% Discounts on Passenger Terminal Fees in all PPA Ports
008-2014	Dated Aug. 28, 2014 re Guidelines in the Implementation of the Approved Rationalization Plan of the Philippine Ports Authority
009-2014	Dated Sept. 09, 2014 re New Passenger Terminal Fee at the Manila North Harbor
012-2014	Dated Sept. 16, 2014 re Approved New Storage Rates for Overstaying Foreign Inbound Containers that have been Cleared and Issued Gate Passes by the Bureau of Customs (BOC) for Withdrawal
013-2014	Dated Oct. 01, 2014 re Clarification on PPA Memorandum Circular No. 12-2014 re Approved New Storage Rates for Overstaying Foreign Inbound Containers that have been Cleared and Issued Gate Passes by the Bureau of Customs (BOC) for Withdrawal
014-2014	Dated Oct. 24, 2014 re Guidelines on the Computation of Cost of Opportunity Loss on Damaged Port Facilities Caused by Vessel
016-2014	Dated Nov. 03, 2014 re Temporary Arrangement in the Assignment of Berths for Vessels Calling at the Port of Manila
017-2014	Dated Nov. 05, 2014 re Passenger Terminal Fees at the Ports of Masbate and Legazpi
018-2014	Dated Dec. 16, 2014 re Approved Eight Percent (8%) Additional Increase in Cargo Handling (CH) Tariff at the Manila North Harbor
019-2014	Dated Dec. 23, 2014 re Passenger Terminal Fees at the Ports of Dumangas and Iloilo River Wharf (Progreso)
OPERATIONS MEMORANDUM CIRCULAR	
001-2014	Dated Jan. 20, 2014 re Establishment of Performance Security of Cargo Handling Operators (CHOs)
002-2014	Dated Jan. 24, 2014 re Amendments to PPA MC No. 13-2013 Entitled "Clarification of PPA MC No. 22-2004 on the Assessment of Wharfage on Empty Containers of Shipping Lines Engaged in Foreign and Domestic Trade"
OPERATIONS MEMORANDUM ORDER	
001-2014	Dated Jan. 22, 2014 re: Amendment to PPA Operations Memorandum Order No. 01-2013 re Clarificatory Guidelines on the Manpower Management of Cargo Handling (CH) Service Providers at PPA Ports (Not Allowing Outsourcing)
003-2014	Amendment to PPA Operations Memorandum Order (O.M.O.) No. 02-2014-Notice of Conduct of Origin Destination Survey, Port of Manila

MEMORANDUM ORDER	
009-2014	Dated June 30, 2014 re Guidelines in the Preparation of Computation Sheet for Domestic Non-Containerized Cargoes Subject to Minimum Wharfage Fee Using the Port Receipting System (PRS)
010-2014	Guidelines in the Placement of Personnel Under the Approved PPA Rationalization Program
018-2014	Dated Aug. 13, 2014 re Pilotage Services and Fees at Brgy. Alas-Asin, Mariveles, Bataan
019-2014	Dated Aug. 14, 2014 re Creating PPA-Puerto Galera Port Services (PPA-PGPS)
020-2014	Dated Aug. 18, 2014 re Reduced Port Charges and Change of the Charging Base for Dockage-at-Berth at Batangas Container Terminal
027-2014	Dated Sept. 30, 2014 re Clarifications on PPA Memorandum Order No. 20-2014 re Reduced Port Charges and Change of the Charging Base for Dockage-at-Berth at Batangas Container Terminal
036-2014	Change from Existing to New Nomenclature for Field and Head Office Units of the Philippine Ports Authority
ADMINISTRATIVE ORDER	
001-2014	Dated Jan. 24, 2014 re Amendment to PPA Administrative Order No. 07-2013 Entitled "Simplification of Procedures in the Processing and Issuance of Permits to Operate Ancillary Services in the Ports"
002-2014	Dated Jan. 24, 2014 re Guidelines on the Proper Disposition of Seized, Detained or Forfeited Vessels Berthed at PPA-Managed Ports
003-2014	Dated Mar. 05, 2014 re Amendment to Item No. 8.1 of the Terms or Reference (TOR) Annex "D", of PPA Administrative Order No. 04-2012, Guidelines on the Provision of Roll-On/Roll-Off Services at PPA Ports
004-2014	Dated June 09, 2014 re Amendments to PPA Administrative Order No. 05-2012, Entitled "Guidelines in the Selection of Passenger Terminal Building (PTB) Operator of Existing PPA-Owned PTBs"
005-2014	Dated Sept. 01, 2014 re Amendment to the Composition of Bids and Awards Committee (BAC) and Comparative Selection and Evaluation Committee (COSEC) for the Public Bidding and Comparative Evaluation (CE) of Cargo Handling (CH) Services
006-2014	Dated Sept. 01, 2014 re Amendment to the Composition of Bids and Awards Committee (BAC) for the Public Bidding for the Selection of Passenger Terminal Building (PTB) Operator of Existing PPA-Owned PTBs
007-2014	Dated Sept. 01, 2014 re Amendment to the Composition of Bids and Awards Committee (BAC) for the Public Bidding for the Provision of Roll-On/Roll-Off (RORO) Services at PPA Ports
008-2014	Dated Oct. 17, 2014 re Amendments to PPA Administrative Order No. 06-2013, Entitled "Amendment to PPA Administrative Order No. 005-2007 (Revised Guidelines on the Transfer of the Management of PPA Ports to Local Government Units and Government Corporations)"
FINANCE MEMORANDUM ORDER (FMO)	
001-2014	Dated May 23, 2014 re Guidelines in Accounting for Inventory

COMPLETED LOCALLY-FUNDED PROJECTS

Head Office & Field Office-Implemented
CY 2014, in pesos

Port/Location	Implementing Office	Project Description	Date Started	Completion	Project Cost	
PDO Manila/Northern Luzon						
PMO San Fernando						
1	Claveria, Cagayan	FO	Causeway and Stairlanding	Feb 1 2014	Oct 21 2014	18,446,207.23
2	Palanan, Isabela	FO	Rock Causeway (140m x 6m) and two (2) units Stairlanding	Mar 1 2014	Oct 31 2014	14,857,467.85
PMO South Harbor						
3	El Codo Canal, Pasig River, South Harbor, Manila	FO	Construction of Roro Ramp	Sep 23 2013	Mar 13 2014	19,684,170.10
4	Managers and Movers Compound, Pasig River, South Harbor	FO	Rehabilitation of Road Network (PCCP, RC Line Ditch Canal)	Nov 22 2013	Mar 27 2014	17,683,904.73
5	South Harbor, Manila	HO	Rehabilitation/Upgrading of West Breakwater	Dec 19 2013	Dec 15 2014	129,559,325.85
Sub-Total PDO Manila/Northern Luzon					200,231,075.76	
PDO Southern Luzon						
PMO Batangas						
6	Batangas, Batangas City	FO	Construction of additional three (3) Roro Ramps	Dec 17 2013	Aug 13 2014	19,444,565.79
7	Bauan, Batangas	HO	Construction of Back-up Area	May 27 2014	Nov 22 2014	21,798,438.62
8	Unisan, Quezon	FO	Port Development (Construction of Rock Causeway 100m x 6m)	Dec 1 2013	Mar 22 2014	14,558,128.43
PMO Calapan						
9	Bulalacao, Oriental Mindoro	FO	Installation of Port Lighting System & Construction of Welcome Arch, Guardhouse & Perimeter Fence	Sept 9 2014	Dec 7 2014	8,824,261.08
10	Calapan, Oriental Mindoro	HO	Upgrading of Existing Back-up Area	Mar 19 2014	Dec 5 2014	44,771,096.13
11	Calapan, Oriental Mindoro	FO	Construction of New Comfort Room	Sept 9 2014	Oct 8 2014	1,448,055.83
12	Roxas, Oriental Mindoro	FO	Construction of New Comfort Room	Sept 9 2014	Oct 8 2014	1,452,769.91
PMO Legazpi						
13	Bulan, Sorsogon	FO	Expansion of Back-up Area	Jul 14 2014	Nov 24 2014	18,232,036.00
14	Masbate, Masbate City	HO	Construction of RC Wharf	June 18 2013	Sept 24 2014	78,530,523.47
15	Masbate, Masbate City	FO	Three (3) Phase Primary Line, Distribution Transformer CT/PT and Powerline		2014	4,228,000.00
16	Matnog, Sorsogon	HO	Port Expansion Project (Back-up Area, R.C. Deck on Piles & 2 Roro Ramps, Port Lighting System)	Mar 6 2012	Feb 11 2014	192,042,172.59
17	Pio Duran, Albay	FO	Construction of PTB	Dec 4 2013	Jul 31 2014	11,985,177.85
18	San Andres, Catanduanes	FO	Paving of Back-up and Construction of TMO Building	Jul 15 2014	Dec 10 2014	12,387,682.20
19	Virac, Catanduanes	HO	Construction of Back-up Area	Aug 30 2013	Jun 25 2014	28,071,621.18
PMO Puerto Princesa						
20	Balabac, Palawan	FO	Construction of Fence at Reclaimed Area (Concrete Fence 59.61m)	Nov 8 2012	Feb 4 2014	1,536,864.00
Sub-Total PDO Southern Luzon					459,311,393.08	
PDO Visayas						
21	PDO Visayas Proper, Cebu City	FO	Construction of Motorpool/Storage Bldg., additional CHB Fence, upgrading of Electrical System & Soffit Ceiling	Oct 16 2013	Mar 29 2014	4,299,946.77
PMO Dumaguete						
22	Dumaguete, Dumaguete City	HO	Rehabilitation of RC Pier 1	Oct 8 2012	Jan 6 2014	74,123,067.20
PMO Iloilo						
23	Culasi, Roxas City, Capiz	FO	Construction of Passenger Terminal Bldg.	Mar 27 2013	Apr 17 2014	4,989,380.84
24	Dumangas, Iloilo City	FO	Construction of Passenger Terminal Bldg.	Feb 22 2013	Apr 21 2014	13,979,748.45
25	Iloilo Commercial Port Complex, Iloilo City	HO	Construction of Back-up Area, Installation of ICBP, Port Lighting System	Sept 21 2012	Mar 11 2014	195,472,223.20
26	Iloilo River Wharf, Iloilo City	HO	Construction of Berthing Facilities, RC Platform and Roro Ramp	Jan 9 2013	Apr 3 2014	114,831,515.87
27	Iloilo River Wharf, Iloilo City	FO	Construction of Passenger Terminal Bldg.	Feb 22 2013	Mar 31 2014	19,029,624.74
28	San Jose de Buenavista, Antique	HO	Construction of Back-up Area, RC Platform, Roro Ramp & Breasting Dolphin	Feb 25 2014	Dec 14 2014	23,941,532.99
PMO Ormoc						
29	Hilongos, Southern Leyte	HO	Extension & Widening of Pier and Realignment of Roro Ramp Project	May 23 2013	Nov 6 2014	85,992,386.57
30	Ormoc, Leyte	HO	Construction of Back-up Area and Roro Ramp on Fill	Oct 22 2012	Dec 30 2014	92,985,174.47

Port/Location		Implementing Office	Project Description	Date Started	Completion	Project Cost
PMO Tacloban						
31	San Jose, Northern Samar	FO	Improvement Project	May 31 2013	Mar 18 2014	10,349,485.98
32	San Ricardo, Southern Leyte	HO	Construction of Back-up Area, Roro Ramp and Breasting Dolphins	Dec 24 2013	Dec 16 2014	48,728,468.29
PMO Tagbilaran						
33	Catagbacan, Bohol	HO	Construction of Back-up Area & Widening of Causeway Project	May 23 2013	Oct 23 2014	51,767,333.65
34	Tubigon, Bohol	HO	Construction of PTB & Back-up Area	Oct 29 2012	Jul 11 2014	74,156,675.74
35	Tubigon, Bohol	FO	Temporary Terminal Office	Dec 19 2013	Jan 2 2014	575,953.23
Sub-Total PDO Visayas						815,222,517.99
PDO Southern Mindanao						
PMO Dapitan						
36	Sindangan, Zamboanga del Norte	FO	Construction of four (4) units Breasting Dolphin (Suuply/Installation of Fender Pile Cluster)	Nov 20 2013	Jun 26 2014	8,318,935.15
PMO Zamboanga						
37	Zamboanga, Zamboanga City	HO	Construction of RC Wharf & Two (2) Roro Ramps with Breasting Dolphins	Nov 29 2012	June 9 2014	228,034,756.70
Sub-Total PDO Southern Mindanao						236,353,691.85
PDO Northern Mindanao						
PMO Cagayan de Oro						
38	Benoni, Camiguin	HO	Paving of Back-up Area & Construction of Roro Ramp	Jan 13 2014	Dec 9 2014	56,261,544.32
39	Cagayan de Oro, Misamis Occidental	FO	Construction of temporary PTB	Oct 31 2013	Feb 17 2014	6,916,464.23
40	Cagayan de Oro, Misamis Occidental	FO	Construction of ABCU Office at E.S. Baclog Building	Dec 18 2013	May 30 2014	19,750,260.68
41	Guinsiliban, Camiguin	FO	Improvement of Roro berth	Dec 19 2013	Sep 10 2014	17,534,878.97
PMO Iligan						
42	Iligan, Lanao del Norte	FO	Power Sub-Station	Jul 29 2014	Oct 11 2014	6,462,656.33
PMO Nasipit						
43	Masao, Agusan del Norte	HO	Paving of Back-up Area	Apr 8 2014	Sept 4 2014	24,094,816.24
44	Nasipit, Agusan del Norte	FO	Improvement of Passenger Terminal Amenities of PTB	Dec 22 2013	Jun 20 2014	4,020,756.12
PMO Surigao						
45	Consolacion, Dapa, Surigao del Norte	FO	Completion of Barangay Port	Dec 1 2013	Jan 29 2014	978,806.65
46	Del Carmen, Surigao del Norte	FO	Construction of PTB (15x12m)	Nov 12 2013	May 28 2014	8,616,357.35
47	Lipata, Surigao del Norte	FO	Extension of existing PTB	Oct 23 2013	May 19 2014	10,787,512.42
48	Lipata, Surigao del Norte	HO	Port Expansion & Improvement Project	Sept 10 2013	Nov 21 2014	77,140,419.88
49	Surigao, Surigao del Norte	FO	Construction of Perimeter Fence along Seaside	Oct 23 2013	Feb 7 2014	2,502,745.31
50	Surigao, Surigao del Norte	FO	Extraction/Provision of additional Breasting Dolphin at Berth 8	Dec 19 2013	May 18 2014	18,663,057.72
Sub-Total PDO Northern Mindanao						253,730,276.22
50	GRAND TOTAL					1,964,848,954.90

Source: Locally-Funded Projects, Port Planning and Design Department

Legend:
HO - Head Office implemented projects
FO - Field Office-implemented projects

ONGOING/SUSPENDED/UNDER PROCUREMENT LOCALLY FUNDED PROJECTS

Head Office & Field Office-implemented
Status as of December 2014, in pesos

Port/Location	Implementing Office	Project Description	Date Started	Completion/Target	Project Cost/Contract Amount	Status	
PDO MANILA/NORTHERN LUZON							
PMO Limay							
1	Dingalan, Aurora	FO	Extension of RORO Ramp & Construction of Breasting Dolphin at Finger Pier			For re-bidding	
PMO North Harbor							
2	Corrigedor Island, Cavite	FO	Renovation of Power House			POW is in order	
PMO San Fernando							
3	Basco, Batanes	HO	Construction of Back-up Area & Extension of Pier	Dec 10 2013	Dec 4 2014	98,109,354.87	Ongoing-97.91%
4	Currimao, Ilocos Norte	HO	Rehabilitation/Upgrading & Extension of RC Pier	Dec 10 2013	Jul 2 2015	124,507,183.05	Ongoing-70.27%
5	Currimao/Aparri/Masinloc/Sn Fernando	FO	Installation of Lighting Protection System and Power Surge Suppressors				For re-bidding
PMO South Harbor							
6	Pasig River, South Harbor	FO	Installation of Solar Lighting System at El Codo Ramp, Movers & Managers Compound, Wharf leading to TMO Pasig and North Bank				POW under evaluation
Sub-Total PDO Manila/Northern Luzon					222,616,537.92		
PDO SOUTHERN LUZON							
PMO Batangas							
7	Ambulong, Romblon	HO	Construction of Back-up Area (RC Platform)	Dec 3 2014	June 30 2015	18,946,946.32	Ongoing-3.14%
8	Balanacan, Mariinduque	HO	Construction of RC Wharf, Roro Ramp and Back-up Area	Jul 9 2014	Jul 3 2015	76,671,582.16	Ongoing-75.09%
9	Lucena, Talao Talao, Lucena City		Expansion of PTB and Construction of Walkway				For Detailed Engineering (DE)
PMO Calapan							
10	Abra de Ilog, Occidental Mindoro	FO	Construction of New Comfort Room				Failure of Bidding
11	Balatero, Puerto Gal., Or. Min.	HO	Construction of Back-up Area, PTB and RORO Ramp				For bidding
12	Bulalacao, Oriental Mindoro	HO	Port Expansion Project				For bidding
13	Calapan, Oriental Mindoro	FO	Expansion of PTB				For DOTC approval
14	Mansalay, Oriental Mindoro	HO	Widening of Causeway, Construction of RORO Ramp & RC Platform				For bidding
15	Poctoy, Romblon	FO	Expansion of PTB				Fur further study/evaluation
16	Romblon, Romblon	FO	Additional Roro Ramp				For further study/evaluation
17	San Jose, Caminawit, Occ. Min.	HO	Port Expansion Project	Jan 10 2014	May 4 2015	117,812,269.00	Ongoing-53.34%
PMO Legazpi							
18	Calangcawan, Vinzons, Cam. Norte	FO	Rehabilitation of Landing Facilities				POW under preparation & DE
19	Cawayan, Masbate	FO	Proposed Passenger Shed & Upgrading of RORO Ramp & Pier Widening of Existing Rock Causeway				For study/evaluation
20	Mandaon, Masbate	FO	Rehabilitation of the existing causeway and pier widening of existing rock causeway				POW under preparation & DE
21	Pio Duran, Albay	FO	Supply & Installation of Distribution Transformer 75 KVA, CT/PT & Line Extension of Primary Line				POW under evaluation
22	Tabaco, Tabaco City	HO	RC Wharf Extension and Construction of Back-up Area	Aug 21 2014	Oct 14 2015	95,492,391.96	Suspended-22.12%
PMO Puerto Princesa							
23	Puerto Princesa, Palawan	HO	Cosntruction of Back-up Area				For post-qualification
24	Puerto Princesa, Palawan	FO	Expansion of PTB				For DOTC approval
Sub-Total PDO Southern Luzon					308,923,189.44		
PDO VISAYAS							
PMO Dumaguete							
25	Dumaguete, Negros Oriental	FO	Prop. Wave deflector and Passenger Walkway				To prepare Authority to Implement by PMO
26	Guihulngan, Negros Oriental	FO	Demolition and Removal of damaged RC Pier (866 sq.m.)	Nov 14 2014	Jan 24 2015	3,636,120.16	Ongoing-55.00%
27	Siquijor, Siquijor	FO	Widening of Causeway				For revision of POW
28	Siquijor, Siquijor	FO	Construction of PTB				Scheduled for procurement
29	Tandayag, Amlan, N. Oriental	FO	Construction of PTB				For DE
30	Tandayag, Negros Occidental	HO	Port Improvement Project	Aug 18 2014	June 13 2014	37,000,070.73	Ongoing-26.73%
PMO Iloilo							
31	Culasi, Roxas City	HO	Removal of Existing RC Pier and Expansion of Back-up Area	Dec 9 2014	Aug 5 2015	38,052,413.78	Ongoing-0.00%
32	Dumangas, Iloilo	HO	Port Expansion Project				For bidding
33	Iloilo Commercial Port Complex, Iloilo City	HO	Extension of RC Wharf				For bidding
34	Iloilo, Iloilo City	FO	Provision for the supply of Electrical for the port user at newly-paved Container Yard at ICPC				Revised POW under evaluation
35	Iloilo River Wharf, Iloilo City	FO	Site Development: Fence and Gates, Construction of New Guardhouse	Jul 29 2013	Jan 4 2015	24,582,604.10	Ongoing-98.77%
36	Progreso, Lapuz, Iloilo City	FO	Additional Facilities for Roro and Fastcraft Terminal @ IRW, Lapuz Wharf	Jul 24 2014	Jan 19 2015	13,254,158.85	Suspended-35.18%
37	Progreso, Lapuz, Iloilo City	FO	Proposed Additional Development				POW under preparation
PMO Ormoc							
38	Ormoc, Baybay, Hilongos, Palompon and Maasin Port	FO	Provision of Solar Power Lighting System				POW under evaluation
39	Ormoc, Leyte	HO	Removal of Existing Roro Ramp and Widening of RC Pier				For bidding
PMO Tacloban							
40	Babatongon, Leyte	FO	Improvement of Causeway and Roro Ramp (56.10m x 7m)				POW under evaluation
41	Guadalupe, Maasin City	HO	Port Development Project (Causeway, R.C. Trestle, Roro Ramp & Breasting Dolphin, Port Lighting System)	Sept 4 2013	Jan 16 2015	59,230,100.00	Ongoing-64.21%
42	Maguino-o, Samar	HO	Port Improvement Project	Dec 8 2014	Oct 3 2015	39,905,390.38	Ongoing-0.00%
43	Maguino-o, Samar	FO	Additional Port Facilities Port Improvement				POW is in order
44	Tacloban, Tacloban City	HO	Port Improvement/Rehabilitation, Phase 2	Feb 25 2014	Jun 19 2015	235,500,018.67	Ongoing-93.50%
45	Tacloban, Leyte	FO	Provision of Powerhouse, Transformer Pedestal and Ductbank	Jan 27 2014	Apr 16 2014	1,063,133.37	Suspended-87.74%

Port/Location	Implementing Office	Project Description	Date Started	Completion/Target	Project Cost/Contract Amount	Status	
PMO Tagbilaran							
46	Jagna, Bohol	FO	Expansion of existing PTB			POW under evaluation	
47	Tagbilaran, Bohol	FO	Redesigning of covered walkway at Fastcraft Berth			Revised POW under evaluation	
48	Tagbilaran, Bohol	FO	Provision of Temporary (Prefab) Public Toilet			POW forward to PMO for procurement	
49	Tagbilaran, Bohol	HO	Construction of Passenger Terminal Building	Aug 18 2014	Aug 12 2015	57,830,063.00	Ongoing-23.64%
50	Talibon, Bohol	HO	Extension of Back-up Area & Construction of Passenger Terminal Building	Apr 9 2014	Apr 3 2015	59,890,100.00	Ongoing-49.875%
Sub-Total PDO Visayas					569,944,173.04		
PDO NORTHERN MINDANAO							
PMO Cagayan de Oro							
51	Balingoan, Misamis Oriental	HO	Rehabilitation/Upgrading of RC Pier	Dec 27 2013	Jan 4 2015	23,233,114.07	Ongoing-99.41%
52	Cagayan de Oro, Misamis Occ.	HO	Construction of one (1) storey Passenger Terminal Bldg.				Bidding postponed until further notice
53	Cagayan de Oro, Misamis Occ.	HO	Wharf Extension				For bidding
54	Cagayan de Oro, Misamis Occ.	FO	Construction of Perimeter Fence at Newly Paved Area at Berth 12 to 13				POW for evaluation
55	Guinsiliban, Camiguin	FO	Rehabilitation of RC Pier				POW under evaluation
PMO Iligan							
56	Iligan, Lanao del Norte	HO	Construction of Transit Shed	Apr 7 2014	Jan 31 2015	33,642,251.58	Ongoing-78.06%
57	Iligan, Lanao del Norte	FO	Construction of Multi-Purpose/Seminar Hall at PMO Admin				POW is in order
58	Iligan, Lanao del Norte	FO	Demolition of old buidlings and Port Development	Nov 3 2014	Aug 7 2015	14,679,380.23	Ongoing-52.10%
PMO Nasipit							
59	Masao, Agusan del Norte	FO	Rehabilitation of Power System				POW under evaluation
60	Masao, Agusan del Norte	FO	Construction of Water Supply System				POW under evaluation
61	Nasipit, Agusan del Norte	FO	Construction of Secondary Containment System of Dangerous Cargoes				POW under evaluation
PMO Ozamis							
62	Jimenez, Misamis Occidental	FO	Installation of 2 cluster breasting dolphin at Nine (9) Pile Cluster				For DE
63	Ozamis, Misamis Occidental	FO	Installation of 2 cluster breasting dolphin at Nine (9) Pile Cluster				Revised POW for evaluation
64	Ozamis, Misamis Occidental	FO	Asphalt Overlay at Queuing area	Nov 14 2014	Mar 13 2015	13,366,055.08	Ongoing-26.00%
65	Ozamis, Misamis Occidental	HO	Construction of Transit Shed	Mar 19 2014	Jan 12 2015	30,509,347.07	Ongoing-83.61%
66	Plaridel, Misamis Occidental	FO	Construction of PTB				Revised POW for evaluation
PMO Surigao							
67	Aras-Asan, Surigao del Sur	HO	Port Improvement Project	June 23 2014	Apr 18 2015	69,508,399.37	Ongoing-38.32%
68	Dapa, Surigao del Norte	HO	Construction of Back-up Area, Roro Ramp, Site Development & Cargo Shed	July 14 2014	July 8 2015	42,380,590.06	Suspended-0.00%
69	Gen. Luna, Siargao Island, Surigao del Norte	FO	Port Development				For study/evaluation
70	San Jose, Dinagat Is.	FO	Construction of PTB	Nov 13 2014	Feb 27 2015	5,670,405.80	Ongoing-85.00%
71	Surigao, Surigao del Norte	FO	Construction of Perimeter Fence along Borromeo St.	Oct 23 2013	May 23 2014	19,358,618.66	Suspended-90.64%
Sub-Total PDO Northern Mindanao					252,348,161.92		
PDO SOUTHERN MINDANAO							
PMO Dapitan							
72	Dapitan, Zamboanga del Norte	FO	Construction of R.C. Landing and RORO Ramp (9m x 11m)	Sept 15 2014	Apr 28 2014	19,027,358.00	Ongoing-3.27%
PMO Davao							
73	Sasa, Davao	FO	Relocation Assistance for Informal Settlers occupying South End of Sasa Port				Awaiting response of Mayor's Office
74	Sasa, Davao	FO	Replacement of Steel Water Tank and Relocation of Tank Shed				For DE
PMO General Santos							
75	Glan, Srangani Province	HO	Port Improvement Project	Dec 10 2014	Nov 4 2015	72,263,795.51	Ongoing-0.00%
76	Glan, Sarangani Province	FO	Construction of PTB				For DE
77	Makar, General Santos, South Cotabato	HO	Rehabilitation/Upgrading of Western Wharf	Dec 1 2014	Jan 24 2016	102,155,817.65	Ongoing-0.00%
PMO Zamboanga							
78	Balas, Aurora, Zamboanga del Sur	FO	Port Improvement-Boat Landing Extension	Nov 3 2014	Jun 15 2015	4,899,646.71	Ongoing-33.51%
79	Lintugop, Aurora, Zamboanga del Sur	FO	Construction of Open Transit Shed	Nov 3 2014	Apr 2 2015	3,615,141.03	Ongoing-38.67%
80	Margosatubig, Zamboanga Sibugay	FO	Proposed construction of RC landing (15m x 12m) and Roro Ramp	Dec 15 2014	Jul 28 2015	19,195,668.59	Ongoing-27.20%
81	Solar, Olutanga, Zamboanga	HO	Rehabilitation of Wharf and Trestle and Extension of Wharf	Mar 19 2014	Feb 20 2015	30,903,967.25	Ongoing-24.24%
82	Zamboanga, Zamboanga del Sur	FO	Construction of Travelers Hub	Mar 19 2014	Jan 3 2015	13,131,206.64	Ongoing-98.33%
Sub-Total PDO Southern Mindanao					265,192,601.38		
GRAND TOTAL					1,619,024,663.70		

CARGO THROUGHPUT (in M.T.)

By Port District/Port Management Office
At Berth/Anchorage

PDO/PMO	GRAND TOTAL	2014		GRAND TOTAL	2013	
		DOMESTIC	FOREIGN		DOMESTIC	FOREIGN
PDO MNL/NORTHERN LUZON	79,004,354	25,957,112	53,047,242	76,335,360	25,252,228	51,083,132
Manila - N. Harbor	22,304,714	17,530,556	4,774,158	19,532,118	15,050,793	4,481,325
Manila - S. Harbor	7,297,102	2,201,370	5,095,732	9,788,156	3,153,040	6,635,116
- M.I.C.T.	21,430,567	405,015	21,025,552	20,919,293	1,147,386	19,771,907
Limay	17,923,771	5,180,855	12,742,916	16,346,576	5,728,106	10,618,470
San Fernando	10,048,200	639,316	9,408,884	9,749,217	172,903	9,576,314
PDO SOUTHERN LUZON	37,785,824	12,497,695	25,288,129	33,248,537	12,190,133	21,058,404
Batangas	24,931,942	8,938,483	15,993,459	21,311,078	8,403,886	12,907,192
Calapan	325,482	325,482	0	339,089	339,089	0
Legazpi	2,172,722	1,624,990	547,732	2,474,564	1,596,909	877,655
Puerto Princesa	10,355,678	1,608,740	8,746,938	9,123,806	1,850,249	7,273,557
PDO VISAYAS	28,057,623	19,868,160	8,189,463	27,388,693	19,846,623	7,542,070
Dumaguete	1,733,819	1,629,495	104,324	1,844,527	1,758,424	86,103
Iloilo	9,820,302	4,338,253	5,482,049	7,619,062	3,762,313	3,856,749
Ormoc	2,990,065	2,013,122	976,943	4,288,796	2,289,632	1,999,164
Pulupandan	7,690,993	7,096,858	594,135	7,442,809	6,804,970	637,839
Tacloban	1,893,053	1,781,549	111,504	1,813,941	1,622,378	191,563
Tagbilaran	3,929,391	3,008,883	920,508	4,379,558	3,608,906	770,652
PDO NORTHERN MINDANAO	51,489,092	11,715,225	39,773,867	47,525,632	11,356,975	36,168,657
Cagayan de Oro	7,848,443	6,520,182	1,328,261	7,753,545	6,421,839	1,331,706
Iligan	2,265,129	1,429,012	836,117	2,554,464	1,577,262	977,202
Nasipit	4,742,824	1,402,037	3,340,787	4,950,313	1,337,558	3,612,755
Ozamiz	1,197,560	1,125,446	72,114	1,038,211	965,520	72,691
Surigao	35,435,136	1,238,548	34,196,588	31,229,099	1,054,796	30,174,303
PDO SOUTHERN MINDANAO	18,475,727	9,675,041	8,800,686	17,560,485	9,315,069	8,245,416
Cotabato	87,199	87,199	0	38,242	38,242	0
Dapitan	897,594	636,423	261,171	926,290	589,211	337,079
Davao	11,602,108	4,628,362	6,973,746	10,797,445	4,383,850	6,413,595
General Santos	3,089,764	1,751,879	1,337,885	3,218,224	1,929,914	1,288,310
Zamboanga	2,799,062	2,571,178	227,884	2,580,284	2,373,852	206,432
TOTAL	214,812,620	79,713,233	135,099,387	202,058,707	77,961,028	124,097,679

PASSENGER TRAFFIC

By Port District/Port Management Office
At Berth/Anchorage

PDO/PMO	GRAND TOTAL	2014		GRAND TOTAL	2013	
		DISEMBARKED	EMBARKED		DISEMBARKED	EMBARKED
PDO MNL/NORTHERN LUZON	1,189,587	591,781	597,806	1,105,576	539,837	565,739
Manila - N. Harbor	1,162,574	578,325	584,249	909,051	459,117	449,934
Manila - S. Harbor	27,013	13,456	13,557	195,000	79,956	115,044
- M.I.C.T.	0	0	0	0	0	0
Limay	0	0	0	1,525	764	761
San Fernando	0	0	0	0	0	0
PDO SOUTHERN LUZON	18,208,839	9,353,220	8,855,619	17,294,665	8,971,952	8,322,713
Batangas	7,395,317	3,816,993	3,578,324	6,874,528	3,623,837	3,250,691
Calapan	5,802,152	3,091,188	2,710,964	5,437,898	2,879,411	2,558,487
Legazpi	4,614,138	2,238,460	2,375,678	4,653,117	2,302,902	2,350,215
Puerto Princesa	397,232	206,579	190,653	329,122	165,802	163,320
PDO VISAYAS	19,892,400	10,383,937	9,508,463	19,427,029	10,025,492	9,401,537
Dumaguete	3,823,359	2,000,014	1,823,345	3,620,200	1,902,136	1,718,064
Iloilo	2,927,106	1,528,139	1,398,967	2,703,784	1,362,819	1,340,965
Ormoc	2,721,166	1,435,107	1,286,059	2,550,629	1,289,374	1,261,255
Pulupandan	3,696,853	1,909,813	1,787,040	3,417,608	1,803,437	1,614,171
Tacloban	3,046,361	1,592,528	1,453,833	3,096,424	1,557,843	1,538,581
Tagbilaran	3,677,555	1,918,336	1,759,219	4,038,384	2,109,883	1,928,501
PDO NORTHERN MINDANAO	9,846,305	5,001,623	4,844,682	10,075,434	5,170,473	4,904,961
Cagayan de Oro	2,198,358	1,144,280	1,054,078	2,242,486	1,153,203	1,089,283
Iligan	2,763,095	1,363,688	1,399,407	2,791,436	1,428,436	1,363,000
Nasipit	269,150	131,890	137,260	251,564	131,529	120,035
Ozamiz	3,058,959	1,557,367	1,501,592	3,237,147	1,642,141	1,595,006
Surigao	1,556,743	804,398	752,345	1,552,801	815,164	737,637
PDO SOUTHERN MINDANAO	6,852,898	3,415,780	3,437,118	5,966,393	2,952,202	3,014,191
Cotabato	0	0	0	0	0	0
Dapitan	700,780	350,336	350,444	648,471	325,674	322,797
Davao	2,211,138	1,105,962	1,105,176	1,941,684	943,500	998,184
General Santos	0	0	0	0	0	0
Zamboanga	3,940,980	1,959,482	1,981,498	3,376,238	1,683,028	1,693,210
TOTAL	55,990,029	28,746,341	27,243,688	53,869,097	27,659,956	26,209,141

NUMBER OF SHIPCALLS

By Port District/Port Management Office
At Berth/Anchorage

PDO/PMO	GRAND TOTAL	2014		GRAND TOTAL	2013	
		DOMESTIC	FOREIGN		DOMESTIC	FOREIGN
PDO MNL/NORTHERN LUZON	17,597	13,463	4,134	18,931	13,748	5,183
Manila - N. Harbor	5,209	4,819	390	4,855	4,387	468
Manila - S. Harbor	3,883	2,513	1,370	4,702	2,827	1,875
- M.I.C.T.	1,350	42	1,308	1,877	92	1,785
Limay	5,749	5,137	612	6,446	5,863	583
San Fernando	1,406	952	454	1,051	579	472
PDO SOUTHERN LUZON	97,785	96,028	1,757	94,247	92,561	1,686
Batangas	44,416	43,179	1,237	42,124	41,020	1,104
Calapan	23,517	23,517	0	21,181	21,181	0
Legazpi	22,366	22,276	90	23,942	23,833	109
Puerto Princesa	7,486	7,056	430	7,000	6,527	473
PDO VISAYAS	143,507	142,879	628	140,748	140,091	657
Dumaguete	38,326	38,300	26	39,352	39,336	16
Iloilo	24,834	24,590	244	25,609	25,448	161
Ormoc	15,116	15,026	90	13,381	13,180	201
Pulupandan	26,676	26,535	141	24,895	24,782	113
Tacloban	13,714	13,667	47	12,896	12,824	72
Tagbilaran	24,841	24,761	80	24,615	24,521	94
PDO NORTHERN MINDANAO	53,965	52,807	1,158	55,748	54,720	1,028
Cagayan de Oro	13,572	13,360	212	14,998	14,774	224
Iligan	14,872	14,773	99	15,579	15,504	75
Nasipit	1,021	966	55	983	919	64
Ozamiz	14,802	14,773	29	15,398	15,376	22
Surigao	9,698	8,935	763	8,790	8,147	643
PDO SOUTHERN MINDANAO	50,140	48,146	1,994	46,843	44,825	2,018
Cotabato	125	125	0	63	63	0
Dapitan	2,790	2,750	40	2,778	2,730	48
Davao	32,372	30,826	1,546	30,455	28,865	1,590
General Santos	1,177	851	326	1,191	885	306
Zamboanga	13,676	13,594	82	12,356	12,282	74
TOTAL	362,994	353,323	9,671	356,517	345,945	10,572

NO. OF CONTAINERS HANDLED (in T.E.U.)

By Port District/Port Management Office
At Berth/Anchorage

PDO/PMO	GRAND TOTAL	2014		GRAND TOTAL	2013	
		DOMESTIC	FOREIGN		DOMESTIC	FOREIGN
PDO MNL/NORTHERN LUZON	3,811,092	1,079,350	2,731,742	3,781,781	1,058,841	2,722,940
Manila - N. Harbor	1,043,705	1,043,705	0	894,832	894,832	0
Manila - S. Harbor	889,464		889,464	982,553	63,353	919,200
- M.I.C.T.	1,877,268	35,085	1,842,183	1,901,476	98,233	1,803,243
Limay	655	560	95	2,920	2,423	497
San Fernando	0	0	0	0	0	0
PDO SOUTHERN LUZON	182,284	84,558	97,726	72,120	60,795	11,325
Batangas	135,164	37,438	97,726	23,443	12,225	11,218
Calapan	31	31	0	1	1	0
Legazpi	16	16	0	63	63	0
Puerto Princesa	47,073	47,073	0	48,613	48,506	107
PDO VISAYAS	341,220	341,220	0	301,404	301,404	0
Dumaguete	30,754	30,754	0	29,690	29,690	0
Iloilo	133,538	133,538	0	115,206	115,206	0
Ormoc	10,503	10,503	0	7,468	7,468	0
Pulupandan	118,942	118,942	0	104,466	104,466	0
Tacloban	22,864	22,864	0	21,491	21,491	0
Tagbilaran	24,619	24,619	0	23,083	23,083	0
PDO NORTHERN MINDANAO	289,236	289,236	0	267,678	267,678	0
Cagayan de Oro	208,631	208,631	0	189,943	189,943	0
Iligan	12,453	12,453	0	17,347	17,347	0
Nasipit	32,150	32,150	0	30,693	30,693	0
Ozamiz	30,574	30,574	0	27,314	27,314	0
Surigao	5,428	5,428	0	2,381	2,381	0
PDO SOUTHERN MINDANAO	901,289	376,799	524,490	815,439	368,158	447,281
Cotabato	0	0	0	0	0	0
Dapitan	11,344	11,344	0	11,491	11,491	0
Davao	651,448	200,185	451,263	568,566	194,992	373,574
General Santos	159,445	86,218	73,227	159,888	86,181	73,707
Zamboanga	79,052	79,052	0	75,494	75,494	0
TOTAL	5,525,121	2,171,163	3,353,958	5,238,422	2,056,876	3,181,546

INDEPENDENT AUDITOR'S REPORT



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

The Board of Directors

Philippine Ports Authority
Bonifacio Drive, Port Area, Manila

Report on the Financial Statements

We have audited the accompanying financial statements of the Philippine Ports Authority (PPA), which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income, statement of changes in equity and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles generally accepted in the Philippines, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. Property, Plant and Equipment accounts with year-end balance of ₱102.001 billion was not accurately and properly stated due to:
 - a. Failure by some PMOs to conduct/incomplete inventory-taking of properties totaling ₱7.729 billion;
 - b. Non-capitalization of cost of major repairs of ₱141.910 million;
 - c. Inclusion of unserviceable assets of ₱62.097 million in PPE;
 - d. Unrecorded cost of completed project of ₱55.321 million;

- e. Variance of ₱53.051 million existing between the accounting records of the Head Office, one PDO and two PMOs and the results of the physical inventory reports requiring the necessary accounting adjustments; and
 - f. Port facilities damaged by Typhoon Yolanda of ₱26.941 million still recorded in the books.
2. Accounts Receivable amounting to ₱28.340 million from port usage in PMO San Fernando and ₱35.737 million from pilotage income of PDO Manila/Northern Luzon classified as Contingent Assets Account, resulting in the understatement of Accounts Receivable and Retained Earnings accounts by the same amount.
 3. The balance of Accounts Payable account of ₱300.581 million of the Head Office and four PMOs included dormant, misclassified accounts and undocumented and invalid claims, aggregating ₱103.592 million.

Qualified Opinion

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion, paragraph, the financial statements present fairly, in all material respects, the financial position of the Philippine Ports Authority as at December 31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with state accounting principles generally accepted in the Philippines.

Emphasis of Matter

We draw attention to Note 48 of the Notes to Financial Statements, which describes the uncertainty related to the outcome of the various lawsuits involving the PPA. Our opinion is not qualified in respect of this matter.

Report on the Supplementary Information Required under BIR Revenue Regulations 15-2010

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information on taxes, duties and license fees paid or accrued during the taxable year described in Note 47 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT


ASUNCION C. SILANG
OIC-Supervising Auditor

June 5, 2015

STATEMENT OF FINANCIAL POSITION

December 31, 2014
 (With Comparative Figures as of December 31, 2013)
 (In Philippine Peso)

	Notes	2014	As Restated 2013
ASSETS			
Current Assets			
Cash on Hand and in Banks	5	8,351,341,818	6,191,195,165
Receivables - Net	6	1,987,612,607	1,761,651,737
Inventories	7	68,633,861	46,967,653
Prepayments	8	852,185,423	759,057,312
Other Current Assets	9	147,499,545	117,223,016
Total Current Assets		11,407,273,254	8,876,094,883
Non-Current Assets			
Property and Equipment - Net	10	102,001,295,100	94,120,590,675
Investments in Securities	11	301,787,534	302,404,706
Notes Sinking Fund	12	-	1,744,418,480
Other Non-Current Assets	13	822,122,407	941,117,502
Total Non-Current Assets		103,125,205,041	97,108,531,363
		114,532,478,295	105,984,626,246
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts Payable	14	1,815,823,417	1,436,394,280
Payables to Other Government Agencies	15	1,022,923,070	751,395,218
Current Portion of Foreign Loans Payable	16	365,095,849	417,635,397
Other Current Liabilities	17	813,319,829	474,652,628
Total Current Liabilities		4,017,162,165	3,080,077,523
Non-Current Liabilities			
Loans Payable - Foreign	18	4,067,578,114	5,070,563,136
Loans Payable - Domestic	19	-	625,000,000
Corporate Notes	20	-	2,000,000,000
Retirement Payable	21	243,177,745	384,875,575
Deferred Credits	22	668,383,501	572,527,020
Total Non-Current Liabilities		4,979,139,360	8,652,965,731
Total Liabilities		8,996,301,525	11,733,043,254
Equity		105,536,176,770	94,251,582,992
		114,532,478,295	105,984,626,246

See accompanying Notes to Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2014
(With Comparative Figures for the Year Ended December 31, 2013)
(In Philippine Peso)

	Notes	2014	As Restated 2013
REVENUES			
Wharfage Dues	27	2,442,259,442	2,275,605,638
Share in Arrastre/Stevedoring Income	28	5,484,865,230	5,839,325,077
Dockage Fees	29	1,071,743,258	853,300,782
Port Dues	30	549,589,053	491,655,602
Storage Charges	31	1,712,825,970	379,536,762
Port Usage Fees	32	336,375,956	322,472,324
Terminal Fees	33	174,685,206	161,542,346
Vessel Traffic Management Service Fees	34	15,692,875	16,030,925
Pilotage	35	47,071,896	38,146,683
Lay-Up Fees	36	12,460,249	2,351,435
Other Income	37	595,457,889	535,376,759
		12,443,027,024	10,915,344,333
OPERATING EXPENSES			
Personal Services	38	1,348,517,117	1,184,001,273
Maintenance and Other Operating Expenses	39	5,490,659,394	5,086,506,937
		6,839,176,511	6,270,508,210
PROFIT FROM OPERATIONS		5,603,850,513	4,644,836,123
OTHER INCOME(EXPENSES)			
Fund Management Income	40	97,629,678	122,502,875
Other General Income	41	26,802,155	31,123,132
Foreign Exchange Gain(Loss) on Revaluation	42	638,009,154	710,960,062
Financial Expenses	43	(277,168,174)	(333,969,775)
Gain(Loss) on Sale of Disposed Assets	44	1,099,709	(1,202,630)
		486,372,522	529,413,664
NET INCOME BEFORE INCOME TAX		6,090,223,035	5,174,249,787
INCOME TAX EXPENSE	45	1,845,801,981	1,426,288,574
NET PROFIT		4,244,421,054	3,747,961,213

See accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2014
(With Comparative Figures as of December 31, 2013)
(In Philippine Peso)

	Notes	2014	As Restated 2013
CAPITAL CONTRIBUTION	23	4,312,337,376	4,312,337,376
DONATED SURPLUS	24		
Balance at Beginning of Year		1,220,596,414	892,838,614
Donations Received by PDO Manila from ICTSI		799,918,677	327,466,592
Donations Received by PMO Iligan from PILMICO Foods Corporation		79,635,005	-
Donations Received by PMO Legaspi from DOST		349,776	-
Donations Received by PMO Davao from Pacific Oil Corp.		-	291,208
Balance at End of Year		2,100,499,872	1,220,596,414
APPRAISAL SURPLUS	25		
Balance at Beginning of Year		65,354,911,161	66,444,069,786
Adjustments in Assets Appraised Values		7,193,754,867	(1,089,158,625)
Balance at End of Year		72,548,666,028	65,354,911,161
RETAINED EARNINGS	26		
Balance at Beginning of Year		23,317,954,601	19,524,805,350
Prior Year's Adjustment		488,231,034	1,091,964,770
Net Profit During the Year		4,244,421,054	3,747,961,213
Dividends Paid During the Year		(1,475,933,195)	(1,000,993,292)
Balance at End of Year		26,574,673,494	23,363,738,041
TOTAL EQUITY		105,536,176,770	94,251,582,992

See accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2014
(With Comparative Figures for the Year Ended December 31, 2013)
(In Philippine Peso)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of Port Revenues	11,443,543,011	10,264,319,062
Receipt of Other Income	622,260,044	566,499,891
Receipt of Fund Management Income	97,629,678	122,502,875
Receipt (Refund) of Depository Liabilities	25,796,060	33,835,832
Receipt (Refund) of Guaranty Deposits, Net	(567,159)	379,106
Receipt of Trust Liabilities	239,035,620	60,677,232
Receipt of Miscellaneous Liabilities/Deferred Credits, Net	95,856,481	173,635,539
Payment of Operating Expenses	(5,440,228,376)	(5,870,870,840)
Payment of Accrued Interest	(283,278,369)	(379,135,741)
Net Cash from Operating Activities	6,800,046,990	4,971,842,956
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Inflows (Outflows) from Investments	1,745,468,452	(57,786,899)
Payments for Construction in Progress	(1,788,216,653)	(1,418,253,027)
Acquisition (Disposal) of Property and Equipment, Net	(92,887,592)	(79,126,370)
Net Cash Used in Investing Activities	(135,635,793)	(1,555,166,296)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Repayments	(3,042,635,397)	(725,553,984)
Dividend Payments	(1,475,933,195)	(1,000,993,292)
Calamity Loans Collected(Granted), Net	14,424,029	(19,345,621)
Net Cash Used in Financing Activities	(4,504,144,563)	(1,745,892,897)
EFFECT OF EXCHANGE RATE CHANGES IN CASH ON HAND AND IN BANKS	(119,981)	(1,931,373)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	2,160,146,653	1,668,852,390
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	6,191,195,165	4,522,342,775
CASH ON HAND AND IN BANKS AT END OF YEAR	8,351,341,818	6,191,195,165

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. AGENCY BACKGROUND

The Philippine Ports Authority (PPA, the Authority) is a government-owned and controlled corporation originally created under Presidential Decree (PD) No. 505 dated 11 July 1974 which was revised by substitution on 23 December 1975 by PD 857. Subsequent amendments under Executive Order (EO) No. 513 dated 16 November 1978, EO No. 546 dated 23 July 1979 and Letter of Instruction (LOI) No. 1005-A dated 11 April 1980 further enhanced PPA's corporate powers to be more responsive to the requirements of optimum port utilization, development and operation. In EO No. 159 dated 13 April 1987, the corporate autonomy was reverted to the PPA to insure the rapid development of port or the port system directly under it and authority was granted to execute port projects under its port program. It is attached to the Department of Transportation and Communications for policy and program coordination.

In line with its mandate to establish, develop, regulate, manage and operate a national port system in support of trade and development, the PPA Board of Directors approved on 30 September 2013 the PPA Mission Statement, Strategy Map and Performance Scorecard. Attainment of the PPA vision, originally targeted in year 2030, was revised during the year setting 2020 as the new target year.

The corporate powers of the Authority are vested in its Board of Directors composed of nine (9) members; namely, (i) DOTC Secretary as Chairperson, (ii) PPA General Manager as Vice-Chairperson, (iii) and its members are NEDA Director General, DPWH, DTI, DOF and DENR Secretaries, MARINA Administrator and one (1) private sector representative. The Executive Committee, approved by the Board on 13 June 2013 under Board Resolution No. 2323, continues to assist the Board in the discharge of its functions. The composition remains the same with the PPA General Manager as chairperson, MARINA Administrator, NEDA, DPWH Secretary and Private Sector Representative as members and the Office of the Government Corporate Counsel as observer. In 2014, the PPA Manual of Corporate Governance that will govern board actions and limitations was approved by the PPA Board per Board Resolution No. 2406 dated 10 October 2014. Recommendations as a result of the review conducted by GCG were incorporated in the approved manual.

PPA is one of the GOCC whose performance is monitored and evaluated by the Governance Commission for Government-Owned and Controlled Corporation (GCG). On 25 March 2014, GCG issued Memorandum Order No. 2014-10 approving the PPA Rationalization Plan (RP). It provided for 298 organizational units and reduced the DBM authorized number of plantilla positions of 3,900 to 3,151 positions.

The GCG approved PPA RP provided for the same composition of top management headed by a General Manager and three (3) Assistant General Managers, one each for Engineering Services, for Operations and for Finance, Legal and Administrative Services.

In 2014, the seventeen (17) departments under these executive offices continued to perform their line and/or staff functions. Likewise, the five (5) Port District Offices (PDOs) and twenty four (24) Port Management Offices (PMOs) and about twenty three (23) base ports and sixty four (64) terminal ports continued to deliver the front line services.

Starting 01 January 2015, the new organizational set up based on the approved PPA RP will be activated. Guidelines on the winding up of transactions of the district offices which were abolished as a result of the rationalization was issued to ensure proper closing of the district operations and turn over/safekeeping of all documents. The provisional changes in the Revised Delegation of Authority (RDA) were approved by the Board as part of the transition process in the implementation of the RAT Plan.

As of 31 December 2014, the PPA has a total of 1,858 regular employees, composed of 375 Head Office personnel and 1,483 filled positions at the PDOs and PMOs. The void created by personnel who have retired, resigned or separated from the service and the continued implementation of the Attrition Law, necessitated the employment of 1,231 outsourced personnel deployed in different offices nationwide to provide necessary port services.

2. MAJOR ACCOMPLISHMENTS

For CY 2014, the following are its major accomplishments:

2.1. Port Development and Maintenance

- Completion of forty seven (47) major infrastructure projects worth P1.49 billion providing for the following results:
 - Increase in port capacity with the completion of additional 468.98 linear meters of berth length in five ports;
 - Increase in storage/operational area in nine ports with the completion of 37,089.07 square meters of back-up area;
 - Increase in passenger capacity with the construction/improvement of Passenger Terminal Buildings (PTBs) providing additional seating capacity of 2,300; and
 - Additional facilities for Ro-Ro vessels with the completion of thirteen (13) Ro-Ro ramps.
- Implementation of unprogrammed projects in various stages of completion which include among others the following projects that are already 100% complete:
 - South Harbor breakwater; and
 - Paving/upgrading of back-up area of the Port of Masao and Port Bauan, Batangas.
- Completion of twenty-eight (28) major pre-construction technical and economic studies and twenty-six (26) detailed engineering works; thirty-four (34) Hydrographic-Topographic Survey which included twenty-two (22) unprogrammed surveys needed to support areas for port zone delineation.
- Completion of dredging works at the Ports of Legaspi and Tabaco with the removal of 44,534 cu. m. of silts.
- Completion of eighty-six (86) Repair & Maintenance Projects with a total value of Php 1.1 billion.

2.2. Port Services

- Service improvement through:
 - compliance to E.O. 605 - Quality Management System (QMS) with the certification of PMOs Iloilo and Ozamiz as ISO certified in 2014; conduct of five (5) QMS Audits;
 - Accreditation of PMOs Iloilo and Cagayan de Oro to Port Safety Health Environment Management System (PSHEMS) after the conduct of Stage 2 Recognition Audit last November 11, 2014; completion of two Recognition/Renewal Audit; and
 - Completion of eight (8) Monitoring Systems and Contract Compliance Audit.
- Approval of four (4) lease contracts for the Ports of Iligan, Cagayan de Oro, Culasi and South Harbor.
- Privatization Initiatives
 - Issuance of contracts and NTPs for the privatized operation of eight (8) existing Passenger Terminal Buildings for the Ports of Palompon, Maasin, Baybay, San Carlos, Naval, Fort San Pedro, Danao and Jagna on July 8, 2014.
- Awarded eight (8) Cargo Handling Service Contracts/Hold Over Authority (CHO/HOA) and one Memorandum of Agreement (MOA) with varying duration of one year to ten years.

2.3. Regulatory and Enforcement

- Approval and issuance of twelve (12) Clearances to Develop Private Port Facilities intended for liquid and mineral bulk cargoes.
- Approval and issuance of forty (40) Certificate of Registration/Permit to Operate (COR/PTO).

2.4. Status of Commitments with Other Oversight Agencies

- Davao-PPP Center took over the privatization of Davao-Sasa as approved by NEDA.
- TOR for the development of South Harbor Expanded Port Zone (SHEPZ) approved by the PPA Board on 29 June 2012 is still with DOTC.

2.5. Others

- Compliance with procedural requirements of other government agencies:
 - Enrollment in the Registry of Scrippless Securities (RoSS) maintained and administered by the Bureau of Treasury and opening of a Primary Securities account as Non-Government Securities Eligible Dealer (non-GSED) in compliance with DOF-BTr Memorandum dated November 25, 2013.
 - Enrollment with PVB for the Electronic Filing and Payment System (eFPS) of the BIR was approved per Board Resolution No. 2355 dated 28 January 2014.

- Installation of hybrid design Retardant Structural Lightning Protection System (RSLPS) and Fire Detection Alarm System (FDAS) amounting to ₱3.06 million;
- Completion of the Hydrographic Survey of the basin costing ₱2.46 million;
- Various information and technology installation and licenses; and
- Implementation of infrastructure projects in various stages of completion.

Net book value of PPA constructed assets turned over for use by MNHPI under the contract as of 31 December 2014 is ₱27.78 million.

Contract for the Management and Operation of South Harbor, Port of Manila

The latest contract entered into with Asian Terminals, Inc. (ATI) for the management and operation of South Harbor was the Third Supplemental Contract executed on 19 October 2007 which extended the contract up to 18 May 2038. The 3rd Supplement covers areas/services under the (i) Lease Agreement dated 15 January 1997 covering certain areas of South Harbor intended for use as international and domestic storage areas and (ii) the Second Supplement which expanded the scope of services of the contractor to include the management of domestic terminal facilities.

In consideration of the “Extended Term”, ATI shall remit to PPA the following:

- Lump sum fee of ₱282,000,000 remitted on 19 May 2013.
- From international containerized cargo handling operations, Fixed Fee of US\$9,000,000 and Variable Fee of 20% of gross revenue.

Fixed Fees are payable quarterly in advance not later than the 5th day of the first month of every quarter. Variable Fees, on the other hand, are payable quarterly in arrears not later than the 5th day of the first month of every quarter (on or before January 5, April 5, July 5 and October 5 of every year).

The contract provides that US dollar denominated fees shall be paid in Philippine pesos using the Philippine Dealing System US\$ = ₱ closing rate of the last trading day prior to payment date.

- From international and domestic cargo storage operation, Fixed Fee of ₱55,000,000; Variable Fee of 30% of annual gross storage revenues from international cargo storage operation in excess of ₱273,000,000 whether collected or uncollected; and, Variable Fee of 10% of the annual gross storage revenues from domestic cargo storage operations, whether collected or uncollected.
- From domestic cargo handling operations, government share of 10% of gross revenues.
- Adjunct Fee in case actual international container volume throughput exceeds 1,900,000 Twenty Equivalent Units (TEUs). The fee is payable on or before January 31 of the year following the calendar year in which the required cargo throughput has been exceeded.
- From international non-containerized cargo operations, government share of 14% of gross stevedoring revenues and government share of 20% of gross arrastre revenues.

Likewise, the contract provides for investment commitment from ATI. Among its highlights are:

- The Contractor shall implement the projects for rehabilitation, development and expansion of the South Harbor facilities in accordance with the Investment Plan, as may, from time to time be revised or updated pursuant to the Third Supplement. Summary of Investments to be implemented from Year 2009 to 2022 are as follows:

	In Million US \$			
	Infrastructure	Equipment	IT	Total
International Containers	126.685	123.075	8.987	258.747
International Gen. Cargo	6.473	1.930	0.362	8.765
Domestic Cargo	17.061	15.180	0.706	32.947
Total	150.219	140.185	10.055	300.459

- The Contractor is committed to invest ₱120,000,000 for additional works and other costs related to the construction of the PPA Head Office building.

For CY 2011 to 2014, actual value of investments/implemented projects by ATI in aggregate amounts is ₱807,706,527 composed of infrastructure projects - ₱118,557,556; investments in IT - ₱113,050,861; and, acquisition of port equipment - ₱576,098,110.

3. MAJOR CONTRACTS/CONCESSION ARRANGEMENTS

PORT OF MANILA

Contract for the Development, Management, Operation and Maintenance of Manila North Harbor

The exclusive development, management, operation and maintenance of North Harbor comprising of Pier 2 up to Slipway, including Isla Puting Bato was awarded to Manila North Harbor Port Incorporated (MNHPI) under a 25-year contract on 18 November 2009.

Following are the highlights of the contract:

1. MNHPI as the contractor shall provide and undertake the domestic terminal services at North Harbor which shall include cargo handling services, passenger terminal management, parking services, berth management, storage management, water distribution, security services and ancillary services.

PPA-PMO North Harbor, on the other hand, continues to collect charges such as Port Dues, Dockage Fees, Usage Fees, Wharfage Dues, VTMS Fees and management fees which are recognized as PPA revenues.

2. The following financial considerations shall be paid to PPA:
 - Fixed Fee of ₱6,818,855,000 to be remitted in accordance with set schedule for a period of 25 years, payable in advance not later than the 5th day of the 1st month of every quarter without need of demand.
 - Reimbursement of past service benefits advanced by PPA in the amount of ₱20,600,000 per year for a period of five years for a total of ₱103,000,000, first payment shall be made on the 4th year anniversary of this contract but not later than the 15th day of the month it was executed. On April 11, 2014, first payment was received from MNHPI.

3. Assets constructed by the operator shall be turned over to the Authority at the end of the contract.

The PPA Board of Directors approved, in its Board Resolution 2254 dated 2 June 2011, the MNHPI development plan, ‘Manila North Harbor Modernization Project’. Its estimated project cost is ₱14.8 billion to be implemented during the life of the contract, from 2010 to 2034.

Based on MNHPI Modernization Project Quarterly Report as of 31 December 2014, they have invested a total of ₱6.57 billion for various development initiatives since 2010. For 2014, the report included completion of the following:

- Acquisition of cargo handling equipment composed of 24 units of tractor heads, 8 units reach stacker, 11 units forklift with various tonnage capacity and 3 units chassis for yard and Ro-Ro container handling operations with a total value of ₱434.99 million;

Net book value of PPA constructed assets as of 31 December 2014 at South Harbor turned over for the management and operation by ATI is P48.96 million.

Contract for the Management, Operation and Development of Manila International Container Terminal (MICT)

In 1988, the Authority entered into an agreement with the International Container Terminal Services, Inc. (ICTSI) for the management, operation and development of the MICT at the Port of Manila, subject to the direct control and supervision of the Authority. It provides for the remittance of Fixed Fee and Variable Fee from its gross income which shall include all income generated by the Contractor from the MICT from every source and on every account except interest income, whether collected or not, to include but not limited to Harbor Dues, Berthing Fees, Wharfage, Cargo Handling Revenues, Cranage Fees, Stripping/Stuffing Charges and all other revenues from Ancillary Services.

A renewal of the agreement was made on 20 April 2005 which provides for an extension of the contract period for another 25 years reckoned from 19 May 2013 (expiration of 'Extended Term'- 18 May 2038). The contract provides for the following financial consideration under the 'Extended Term':

- Additional investment of not less than US\$125 million for the construction and development of new facilities to be completed not later than 18 May 2013;
- Lump sum fee of P670 million remitted on 20 May 2013;
- Fixed Fee of US\$600 million payable in 100 quarterly installments, to be paid in advance not later than the 5th day of the first month of every quarter without the need for demand;
- Variable Fee of 20% of the gross revenue earned at the MICT;
- Variable Fee for unattained transshipment volume payable within the 1st month of the succeeding year. The committed transshipment volume is pegged at 260,000 TEUs; and
- Adjunct Fee in excess of 2.55 million TEUs.

In 2007, a Supplemental Contract to the contract executed on 19 May 1988 as renewed in April 2005 was signed granting the contractor the authority to provide arrastre, stevedoring and other related cargo handling services to domestic vessels and cargoes at MICT. In consideration, the contractor remits 10% of its gross income derived from said domestic operation, billed/unbilled or collected/uncollected due not later than the 5th day of every month (for prior month income).

On 23 June 2010, a Supplemental Contract to the 19 May 1988 contract was signed and was confirmed in Board Resolution No. 2213. It amended Annex C of the 2005 MICT Renewal Agreement which provided for US\$126.823 million as additional Port Development Program Civil Works and Equipment from Year 2005-2012.

In 2014, assets constructed by ICTSI which are fully depreciated based on submitted schedule were turned over to PPA in accordance with the provisions of the original contract. Listed below are the development projects and equipment turned over by ICTSI:

Development Projects Turned Over by ICTSI to PPA			
1.	Transtainer Lanes and Runways	17.	Motorpool Working Pit
2.	Storm Tie Downs	18.	Comfort Room (2 Units)
3.	Roadways	19.	BPI Building
4.	Drainage and Water Supply	20.	Union Bank Building
5.	Berths 5 & 6	21.	Guard House (3 Units)
6.	Lighting and Power Supply	22.	Basketball and Tennis Court
7.	Reefer Racks	23.	Deep Well
8.	Security Fences/Gates	24.	Prime Mover Operators Quarter And Locker Room
9.	Weighbridge/Truck Scale	25.	Truck Holding Area / Parking Area/ Container Yards
10.	CMS/Marine Building	26.	Shed at Right Pedestrian Lane of East Gate
11.	Executive Lounge	27.	Waiting Shed at One Stop Processing Office
12.	Helipad		
13.	Water Refilling Station		
14.	RTG Quarters and Locker Room		
15.	Gasoline Station		
16.	Medical Clinic Building		

Above mentioned port development projects were already recorded in the books as per Amended Deed of Conveyance executed last 30 July 2014. Recorded costs were adjusted to reflect the appraised values, net of accumulated depreciation, based on appraisal report conducted by a hired independent appraisal firm on July 3, 2013.

Likewise, three (3) units Yard Crane and one (1) unit Clamp Shell were transferred to DIPSCOR Davao per approval of the General Manager on July 23, 2009. These were already recorded in the PDO books based on the Deed of Absolute Transfer/Conveyance executed on 13 May 2013.

Out of the total number of equipment turned over to PPA, ninety eight (98) were unserviceable and were already disposed last November 3, 2014 as evidenced by PPA OR No. NL-L0010167-3 amounting to P1.8 million, broken down as follows:

1.	Tractors	-	22 units
2.	Forklifts	-	20 units
3.	Chassis	-	56 units
Total			98 units

As of 31 December 2014, the net book value of PPA constructed assets turned over for use under the original management contract with ICTSI is P11.84 billion which includes the value of land.

PORT OF BATANGAS

Long Term Contract for the Operations of Cargo Handling Services and Fastcraft Passenger Terminal Phase I

The contract was awarded to Asian Terminals, Inc. (ATI) on 20 October 2005 effective for a period of 10 years. It authorized the contractor to manage, operate, and provide cargo handling services at the Port of Batangas, Phase I, including the newly constructed General Cargo Berth and passenger services at the Fastcraft Passenger Terminal Building (PTB 3).

Following are the financial obligations of the contractor under the said contract:

- For cargo handling and related services, remittance of 10% of the gross income from handling domestic cargoes and 20% of gross income for handling foreign cargoes, whether billed/unbilled and collected/uncollected from all sources in connection with its arrastre, stevedoring and other related handling services provided at the said port.
- For leasing and operating the Fastcraft Passenger Terminal and its facilities at Phase I, payment of monthly rental fee of P441,667 exclusive of VAT, subject to yearly escalation of 5%, compounded annually during the term of the contract.

Management, Operation, Maintenance, Development and Promotion of Container Terminal "A-1", Phase II

The contract for the management, operation, maintenance, development and promotion of Container Terminal "A-1", Phase II was awarded to ATI on 25 March 2010 for a period of 25 years.

In consideration, the following shall be remitted by ATI exclusive of VAT:

- Annual Fixed Fee in US dollars totaling US\$125.46 million for 25 years.
- Annual Variable Fee equivalent to the yearly percentage share multiplied by the projected gross income in Philippine peso or the committed yearly percentage share multiplied by the contractor's actual gross income in Philippine peso, whichever is higher.

The Annual Fixed and Variable Fees shall be remitted in Philippine Peso using the closing reference rate of Bangko Sentral ng Pilipinas (BSP) on the last trading day prior to payment date.

Lease Agreement for Phase I

On 01 August 2009, the Lease Agreement for the properties and facilities at Phase I, Port of Batangas, was awarded to ATI, co-terminus with the long-term contract or until 20 October 2015 including any renewal and/or extension thereof.

A fixed annual rental fee of P4,000,000 exclusive of VAT subject to yearly escalation of 5%, compounded annually beginning on 01 January 2012 shall be remitted to PPA by the lessee. The rental is payable in 4 quarterly installments in advance not later than the 5th day from the start of the quarter.

Net book value of assets constructed by PPA which is under the operation and management of ATI at Batangas Port is P2.37 billion as of 31 December 2014.

PORT OF DAVAO

Construction, Management and Operation of Reefer Rack

Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) was awarded the contract to construct, manage and operate the additional reefer rack structure/facility with at least 144 reefer outlets at the Sasa Wharf, Port of Davao on 23 April 2010. The contract was effective for a period of 10 years renewable for another 10 years.

The contract provided for the remittance of government share exclusive of VAT equivalent to 10% of the gross income for the operation of the reefer facilities, whether billed/unbilled and collected/uncollected not later than the 5th day of every month for prior month's income.

The reefer facility constructed by PPA which was turned over to DIPSSCOR under the contract has a net book value of ₱7.99 million as of 31 December 2014.

For fees/financial considerations defined in contracts for cargo handling operators that are in foreign currency, the specified bases for the conversion of the foreign currency into pesos as provided for in the agreements are followed.

PPA Finance Memorandum Circular No. 01-2003 provides that the monetary asset or depositary account and liabilities denominated in foreign currencies should be restated using the BSP guiding rate of exchange as of reporting date. Foreign exchange differences are treated as follows:

- a) For loans identified with completed projects and those used to acquire invoiced assets, the gain or loss is recognized in profit or loss for the period.
- b) For loans related to assets still under construction, the foreign exchange difference is capitalized and included in the carrying amount of the Fixed Asset-In Process account.

For 2014, all infrastructure projects were financed out of the corporate fund. Hence, there is no transaction requiring application of these provisions.
- c) For other foreign currency transactions, i.e. deposits in foreign currency, the gain or loss is recognized in profit or loss for the period similar to item a.

Provision for Doubtful Accounts

Receivables are valued at face amounts minus allowances set up for doubtful accounts and for any anticipated adjustments which, in the normal course of events, will reduce the amount of receivables from the debtors to estimated realizable values.

PPA Finance Memorandum Order No. 02-2009 dated 22 April 2009 prescribes the rates on provisions for doubtful accounts, as follows:

Age (Days) of A/R Trade	1-30	31-90	91-180	181-365	Over 365	Dormant with Nil Chance of Collection
Rate of Allowance	5%	10%	20%	40%	60%	100%

Inventories

Supplies and materials for stock whether purchased and/or received as donations are recorded under the appropriate inventory accounts following the perpetual inventory method. The moving average costing method is being used.

In conformity with COA Circular 2005-002 dated 14 April 2005, semi-expendable items with estimated useful life of more than a year but small enough to be considered as property and equipment are considered part of the inventory upon acquisition. Items issued during the year are treated as expense, charged to profit or loss of the current year.

There is no change in the recognized net realizable value of dredger spare parts. Consistent with the provision of PAS 2, Inventories, the value of spare parts for dredgers were already written down to their net realizable value in CY 2011. As provided for in the standard, the practice of writing inventories down below cost to their net realizable value is consistent with the view that assets should not be carried in excess of amounts expected to be realized from their sale or use. Further, the criteria on the recognition as an expense of the amount of write down of inventories to net realizable value and losses in the period of the write down or loss was also applied. With management's intention to dispose the asset, the value of spare parts inventory was reclassified to 'Other Assets' at net realizable value.

Investments

Investments in the form of Treasury Bonds and Land Bank of the Philippines-issued bonds are valued at cost including withholding taxes.

Property and Equipment

Property and equipment of the Authority are carried in the books at appraised values except for additions in between the periods of appraisal which are recorded at acquisition cost net of Value Added Tax (VAT).

PPA assets were appraised in 2011 by an independent appraiser. Appraisal is conducted once every five (5) years pursuant to COA Resolution No. 89-17. In the past, increase or decrease in assets' values resulting from appraisal activities are recorded as direct adjustments to Revaluation Surplus account. Recognition of gain or loss as provided for in PAS 16 was not observed. When assets are dropped from the books, i.e. retirement, demolition, etc., recognized revaluation surplus are closed to Retained Earnings account.

In 2013, the Revaluation Capital account was analyzed and adjusted to include only the corresponding revaluation surplus of all remaining assets as reflected in the 2011 appraisal report. In the absence of any recognized gain or loss from prior years' appraisals, the adjustments to the Revaluation Capital were closed to Retained Earnings as an initial step towards complying with COA

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of the Financial Statements

The PPA presented the financial statements in accordance with state accounting principles generally accepted in the Philippines. Except for fixed assets that were revalued last 19 June 2011 and those assets for disposal that were adjusted to their net realizable value, the financial statements have been prepared using the historical cost convention and accrual basis of accounting.

Head Office and Branch Office Accounts

The PPA financial statements include the accounts of the Head Office and the different Port District and Port Management Offices of the Authority.

The Accounting and Financial Management System (AFMS), a sub-system of the PPA Computerized System, uses only a single book of accounts in recording the financial transactions of Head Office, five (5) PDOs and twenty-four (24) PMOs which are termed as 'Operating Units' (OU). Clearing accounts, use of automated entries through the 'Due To/Due From' accounts and assignment of codes for each OU allow the generation of financial reports for each PDO/PMO, consolidated PDO report and consolidated PPA report.

Presentation of Financial Statements

Presentation and classification of items in the Statement of Financial Position and Statement of Comprehensive Income are consistent with prior years' financial statements and generally presented in accordance with state accounting principles generally accepted in the Philippines.

Assets

The major categories used were Current and Non-current Assets. 'Restricted Cash' is presented under Non-Current Assets as in prior years.

Liabilities

Accounts are classified as Current or Non-current Liabilities. Portion of long term loans payable due for payment within the next twelve months after the balance sheet date is presented as Current Liability.

The obligation to pay is recognized only when goods were actually received or based on physical accomplishment for contracts covering delivery of services and infrastructure projects.

Recognition of Income and Expense

The Authority uses the accrual method of accounting wherein income and expenses are recognized as they are earned or incurred. For those covered by contracts, revenues are recognized when they accrue as defined/specified in the terms of the contract.

Income Tax

For income tax purposes, net income less tax credit on investment in fixed assets is declared. The tax credit is allowed under Section 25 of PD 857 dated 28 December 1975. The PPA opted for the special deduction or tax credit on investment in fixed assets or capital expenditures during the year instead of the depreciation expense as allowable deduction in the computation of the Regular Corporate Income Tax (RCIT).

Pursuant to Section 27(E) of the 1997 National Internal Revenue Code, as amended, the prescribed Minimum Corporate Income Tax (MCIT), which is equivalent to two percent (2%) of gross income, is paid if higher than the RCIT.

Foreign Exchange Transactions

Transactions in foreign currencies are recorded using the exchange rate in effect at the date of the transactions. PPA Memorandum Circular No. 16 dated 6 October 2006 prescribed that the 15-day average Bangko Sentral ng Pilipinas (BSP) guiding rates prevailing at the time of issuance of the invoice, computed by the Commercial Services Department, shall be used in determining the peso value of the dollar-denominated port charges due to PPA. Meanwhile, the remittances of cargo handling operators are converted into pesos using the BSP guiding rate prevailing at the time of payment in conformity with their contract agreements with the PPA.

recommendations. The following provisions of PAS 16 shall then be applied on the result of future asset appraisal:

- Increase in asset value shall be recognized in Profit and Loss as gain to the extent that it reverses a revaluation decrease of the same asset previously recognized in P & L as Revaluation Loss and the excess to Revaluation Surplus
- Decrease shall be debited to equity to the extent of any credit balance existing in the Revaluation Surplus until exhausted then to Revaluation Loss in the P & L

Upon retirement, disposal, demolition, or when appraised assets are permanently impaired, the assets' costs, appraisal increments and their related accumulated depreciation are dropped from the books and any resulting gain or loss is recognized between the difference of the net proceeds and net realizable value for the period.

Depreciation starts when the asset is placed in service and ends when the asset is derecognized or disposed. Depreciation is computed based on the acquisition cost or appraised value of the property, net of ten per cent (10%) residual value, using the straight-line method over the estimated useful lives of the assets in accordance with PPA Memorandum Circular No. 37-2005 issued in conformity with COA Circular No. 2004-003.

Infrastructure projects are valued following the Construction Period Theory. The costs of on-going projects and accounts payable on the projects are based on actual physical accomplishment reported by the Engineering Office. Upon completion of the project, the administrative and engineering expenses (miscellaneous overhead) are distributed proportionately to the different completed assets based on the percentage of each asset's actual cost over the total project cost.

All subsequent cost for the repairs and maintenance of different Port facilities are recognized as expense or capitalized for the period whichever is appropriate.

Buildings/structures constructed and equipment acquired by operators/contractors under approved development or investment plans as provided for in the management contracts are not included as assets of the Authority. Such properties shall only be recognized in the book of the Authority when these assets are turned over to PPA at the expiration of the contract on an 'as is' basis.

Unserviceable assets and those identified for disposal are derecognized and reclassified to 'Other Non-Current Assets'. Difference between the net book value and residual value is recorded as loss for the period. Difference between actual amount received from the disposal/sale of the asset and the carrying value (residual value) shall be recognized as gain or loss on disposal for the period.

Impairment of Assets

For assets which have not yet been subjected to appraisal and whose recoverable amount is less than the asset's carrying value, the recorded cost is reduced to their recoverable value and the difference is charged to current period as impairment loss which is equivalent to the Loss of Assets account under the 2004 COA NGAS codes.

There is no change in prior year's estimate of asset impairment as a result of the calamities (earthquake and super typhoon) that hit the Visayas areas that would warrant reversal of recognized asset impairment. Damages sustained by some of the assets under the Port Management Offices of Tagbilaran, Ormoc, Tacloban and Legaspi were recorded in 2013. The carrying value of impaired assets were adjusted to their recoverable amounts by adjusting the accumulated depreciation corresponding to the percentage of physical damage sustained by the asset as evaluated by the Engineering Office and recognizing impairment loss of equivalent amount. Considering the degree of damage sustained by the assets and the probability that reconstruction cannot be undertaken without affecting the undamaged portions, the recorded revaluation surplus for these assets were closed to Retained Earnings account.

Proceeds from insurance that may be received shall be recognized as income upon receipt.

Intangible Assets

Cost includes the development cost paid to the PPA Computerized System developer and integrator. Research cost, pre-operating costs, training and other administrative costs were not recognized as part of the intangible asset. With the continuing changes in information technology, the asset is accounted as a finite asset with a life of five years. The amortization started this year and will last until 2018.

All expenses for its continuing enhancement and improvement are recognized as expense for the period.

Borrowing Costs

The benchmark treatment provided in PAS 23 was applied in recognizing borrowing costs as expense in the period of incurrence.

Employee Benefits

Value of employee benefits based on service is recognized as expense for the year and liability account proportionately adjusted based on unused entitlement that has accumulated at balance sheet date. For post-employment benefits, PPA employees and PPA as employer pays fixed contribution to the Government Service Insurance System (GSIS).

Contingent Assets

In compliance with the provisions of PAS 37 – Provisions, Contingent Liabilities and Contingent Assets, Contingent Assets and its contra account Contingent Surplus were excluded in the preparation of the financial statements. The account, however, is maintained in the book during the year as a means to monitor the accounts.

Events After Balance Sheet Date

- Non-adjusting event after the balance sheet date requiring disclosure is the payment of dividend to the national government equivalent to 50% of PPA's net income after tax plus/minus authorized additions/deductibles as provided in the law.
- Payment of additional benefits in accordance with EO 77 for employees affected by PPA Rationalization Plan who opted to retire in the amount of P153.21 million. Amount is recognized as current liability in the balance sheet.

5. CASH ON HAND AND IN BANKS

The breakdown of this account is as follows:

	2014	2013
Cash in Bank	8,299,226,810	6,124,548,894
Cash-Collecting Officers	51,889,285	66,156,163
Cash Disbursing Officer	225,723	490,108
	8,351,341,818	6,191,195,165

6. RECEIVABLES

This account includes the following:

	2014	2013
<i>Receivables-Trade</i>		
Accounts Receivable	1,548,368,405	1,130,626,249
Notes Receivable	14,004,007	17,977,884
	1,562,372,412	1,148,604,133
Less: Allowance for Doubtful Accounts	50,209,855	46,563,223
	1,512,162,557	1,102,040,910
<i>Other Receivables</i>		
Due from Officers & Employees	202,055,432	218,672,118
Due from NGAs, GOCCs & LGUs	154,801,222	300,222,307
Due from Operating Units & Other Funds	29,165,384	29,919,016
Miscellaneous Receivables	219,266,003	139,824,222
	605,288,041	688,637,663
Less: Allowance for Doubtful Accounts	129,837,991	29,026,836
	475,450,050	659,610,827
	1,987,612,607	1,761,651,737

Accounts Receivable – Trade refers to the amounts due from port users/customers arising from trading or business transactions that are expected to be collected within the allowable credit period.

Notes Receivable represents the realizable value of promissory notes issued by port users to cover the assessments of their restructured accounts, payable within specified repayment period.

Due from Officers and Employees includes calamity loans granted to PPA officers and employees, receivables for tax deficiencies, and cash advances for travel granted to PPA officers and employees.

Due from NGAs, GOCCs, & LGUs consists of the amounts due from various departments, bureaus, corporations and local government units. Included are cash advances of ₱4.20 million issued by PMO Cagayan de Oro to the provincial government of Camiguin for land acquisition and relocation expenses of families affected by port development projects at Benoni and ₱123.11 million to the National Housing Authority made by PMO North Harbor for the relocation and resettlement of Informal Settler Families (ISFs) affected by the development of North Harbor's Project Area. The account also includes accrued interest receivables from Special Savings Deposit/Premium/High Yield from the Philippine Veterans Bank and Land Bank of the Philippines.

Due from Operating Units & Other Funds covers the net income of Special Take-Over Units (STUs) that are due for remittance to the Port Management Offices of the Authority, the revolving funds of field or terminal offices and unsettled cash advances for various port development projects.

Miscellaneous Receivables represent past due receivables and amount due from accountable officers and employees for refund of overpayments and audit disallowances which have become final and executory.

The Allowance for Doubtful Accounts provided in conformity with the rates prescribed in PPA Finance Memo Order No. 02-2009 dated 22 April 2009 as determined according to the number of days the Accounts Receivable had remained outstanding as shown below:

No. of Days Past Due	Rate	Past Due Accounts Receivable	Amount of Provision
1-30 days	5%	1,771,745	88,587
31-90 days	10%	3,621,533	362,153
91-180 days	20%	3,078,529	615,706
181-365	40%	7,522,592	3,009,037
Over 365 days	60%	75,884,108	45,530,465
Dormant	100%	603,907	603,907
			50,209,855

7. INVENTORIES

This account includes inventory balances of office supplies, accountable forms, spare parts, construction materials and other supplies and materials.

8. PREPAYMENTS

This account includes the following:

	2014	2013
Advance Payment to Contractors	367,728,532	318,940,111
Prepaid Taxes	166,251,858	143,134,348
Procurement Service	59,787,619	55,561,670
Prepaid Insurance	947,674	754,989
Other Prepayments	257,469,740	240,666,194
	852,185,423	759,057,312

Advance Payment to Contractors not exceeding 15% of the total contract price are granted pursuant to Republic Act 9184. The advances, which are repaid thru deductions from progress payments to Contractors, are secured with irrevocable letters of credit of equivalent values from commercial banks, bank guarantees or surety bonds.

Other Prepayments includes Net Output VAT for the 4th quarter of 2014 amounting to ₱213.32 million which is to be offset as tax credit upon remittance to BIR on January 25, 2015. The account also includes CY 2013 provision for CNA incentives for officials and employees amounting to ₱41.87 million. Also included are NSFID grants and other prepaid expenses.

9. OTHER CURRENT ASSETS

The breakdown of this account is as follows:

	2014	2013
Miscellaneous-Input VAT	142,729,118	112,789,818
Guaranty Deposits	4,716,077	4,148,918
Others	54,350	284,280
	147,499,545	117,223,016

Miscellaneous-Input Value Added Tax (VAT) pertains to the carried over balance of VAT paid by the Authority for acquired goods and services that may be applied as tax credit or deducted from the remittance of Output VAT.

Guaranty Deposits consist of the amounts deposited with contractors/suppliers to guarantee performance of obligation, such as deposits with Meralco, PLDT, lessors of buildings occupied by the Authority, and others.

10. PROPERTY AND EQUIPMENT

This account is composed of the following:

	(Amounts in Thousands)							TOTAL
	Land & Land Improvement	Buildings and Other Structures	Construction in Progress	Motor Vehicles	Machinery and Equipment	Office Equipment	Other Fixed Assets	
At December 31, 2013								
Cost	67,512,849	43,682,707	984,375	220,768	696,489	2,827,774	1,162,626	117,087,588
Accumulated Depreciation	(72,696)	(20,242,203)	-	(75,272)	(195,082)	(1,404,716)	(977,028)	(22,966,997)
Net Carrying Value	67,440,153	23,440,504	984,375	145,496	501,407	1,423,058	185,598	94,120,591
Opening Carrying Value	67,440,153	23,440,504	984,375	145,496	501,407	1,423,058	185,598	94,120,591
Additions/(Deductions):								
Investment	447,248	2,485,900	1,712,913	17,609	4,763	153,384		4,821,817
Disposed/Retired/Adjustment		7,553,675		736	4,274,540	(110,521)	(2,545)	11,715,885
Completed/Transferred			(1,583,124)					(1,583,124)
Depreciation for the Year Adjustment on Prior Years' Depreciation	(61,898)	(1,788,522)		(23,083)	(447,368)	(261,362)	(17,397)	(2,599,630)
	46,917	(1,271,498)		(651)	(3,293,553)	42,890	1,651	(4,474,244)
Closing Net Carrying Value	67,872,420	30,420,059	1,114,164	140,107	1,039,789	1,247,449	167,307	102,001,295
At December 31, 2014								
Cost	67,960,097	53,722,282	1,114,164	239,113	4,975,792	2,870,637	1,160,081	132,042,166
Accumulated Depreciation	(87,677)	(23,302,223)	-	(99,006)	(3,936,003)	(1,623,188)	(992,774)	(30,040,871)
Net Carrying Value	67,872,420	30,420,059	1,114,164	140,107	1,039,789	1,247,449	167,307	102,001,295

The value of land includes the additional cost based on the Final Entry of Judgment from the Supreme Court En Banc in G.R. Nos. 154211-12, 158252, 166200, 168272, 170683 and 173392 amounting to P122.24 million. Part of the settlement, representing interest and penalties due from the date of acquisition of the property by PPA up to 31 December 2011, amounting to P129.95 million was recognized as expense in that year.

The latest appraisal of fixed assets was conducted in June 2011.

The value of Construction in Progress corresponds to the percentage of completion of each project as reported by the Engineering Office as of 31 December 2014.

This account also includes various fixed assets recorded in the books of PMO South Harbor, PMO Batangas and PMO North Harbor that are currently being managed by private operators/contractors under existing management contracts.

The significant increase in this account is mainly due to various Port Equipment and Machineries turned over to the Authority thru PDO Manila by ICTSI as stipulated upon expiration of the management contract. These assets were initially recorded at transferred cost less accumulated depreciation and later adjusted based on the result of appraisal to effect the current/replacement cost.

Also, part of the increase on Fixed asset accounts are various repairs and maintenance projects implemented and completed that were capitalized and adjusted during the year to comply with COA's recommendation.

On the other hand, the balances of furniture, fixtures and equipment per books and the physical inventory report of Head Office are currently being reconciled by Controllership Department and Administrative Services Department. Once reconciliation is completed, affected Property and Equipment sub accounts will be adjusted accordingly. Included in PPA's Physical Inventory Report on Fixed Assets are various furniture, fixtures and equipment from Asian Terminals, Incorporated (ATI) being used at Head Office as part of the contract agreement between the two parties.

11. INVESTMENTS IN SECURITIES

This account represents funds earmarked for various infrastructure projects and for the retirement benefits of PPA personnel that were invested in the following:

	2014	2013
Treasury and LBP Bonds	301,597,534	302,214,706
Others	190,000	190,000
	301,787,534	302,404,706

The Treasury bonds with holding period of 2,506 and 1,727 days and interest rate of 5.00%, and 4.625% will mature on 26 April 2019 and 05 July 2017, respectively.

12. NOTES SINKING FUND

In accordance with the Sinking Fund Management Agreement covering the issuance in year 2007 of P2.0 billion Corporate Notes, the PPA shall establish and maintain a Sinking Fund with the Bureau of the Treasury (BTr), the Sinking Fund Manager. The final contribution was made on July 2014 amounting to P237.22 million.

13. OTHER NON-CURRENT ASSETS

This account consists of the following:

	2014	2013
Non-Operating Assets	180,640,840	232,881,369
Receivable from MNHPI	-	102,506,548
Restricted Cash Deposits	19,279,765	19,712,564
Deposits with the BTr	18,748,154	18,748,154
Receivable from the PNR	18,000,000	18,000,000
Others	674,696,392	740,806,072
	911,365,151	1,132,654,707
Less Allowance for Doubtful Accounts	89,242,744	191,537,205
	822,122,407	941,117,502

Non-Operating Assets account is substantially comprised of the costs of projects implemented by the Department of Public Works and Highways (DPWH) thru the issuance of cash advances to its accountable officers amounting to P109.58

million, and another P10.80 million issued in 1977 which have remained unsettled to date. The accounts are subject of a previous request to the Commission on Audit for closure/derecognition in the books. Resubmission of the request, together with the required documents, was done by the Management in August 2010. The account also includes the carrying values of serviceable assets but no longer used in port operations and the value of unserviceable assets awaiting disposal in the amount of P60.26 million.

Receivable from MNHPI represents the balance on advances made by the Authority in payment of the past service benefits of port workers at the Special Take-Over Unit (STU) United Dockhandlers Inc. (UDI) of PMO North Harbor. As stipulated in Section 3.02-b of the Contract for Development, Management, Operation and Maintenance of the Manila North Harbor signed on 19 November 2009, the amount shall be reimbursed in five years at P20.6 million per year, starting on the fourth year of the contract which became operative on 12 April 2010 as stipulated in Section 14.01 of the Clarificatory Agreement between PPA and MNHPI. The first payment was received by the Authority in April 2014 and the remaining balance of P81.91 million was reclassified to Other Miscellaneous Receivable.

Restricted Cash Deposits pertain to the funds held in escrow which are kept in fixed-term deposits at the BTr, Land Bank of the Philippines, Development Bank of the Philippines and the Philippine Veterans Bank. These funds are earmarked mainly for the settlement of claims for NLRC SCREB Case No. VI-05-50142-06 and claim for real estate tax case at the Port of Iloilo, part of which was already garnished in favor of the City Government of Iloilo.

Deposits with the BTr account pertains to the balance of the Special Account kept with the BTr in pursuant to the requirements of PD 1234. Collections remitted, as well as reimbursements of PPA advances for project expenditures financed by foreign loans, are deposited to this account through the then Central Bank of the Philippines. The account is similarly covered with request for write off in the PPA books since it is inactive for several years and is no longer found in the books of the BTr. The use of this account was discontinued with the issuance of Executive Order No. 159.

Receivable from the PNR account pertains to the balance of a P20 million loan that was granted to the Philippine National Railways (PNR) for the rehabilitation of existing railways from the Manila International Container Terminal (MICT) in Port Area, Manila to the Food Terminal, Inc. (FTI) in Taguig, Metro Manila. The outstanding balance of P18 million remained unsettled despite series of negotiations with the PNR. Thus, officials of PPA-Legal Services Department and the Office of the Government Corporate Counsel (OGCC) decided to submit the case for arbitration before the OGCC/DOJ. The account is provided with a 100% allowance for uncollectibility.

Others mainly represent the recorded costs of intangible assets from the completion of MIS Computerization project amounting to P564.50 million net of accumulated amortization.

14. ACCOUNTS PAYABLE

This account is composed of the following:

	2014	2013
Trade/Business Payables	1,610,777,610	1,227,858,994
Due to Officers and Employees	182,548,547	180,878,738
Accrued Interest Payable	22,496,359	27,655,647
Intra-Agency Payables	901	901
	1,815,823,417	1,436,394,280

Trade/Business Payables consists of obligations incurred in the procurement of goods and services from private suppliers and entities arising from the conduct of business operations. It also includes liabilities arising from the decision of the Supreme Court on PPA vs. Acosta, et al Civil Case No. 5447, expropriation case of property for Batangas Port Development Project Phase II, corresponding to the additional cost of lots and interest due from 2001 to 2011 were recorded in this account.

Due to Officers and Employees consists of liabilities set-up for the payment of services rendered by employees i.e., salaries, overtime, bonuses and incentives, allowances, reimbursement of official expenses, and other claims due to PPA personnel.

Accrued Interest Payable pertains to the amount of interests due for payment on foreign loans acquired from various creditors.

Intra-Agency Payables pertains to Special Take-Over Units transactions.

15. PAYABLES TO OTHER GOVERNMENT AGENCIES

This account is comprised of inter-agency payables involving the mandatory deductions withheld from salaries of personnel that are due for remittance in payment of taxes, employees' insurance premium contributions, and loan amortizations. Also included are liabilities for advances made by other government agencies for specific purposes.

	2014	2013
Due to BIR	1,016,531,486	744,276,601
Due to Other GOCCs	3,700,724	3,700,723
Due to Gov't Service Insurance System	1,757,407	1,985,283
Due to LGUs	51,696	544,108
Due to Pag-IBIG	786,375	487,069
Due to Other NGAs	6,945	258,522
Due to Philhealth	88,437	142,912
	1,022,923,070	751,395,218

The Due to BIR account includes CY 2014 provision for additional income tax amounting to P925.93 million (Refer to Note 45) and the remaining P90.60 million pertains to withholding tax on compensation, EWT, CVAT, and other taxes.

16. CURRENT PORTION OF FOREIGN LOANS PAYABLE

The amount represents maturing obligations on long-term debts or the principal amortization on foreign loans due for repayment on the following year.

17. OTHER CURRENT LIABILITIES

This account consists of the following:

	2014	2013
Trust Liabilities	112,130,755	98,839,546
Depository Liabilities	184,171,693	158,375,633
Current Portion-Retirement Payable	421,755,798	105,718,136
Performance/Bidders Bonds Payable	9,972,193	8,901,952
Tax Refund Payable	1,041,870	999,275
Other Payables	84,247,520	101,818,086
	813,319,829	474,652,628

Trust Liabilities consists substantially of retention fees withheld from suppliers and contractors to guaranty the performance and delivery of contracted goods and services, refundable taxes to PPA personnel and deductions on salaries of personnel for employee associations and Employees' Cooperative.

Depository Liabilities consists of deposits other than those required to guaranty the performance of contracts.

Other Payables includes liabilities for the relocation of informal settlers.

18. LOANS PAYABLE - FOREIGN

Below is the breakdown of the account:

Loan Account	Interest Rate %	No. of Years & Maturity Date	Loan Amount	Outstanding Balance		
				In Foreign Currency	In Philippine Peso	
					2014	2013
JBIC-PH-P84	3.00	20.5 Jan. 2018	61,381,669	10,479,000	3,883,518	5,711,631
JBIC-PH-P91	3.00	20.5 Jan. 2018	169,158,544	28,868,000	10,698,482	15,734,646
JBIC-PH-P122	2.70	20.5 June 2021	5,497,049,624	1,742,949,000	645,936,899	852,566,781
JBIC-PH-P172	2.30	20.5 Mar. 2027	502,889,141	306,600,000	113,625,960	140,375,633
JBIC-PH-P187	2.20	20.0 Sept. 2028	13,529,000,000	9,068,724,000	3,360,869,114	4,119,127,444
JBIC-PH-P187A	2.20	31.0 Sept. 2038	1,026,000,000	803,184,000	297,659,990	354,682,398
					4,432,673,963*	5,488,198,533*
Current Portion					(365,095,849)	(417,635,397)
					4,067,578,114	5,070,563,136

*Equivalent to US\$99,349,440 @ P44.617 per US\$1.00.

19. LOANS PAYABLE - DOMESTIC

This account pertains to the P1.0 billion two-tranche loan facility acquired from the Philippine Veterans Bank to finance the construction of port facilities. The first tranche amounting to P500 million was released on 27 May 2009 and the second tranche was released on 17 June 2011. It has a fixed interest rate for the first three years, based on the three-year PDST-F rate at the date of drawdown for each tranche, plus a spread of ½% (0.50%). Thereafter, interest will be re-priced annually based on the one year PDST-F rate plus a spread of ½%. The Philippine Dealing and Exchange Corporation defines PDST-F as the calculated average of the best 60% of firm BID rates posted by designated market-making banks for the original 12 benchmark tenors at 11:16am daily. Interest is payable quarterly and computed on a 360-day calendar period. The loan has a term of seven years from the date of release inclusive of three years grace period. The principal is payable in eight equal amortizations starting on the seventh semi-annual payment date.

On November 27, 2014, the Authority exercised its prepayment option under the Omnibus Loan Agreement with PVB to fully settle the remaining loan balance including its interest amounting to P503.17 million.

20. CORPORATE NOTES

The PPA entered into an Issue Management and Underwriting Agreement with the Development Bank of the Philippines in 2007 for the issuance of a P2.0 billion seven-year Corporate Notes with fixed interest rate of 7.783%, payable every quarter. The first tranche of the Corporate Notes guaranteed by the Republic of the Philippines amounting to P1.0 billion was released on 18 July 2007. The second and third tranches amounting to P500 million each were released on 14 March 2008 and 13 May 2008, respectively. The taxes and other charges incurred in the issuance of the notes were recognized as expense in the period of release. A sinking fund (Note 12) was established to redeem the Notes upon maturity in 2015.

21. RETIREMENT PAYABLE

This account represents the amount earmarked to cover the present money value of the retirement gratuity of PPA personnel qualified to retire under Republic Act (RA) 1616, wherein the Agency is mandated to pay lump sum amount to the retirees, including the present money value of accumulated leave credits of personnel based on their basic salaries as of reporting date, as follows:

	2014	2013
Balance as of January 1	490,593,711	526,150,255
Less Payment of Retirement Gratuity and Terminal Leave Benefit During the Year	(68,394,799)	(73,041,455)
Add Provisions for the Year		
Accumulated Leave Credits	12,354,661	52,834,375
Retirement Gratuity	230,379,970	(15,349,464)
Total Retirement Payable December 31	664,933,543	490,593,711
Less Current Portion	(421,755,798)	(105,718,136)
Retirement Payable – Non-Current Portion	243,177,745	384,875,575

22. DEFERRED CREDITS

This account includes the amount of income received before it is earned or realized such as Output Vat on income earned that is due for remittance to the Bureau of Internal Revenue, amounts received in advance on leased property, and deferred tax liability representing final tax from interest income earned or realized by the Authority from its investment/placements.

	2014	2013
Output VAT	520,614,922	415,193,818
Deferred Credits to Income	10,137,854	11,699,205
Other Deferred Credits	137,630,725	145,633,997
	668,383,501	572,527,020

23. CAPITAL CONTRIBUTION

EO No. 513, amending PD 857, increased the authorized capital of the Authority from ₱3.0 billion to ₱5.0 billion.

Government Contribution to the Authority as initial paid up capital consisted of:

- The value of assets (including port facilities, quays, wharves, and equipment) and such other property, movable and immovable contributed or transferred by the Government and its agencies valued at the date of the contribution or transfer after deducting the loans and other liabilities of the Authority.
- The initial cash appropriation of ₱2.0 million out of the funds of the National Treasury and further sums, including working capital contributed by the National Government.

24. DONATED SURPLUS

Donated Surplus represents the amount of cash or property received as donations from entities other than the National Government.

25. APPRAISAL SURPLUS

Appraisal increase, which is the difference between historical cost and the appraised value of fixed assets, is added to the carrying value of property and equipment. Appraisal Surplus corresponds to the cumulative amounts of appraisal increases determined by hired independent appraisers in the conduct of appraisal of PPA Fixed Assets, once every five years. The last appraisal was conducted in June 2011.

26. RETAINED EARNINGS

This account represents the recorded cumulative net profit of the PPA from the start of its operation, net of the dividends paid to the BTr. Pursuant to Section 5 of RA 7656 dated 9 November 1993, the Authority declares and remits fifty percent (50%) of its annual earnings as dividends to the National Government. The Authority's dividend due to the national government for CY 2014, computed based on unaudited figures, is ₱1.79 billion.

27. WHARFAGE DUES

This refers to the charges levied on loaded/unloaded cargoes whether imports, exports, inbound, outbound, or transshipments. The computation is based on metric ton for non-containerized cargoes and per box for containerized cargoes.

28. SHARE IN ARRASTRE/STEVEDORING INCOME

This account represents the government share on the receipts or earnings of cargo handlers from arrastre and stevedoring service. Arrastre refers to the set of shore-based cargo handling activities that include, but not limited to, the receiving or loading of cargoes to/from ship's tackle with the use of dock gang and cargo handling equipment. On the other hand, stevedoring service covers the discharging and loading of containers, loaded or empty, from the vessel to the dock/apron and vice-versa, as well as opening and closing of hatch covers, lids and supporting beams.

The account includes income from ICTSI for MICT operations, ATI for South Harbor and Batangas operations, and MNHPI for North Harbor.

29. DOCKAGE FEES

Dockage or berthing fee is the amount assessed against a vessel engaged in international (foreign) trade for berthing. It is levied on cargo vessels based on the number of days of stay for the purpose of discharging and/or loading cargo; and on non-cargo vessels for the purpose of loading and/or taking passengers or for taking fresh water supply or receiving bunker fuel.

30. PORT DUES

Vessels engaged in foreign trade, including those engaged in barter trade, that enter any port, whether private or government-owned, for loading and discharging cargoes, embarking/disembarking passengers, bunkering or taking provisions or repairs and changing members of the crew, are charged with port dues based on the vessel gross revenue tonnage (GRT). It is a one-time charge assessed against vessels anytime that they call at the port.

31. STORAGE CHARGES

Storage fees are charges on cargoes that remain in the cargo sheds, warehouses or in the open storage area of any government-owned port beyond the "free storage period" allowed. Increase or decrease in storage revenue can be attributed to the growth or decline in the number of shippers/port users availing of storage services.

The significant increase for the year is mainly due to higher storage charges for foreign containerized cargoes implemented effective 02 January 2014 pursuant to PPA Board Resolution No. 2326 dated July 26, 2013 and Memorandum from the Office of the President dated November 26, 2013.

32. PORT USAGE FEES

Vessels engaged in coastal domestic trade that berth or temporarily lay up or drop anchor at any government port are charged for a port usage fee based on GRT.

33. TERMINAL FEES

The account consists of the amount charged on vehicles for the use of the port facilities and services which is collected by the PPA on a per sea-leg journey at the port of loading or embarkation.

34. VESSEL TRAFFIC MANAGEMENT SERVICE FEES

PPA Administrative Order No. 03-2006 dated 16 June 2006 authorized the collection of the Vessel Traffic Management Service (VTMS) Fee. It includes fees collected/assessed in all international and domestic vessels entering, departing, navigating, operating, and anchoring/mooring within the VTMS covered areas.

35. PILOTAGE

This represents the government share on the service rendered or required to be performed by the harbor pilots to maneuver vessels to/from the ports as required or as deemed necessary in each pilotage district.

36. LAY-UP FEES

This pertains to the amount assessed against vessels engaged in coastal (domestic) trade that are authorized to temporarily lay-up and anchor at any port.

37. OTHER INCOME

Breakdown of this account is shown below:

	2014	2013
<i>Permits and Licenses</i>		
Permit Fees	15,063,863	14,538,609
Other Permits and Licenses	8,481,106	9,289,803
Fines and Penalties – Permits & Licenses	2,261,248	2,451,399
	25,806,217	26,279,811
<i>Service Income</i>		
Fines and Penalties – Service Income	12,707,272	6,239,303
Seminar and Passenger Terminal Fees	1,015,281	1,036,221
Other Service Income	2,777,317	3,951,575
	16,499,870	11,227,099
<i>Business Income</i>		
Rent Income- Buildings, Warehouses & Guesthouses	308,763,549	282,620,587
Other Business Income	108,503,676	89,855,170
Reefer Services	37,970,538	31,728,929
Sale of Power	18,763,478	19,861,350
Printing and Publication Income	15,463,609	13,225,811
Net Income from STU	19,850,860	12,760,002
Sale of Water	10,980,346	9,779,909
Parking Fees	3,377,390	3,788,915
Income from Dormitory Operations	947,106	766,846
Crane/Cargo Handling Equipment	435,894	656,708
Truck Scale	345,724	468,406
Others	27,749,632	32,357,216
	553,151,802	497,869,849
	595,457,889	535,376,759

38. PERSONAL SERVICES

The breakdown of expenses incurred for PPA employees follows:

	2014	2013
Salaries and Wages	597,153,554	633,893,994
<i>Other Compensation</i>		
Other Bonuses and Allowances	100,769,984	96,834,613
Overtime and Night Pay	68,170,761	70,943,046
Year-End Bonus	51,056,007	53,467,172
Personal Economic Assistance Allowance	44,130,207	46,478,320
Collective Negotiation Agreement		
Incentive-Civilian	46,289,483	48,796,549
Representation Allowance	17,269,169	18,282,251
Transportation Allowance	12,333,153	13,085,303
Clothing/Uniform Allowance	9,300,000	9,934,000
Honoraria	7,856,068	6,296,701
Hazard Pay	207,878	199,954
Longevity Pay	166,390	166,390
	357,549,100	364,484,299
<i>Personnel Benefits Contribution</i>		
Life/Retirement Insurance Premium Contributions	71,813,366	76,118,451
PHILHEALTH Premiums	6,642,599	7,025,436
Pag-IBIG Premiums	2,204,590	2,332,500
ECC Contributions	2,275,706	2,559,767
	82,936,261	88,036,154
<i>Other Personnel Benefits</i>		
Retirement Benefits	234,129,970	3,850,000
Rice Allowance	55,892,737	46,564,828
Monetized Leave	12,354,662	38,034,309
Medical Allowance	4,355,295	4,599,889
Meal Subsidy	1,505,155	1,584,336
Children's Allowance	710,383	743,464
Other Benefits	1,930,000	2,210,000
	310,878,202	97,586,826
	1,348,517,117	1,184,001,273

Per COA-NGAS 2004 Cultural and Athletic Expenses is presented as part of Personal Service, while the DBM approved COB of PPA, it forms part of MOOE. To provide uniformity and consistency in presentation, the DBM approved COB is adopted, likewise, CY 2013 is adjusted for comparability purposes.

39. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of:

	2014	2013
<i>Maintenance & Other Operating Expenses</i>		
Repairs and Maintenance	1,266,519,505	1,256,232,905
Security Services	318,917,519	274,639,685
Other Professional Services	256,042,781	249,089,213
Utility Expenses	174,443,370	167,411,237
Consultancy Services	109,060,556	79,281,856
Dredging Expense	103,063,167	268,470,074
Supplies and Materials Expense	91,598,203	59,609,488
Taxes, Insurance and Other Fees	85,620,209	143,709,970
Traveling Expense	47,825,283	34,930,342
Janitorial Services	46,985,155	45,576,102
Auditing Services	42,520,941	42,243,572
Communications Expense	31,532,993	30,284,207
Training and Scholarship Expense	24,391,228	20,865,291
Final Tax	23,264,051	25,382,225
Subsidies and Donations	19,637,252	28,610
Representation Expense	18,888,801	20,593,031
Awards and Indemnities	11,991,586	1,042,615
Cultural and Athletic Expenses	10,628,952	10,660,377
Intelligence Expense	6,000,000	6,000,000
Demolition and Relocation Expense	5,237,036	95,349,516
Rent Expense	5,229,295	7,454,093
Printing and Binding Expense	4,387,582	20,934,031
Advertising Expense	2,700,370	2,704,868
Membership Dues & Cont. to Organizations	757,516	1,329,700
Subscription Expense	614,702	601,849
General Services	492,135	324,878
Senior Citizen/FWD/Student Discount	24,873	-
Miscellaneous Expenses	2,309,039	1,457,592
	2,710,684,100	2,866,207,327
<i>Non-Cash Expenses</i>		
Depreciation Expense	2,599,629,014	1,838,028,593
Amortization – Intangible Assets	141,126,352	-
Bad Debts Expense	7,308,686	12,301,115
Loss on Assets	31,911,242	369,969,902
	2,779,975,294	2,220,299,610
	5,490,659,394	5,086,506,937

Repairs and Maintenance consists of expenses in bringing to normal condition the following assets:

	2014	2013
Land Improvements	1,185,439,832	1,175,137,524
Furniture, Fixtures & Equipment	48,125,189	49,155,769
Buildings and Structures	19,675,204	17,849,132
Motor Vehicles/Other Transport Equipment	13,279,280	14,090,480
	1,266,519,505	1,256,232,905

Dredging Expense represents cost incurred in dredging the harbors to the required depth through removal of silts. It also includes expenses in the maintenance of basins and navigational channels, cost of minor repairs of dredging equipment, spare parts, salaries and wages of casual and contractual employees, incidental traveling expenses and other related costs.

On 06 November 2001, original contract for a ten (10) year Rehabilitation, Operation and Maintenance of the PPA Dredging Fleet under the Rehabilitate and Maintenance Scheme was entered into by and between PPA and F. F. Cruz & Co. Inc. (FFCCI). The Contract stipulated that FFCCI shall rehabilitate, operate and maintain the six (6) dredge vessels (PHILPORTS D-I to D-VI) and the two (2) supply boats (PHILPORTSA-I and A-II) and shall undertake the maintenance dredging of the country's ports included in the PPA Port System. Within the contract period, the Authority will pay FFCCI the cost of the actual volume dredged per year based on the contract rate per cubic meter and guaranteed annual minimum dredging volume of two (2) million cubic meters.

A supplemental contract was executed by PPA and FFCCI on 28 October 2008 mainly for the upward adjustment, effective 01 February 2008, of the dredging contract rates per cubic meter based on the locality to be dredged and the type of dredging work to be applied by the Contractor. A second supplemental contract was signed by both parties on 04 September 2009 extending the term of the dredging contract period for another ten (10) years whereby FFCCI waived any unexpired term under the original contract. Pursuant to Clause 3 of the supplemental contract, FFCCI, as the Assignor, has executed on 09 October 2010, a Deed of Assignment, transferring its rights and interest in the PPA Dredging Contract, to FF Marine Corporation, Assignee and wholly-owned corporation of the Assignor.

Utility Expenses covers the costs of water, electricity, and gas for illumination consumed at office buildings, grounds and other port structures.

Awards and Indemnities pertains to amounts awarded by courts or administrative bodies to persons affected by the destruction of property/death/injury, as well as the monetary service/loyalty awards given to officials and employees for attaining several years of service to the PPA.

Taxes, Insurance and Other Fees represents the amounts incurred for taxes, duties, licenses, vehicle registration fees, fidelity bond premiums of accountable officers, and insurance premiums for motor vehicle and other property.

Intelligence Expense pertains to expenses incurred for highly sensitive activities. Liquidation documents are submitted to the Commission on Audit Central Office for audit.

Final Tax pertains to the tax deducted on the interest income earned on investments in securities.

40. FUND MANAGEMENT INCOME

This account covers interest earned from various deposits and investments in T-bills, bonds and other marketable securities.

41. OTHER GENERAL INCOME

This account consists of:

	2014	2013
Interest Income	4,974,171	6,979,829
Miscellaneous Income	21,827,984	24,143,303
	26,802,155	31,123,132

42. FOREIGN EXCHANGE GAIN(LOSS) ON REVALUATION

In accordance with Philippine Accounting Standards (PAS) 21, balances of foreign currency-denominated accounts (i.e., foreign loans and dollar deposits) are revalued at year-end to reflect their actual values at reporting date. The difference is recognized in profit or loss. The net effect of gains and losses as a result of foreign exchange fluctuations during the year compared to last year follows:

	2014	2013
Gain(Loss) on Revaluation of Outstanding Balances of Foreign Loans	637,889,173	709,028,689
Gain(Loss) on Revaluation of Balance of Foreign Currency Deposit Accounts	119,981	1,931,373
Foreign Exchange Gain(Loss) on Revaluation	638,009,154	710,960,062

The following are the peso equivalent per Bangko Sentral ng Pilipinas guiding rates of exchange that were used in determining the outstanding balances of foreign loans and dollar deposits as of reporting date:

Currency	2014	2013
United States Dollar (\$)	44.6170	44.4140
Japanese Yen (Y)	0.3706	0.4239

43. FINANCIAL EXPENSES

This account is composed of financial charges as follows:

	2014	2013
Interest Expense – Loans/Borrowings	215,175,653	320,730,808
Other Financial Charges	67,942,114	58,246,400
Loss(Gain) on Foreign Exchange	(6,110,195)	(45,165,966)
Bank Charges	153,102	158,533
Documentary Stamp Expenses	7,500	-
	277,168,174	333,969,775

Other Financial Charges includes payments to the BTr for guarantee fees on the PPA Corporate Notes and foreign loans guaranteed by the Republic of the Philippines and management fees and other expenses as Fund Manager of the Corporate Notes Sinking Fund.

Loss(Gain) on Foreign Exchange represents the amount recognized as actual gain/loss from foreign currency transactions. This consists of (a) the difference between the actual amount billed and settled at the time of debt servicing of the

foreign loan and its recorded book value and (b) the difference between the peso equivalent of the amount of withdrawal from dollar bank deposits at actual rates prevailing at the time of withdrawal as against its carrying value using the adopted booking rate.

44. GAIN(LOSS) ON SALE OF DISPOSED ASSETS

This pertains to the difference between the net book value of asset and the proceeds or amount actually received from the disposal of assets.

45. INCOME TAX EXPENSE

The Statement of Comprehensive Income for CY 2014 reflects a Net Profit amounting to P4,244.79 million. For this year, PPA is subject to the payment of Income Tax based on 30% Regular Tax Rate as this is higher than the Minimum Corporate Income Tax (MCIT) which is computed at 2% of Gross Income after deducting investments in fixed assets or capital expenditures during the year. As of the third quarter of 2014, PPA already remitted to BIR P919.87 million for income tax. The provision for income tax for the year is reported at P1,845.80 million which will be settled using the application of prepaid income tax made during the last three years.

A restatement of Income Tax Expense was made in the 2013 Statement of Comprehensive Income presented in this report. The reported figure in CY 2013 was P1,472,072,014 while the adjusted amount based on the amended return is P1,426,288,574 resulting to an overpayment of P45,783,440 which was recorded as prepaid income tax in 2014.

46. CONTINGENT ACCOUNTS

In compliance with the provisions of PAS 37 - Provisions, Contingent Liabilities and Contingent Assets, Contingent Assets and its contra account Contingent Surplus were excluded among the accounts presented in the Statement of Financial Position. Depending on the outcome of events, income or surplus that may be realized on contingent assets amounts to P1,244.28 million and P1,149.30 million in 2014 and 2013, respectively. The account consists mainly of contested accounts receivable with expected income from increased rates on lease of land and other PPA port facilities. It is the policy of the Authority and as embodied in the lease agreements that rental rates are automatically adjusted based on the appraised value of the property. This adjusted rate on lease serves as the basis of computation of charge in the invoice issued to the lessee.

47. Supplementary Information required by BIR UNDER RR No. 15-2010

On 25 November 2010, the BIR issued Revenue Regulations (RR) No. 15-2010 prescribing additional procedural and/or documentary requirements in connection with the preparation and submission of Financial Statements accompanying the Tax Returns. Under the said RR, it is required that, in addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may be adopted, the Notes shall include information on taxes, duties and license fees paid or accrued during the taxable year.

In compliance with the requirements set forth by RR 15-2010, the information on taxes, duties and licenses fees paid or accrued during the taxable year are as follows:

1. VAT Output Tax

PPA is a VAT registered company with VAT Output Tax declaration of P1,609,878,471 for the year based on the amount reflected in the Sales Account of P10,299,871,179.

The Authority has zero-rated sales of P1,520,353,475 pursuant to the provision of R.A. 7716 as amended by R.A. 8241, R.A. 8424 and R.A. 9337 and RR 16-2005.

2. VAT Input Tax

The amount of VAT Input Tax claimed is broken down as follows:

Beginning of Year	22,356,268
Excess Input VAT carried over	6,716,637
<i>Current Year's Domestic Purchases/Payments</i>	
Goods Other Than for Resale or Manufacture	16,374,592
Capital Goods Subject to Amortization	5,683,570
Capital Goods Not Subject to Amortization	145,792
Services Lodged Under Other Assets	429,141,603
Total	480,418,462
Less Claims for Tax Credit and Other Adjustments	470,431,567
Balance at End of Year	9,986,895

3. Other Taxes and Licenses

Local

Community Tax	10,500
Business Tax/Mayor's Permit/Other	35,144,700
Other Taxes and Licenses	43,261

National

LTO (Vehicle Registration)	682,682
PNP(Firearms License Fee)	507,921
NTC (Radios Licenses)	166,075
BIR Registration Fee	86,500
Environmental Management Bureau	14,253
Government Security and Insurance Systems	10,807
Bureau of Fire Protection	4,481
Civil Service Commission	3,008
Philhealth	75
	<u>36,674,263</u>

4. Withholding Taxes

Final Withholding Taxes	184,313,143
Tax on Compensation and Benefits	145,041,498
Expanded Withholding Taxes	74,141,507
	<u>403,496,148</u>

5. Final Assessment Notice

PPA has no final assessment notice from any BIR Regional Office.

48. PENDING LAWSUITS

The Authority is involved as a party litigant in several lawsuits still pending for resolution that could materially affect its financial position. Among these lawsuits are the following:

No.	Case Title	Case No. / Court	Description	Status
1	Aboitiz Transport System Corp. (ATSC) vs. PPA	RTC-Manila, Branch 24, Civil Case No. 08-119020 CA-G.R. CV 95141 SC G.R. 158401 CA Manila CA -G.R. CV NO 96120	Maritime Damages and Injunction allegedly for the losses suffered by ATSC when it transferred its operation to South Harbor	Case dismissed by RTC Manila in favor of PPA. Appeal on the decision of RTC filed by ATSC was denied and RTC decision affirmed. Considering that CV No. 95141 had been decided, consolidation is no longer possible and the Motion for Reconsideration of the 13 October 2011 had been rendered moot and academic. No reply brief having been filed, the filing thereof is deemed waived and the appeal is submitted for decision as per Resolution dated March 11, 2013. Awaiting for decision PPA submitted its Compliance on the Notice of Resolution dated May 27, 2014. Aboitiz filed a motion for extension to file under Rule 65 or Petition for Review before the Supreme Court last July 8, 2014. Awaiting for Court directive.
2	In RE: Petition for Consignation Amalgamated Motors (Phils.) Inc.	Civil Case No. 187468-CV Metropolitan Trial Court National Capital Judicial Region Branch 2, Manila Civil Case No. 14-131974	For Petition for Consignation	The case was withdrawn by the petitioner. PPA filed its Memorandum for Respondent-Appellee last October 15, 2014. Awaiting for Court Order.
3	Amelia Aquino et al vs. PPA	RTC-Manila, Br. 7, Civil Case No. 00-98161 CA-G.R. SP 91743 Court of Appeals SC G.R.181973/146665	Mandamus and Prohibition instituted by PPA employees praying that the supervisors appointed after the SC decision in PPA v. COA be given 40% of their basic salary as reimbursable RATA	RTC ordered PPA to pay RATA equivalent to 40% of the standardized basic salary and to cease and desist from requiring refund. Parties already filed their respective Memorandum. Entry of Judgment issued on June 3, 2013. The instant Petition for Review on Certiorari is DENIED. The Decision dated 29 August 2007 and Resolution dated 29 February 2008 of the Court of Appeals in CA-G.R. SP 91743 are AFFIRMED. No pronouncement as to costs.

No.	Case Title	Case No. / Court	Description	Status
4	Antonio Altas et al vs. Iloilo River Wharf Port Services et al (IRWPRS)	NLRC SRAB Case No. VI-05-50142-06 CA G.R CEB SP No. 03559	Claim for Underpayment of Wages and Profit Sharing	PPA-IRWPRS ordered to pay complainants their share in the net profit in the amount of P4,869,793 and to pay salary differentials in the amount of P10,614,136.96. CA Resolution dated Nov. 25, 2010 reversing the NLRC Decision and declaring Altas et. al not to be entitled to profit sharing and differentials. The Resolution has become Final and Executory on January 2, 2013 as per resolution issued by CA dated September 24, 2013.
5	Arnel Dilay Diaz vs. PPA	Civil Case No. 8289 RTC Br. 2, Batangas	Judicial Determination of Just Compensation with Alternative Prayer	RTC ruled in favor Mr. Diaz and ordered PPA to pay just compensation. Diaz filed for a Compromise agreement with PPA. Awaiting for the approval of the Compromise Agreement.
6	AT IBA PA, Rank and File sa Sulpicio Lines, Inc. et al vs, PPA	NLRC No. 1014201-08 CA SP G.R. 116908	Claim for Underpayment of wages, Non-Payment of E-COLA, Night Shift Differential et. al	Labor Arbiter granted the petition but NLRC reversed the decision. Petitioner filed a Motion for Reconsideration but was denied for lack of merit per CA Resolution dated July 19, 2013. Pending with CA. CA issued a Decision dated January 25, 2013 affirming the Resolution of NLRC dated January 23, 2010 has become final and executory on August 14, 2013 and is recorded in the Book of Entries of Judgments.
7	Banago Port Stevedoring vs. PPA	Civil Case No. 12721 RTC-Negros Occ., Branch 51 CA-G.R. CV 02471 Court of Appeals, Cebu City	Sum Of Money, Alleged Refund Of Excess Payment Of Government Share During Moratorium Under PPA AO No. 06-95 in the amount P2,889,577.65.	RTC ordered PPA to pay amount P2,889,577.65 less P40,000 plus interest. The case was scheduled for Mediation last December 12, 2014. During the Mediation proceedings, parties failed to reach settlement of the case. Thus, the mediation process was terminated and the case was referred back to the Court of Appeals for Resolution.
8	Barangay 650, Zone 68 et al. vs. PPA et al	Civil Case No. 00-98093, RTC Manila, Branch 42	Prohibition with Application for Preliminary Injunction and With Prayer for the Issuance of a TRO, Damages and Relocation	Case was archived. The proposed Compromise Agreement is for PPA Management's consideration.
9	Barangay 651, Zone 68 et al vs. PPA et al.	C.C. No. 00-97859 RTC-Manila, Br. 8	Prohibition with Application for Preliminary Injunction and With Prayer for the Issuance of TRO, Damages and Relocation.	Presentation of witnesses for plaintiff. Trial is set on March 10, 2015.
10	Benny Espinosa vs. PPA et al	RTC Br. 29, Iloilo CC 02-27373 CA-G.R. CV- No. 03213	Petition for Injunction with Application for Preliminary Injunction and TRO and Damages.	RTC denied the prayer for damages and the case dismissed for being moot and academic. An appeal was filed but CA dismissed the Appeal for lack of merit. A motion for reconsideration was filed seeking reversal of the dismissal. However, CA issued a Resolution directing the defendants-appellees to file Comment on Plaintiff-appellant's Motion for Reconsideration within 10 days from receipt of Resolution dated 05 Nov. 2013.
11	Danilo S. Malacad et al. vs. Pantalan, Mr. Antonio C. Ignacio, Jr & PPA and Goldcrest Investment International Consultancy Services (GIICS), Intervenor	Civil Case No. 10123320 RTC-Manila, Branch 21	Declaration of Absolute Nullity/ Nullification of "Joint Authority" Separate Enforcement of Final Judgment, with TRO; Prayer for release of a portion of COLA and AA receivables.	Hearing for TRO is still ongoing.
12	Government Service Insurance System vs. PPA	Arbitration Case No. 2012-01	Ownership of the Manila International Container Terminal Area.	PPA and GSIS submitted their respective Terms of Reference as approved by their Boards. The Arbitration Panel directed the parties to submit their respective Memorandum on or before August 4, 2014. PPA filed its Memorandum on August 5, 2014. Awaiting Resolution.

No.	Case Title	Case No. / Court	Description	Status
13	Lepanto Consolidated Mining Co. vs. PPA	Civil Case No. 3920, MTTC Br. 2, San Fernando, La Union	Unlawful Detainer, With Prayer For PPA to Vacate the Premises and for Reasonable Compensation For The Actual Occupancy Of The Property Payment of Rental Fees amounting to P7,325,121.90 as referred to with the proposed rental rates provided by Lepanto Consolidated Mining Co., dated March 28, 2012.	PPA filed its position paper on November 10, 2014. PPA received an adverse Decision dated January 5, 2015 last January 21, 2015. Case is subject of an Appeal.
14	Manila International Ports Terminal Inc. (MIPTI) vs. PPA	RTC-Manila, Branch 15, Civil Case No. 86-37673 C.A No. 80775 SC GR.NO. 196252 196199	Damages arising from the takeover by PPA of the MICT just after the EDSA revolution.	RTC declared EO 30 unconstitutional and ordered PPA to return and restore all equipment and properties taken during take over or to pay P180M; P1.5M/mo for actual damages for loss of income; P1.5 /mo as rental for use of equipment; P200k exemplary damages; P500k attorney's fees. CA modified RTC decision as follows: PPA ordered to pay MIPTI P19M at interest rate of 6%; P250,000/mo. for unrealized profits Awaiting Court Resolution.
15	United Harbor Pilot's Association of the Philippines (UHPAP) vs. PPA et al.	RTC-Manila, Branch 55, Civil Case No. 02-104716; Re-raffled to Branch 22, Civil Case No. 88-4726 CA-G.R. 93775 G.R. No. 212561	Declaratory Relief, Injunction with Preliminary Injunction or Temporary Restraining Order and Damages; To order PPA to reimburse collected amount equivalent to 10% government share.	RTC denied prayer for injunction and declared illegal and unconstitutional the provisions of PPA AO 03-85 and all subsequent issuances imposing 10% government share PPA filed an appeal with CA and in a Decision dated July 26, 2013, the latter quashed the writ of injunction issued by RTC and set aside the RTC decision and declared PPA AO 03-85 as valid and constitutional. The Court rendered its Decision last July 26, 2013 granting PPA's appeal. UHPAP filed a Petition for Review on June 6, 2014. PPA filed its Comment last November 11, 2014. Waiting for Court's Resolution.
16	PPA vs. Pambansang Tinig at Lakas ng Pantalan	Special Civil Action No. 08118633 C.A G.R. SP NO. 107730 SC G.R. No. 192836	Mandamus with Prayer for Issuance of a Writ of Preliminary Mandatory Injunction; To direct PPA to actually integrate COLA and AA	RTC granted the prayer and ordered PPA to actually integrate COLA and AA to the employees' basic salaries and to pay differentials and attorneys fees. CA Decision dated Jan. 29, 2010 affirming RTC Decision. PPA filed Petition for Review with SC. Awaiting Resolution.
17	PPA vs. Mindanao Terminal and Brokerage Services (MINTERBRO)	Civil Case No. 87-42747, RTC Br. 14, Manila CA GR CV No. 35884 SC G.R. No. 170269 G.R. No. 163286	Collection of Sum of Money in the amount of P13,738,590.40 Petition for Review on Certiorari with prayer for TRO and Preliminary Injunction	RTC granted the prayer ordering MINTERBRO to pay P36,585,901.18 and cost of suit. CA issued Decision dated Nov. 21, 2002 affirming in toto the RTC decision. Decision became final and executory on Dec. 20, 2002. On April 21, 2004, CA issued a resolution affirming the entry of judgment. However, the judgment was not implemented in view of the pendency of the resolution on Minterbro's motion for reconsideration of the declaration of finality of judgment. PPA received the petition on May 20, 2004. In a Decision dated Aug. 22, 2012, SC declared as final and executory the CA Decision dated Nov. 21, 2002 which affirmed the decision of RTC Manila dated August 28, 1990 in favor of PPA ordering Minterbro to pay the amount of P36,585,901.18 and the cost of suit. Awaiting the records of the Case to be remanded back to RTC for Execution.

No.	Case Title	Case No. / Court	Description	Status
18	PPA vs. Heirs of Paulina Acosta, (Represented by Aniceto Tolentino, et al.); Heirs of Marciano Gabia Manalo and Lucia Gabia (represented by Romeo Manalo, et al.	Civil Case No. 5447 RTC Batangas City Branch 84	Expropriation	This covers the Batangas Port Development Project, Phase II. On June 22, 2009, the Supreme Court issued a Resolution declaring the just compensation at P425 per square meter and with a directive to pay 12% interest per annum from the date of PPA's entry to lots on Sept. 11, 2001 until fully paid less initial payments made to lot owners and deductible taxes. Payments to the landowners are currently being undertaken subject to the presentation of appropriate documents. Remaining balance for Just Compensation as of December 31, 2014 is P 36,442,974.65.
19	Pier 8 Arrastre and Stevedoring Services, Inc. vs. PPA, Juan C. Sta. Ana, Oscar Sevilla and MNHPI	Civil Case No. 11-125680 RTC Branch 33, Manila	Damages, Actual, Moral and Exemplary Damages of at least 2 million, and Injunction	At pre-trial stage. Next Pre-trial hearing is scheduled on January 27, 2015 at 8:30 A.M.
20	Pier 8 Arrastre and Stevedoring Services, Inc. vs. PPA	Civil Case No. 00-97157 RTC Branch 19, Manila Court of Appeals CA-G.R. 100359	Injunction with Damages (With Prayer for Temporary Restraining Order and Writ of Preliminary Injunction)	A Decision dated December 28, 2012 was issued by RTC dismissing the case but ordering PPA to pay rentals for the equipment of PASSI in the amount of P4,800,838.00. In an Order dated February 20, 2013, PPA is considered discharged of its liability as adjudged in the Decision dated December 28, 2012. PASSI filed an Appeal before the CA. PPA filed its Comment (RE: Motion for Reconsideration dated September 23, 2014) last January 6, 2015.
21	Shipside Inc. vs. PPA	Civil Case No. 3917, MTCC Br. 2, San Fernando La Union Civil Case No. 9121, RTC Br. 26, San Fernando, La Union	Unlawful Detainer, With Prayer For Reasonable Compensation For The Actual Occupancy Of The Property located in San Fernando	Pre-trial Conference is terminated. Parties were directed to file position paper within 30 days from receipt of the Court's Pre Trial Order. PPA filed a Notice of Appeal with the Regional Trial Court last July 15, 2014. PPA filed its Defendant-Appellant's Appeal Memorandum last September 18, 2014. Case is still pending with RTC.
22	United Dumangas Port Development Corp. (UDPDC) and Wilhelm Divina Gracia vs. Juan Sta. Ana et. al	Sp. Civil Action No. 11-30890	For Indirect Contempt, with Prayer for Damages of P50K per day from Feb. 18, 2011, P330k as attorney's fees, P250k litigation expenses, P1M for moral and other damages.	The case was submitted for Decision per Resolution dated 23 May 2013. PPA filed a Notice of Appeal on May 30, 2014. Waiting for Court Decision.

49. OTHER DISCLOSURES WITH POSSIBLE FUTURE FINANCIAL IMPACT

- Final decision of BIR on disputed assessment income tax deficiency covering taxable year 2007 amounting to P4.9 Billion.
- Draft Substitute Bill (House Bill No. 4312) entitled "An Act Creating the Manila Ports and Special Economic Recommendatory (MP-SER) Administration".

The draft substitute bill proposes the creation of the Manila Ports and Special Economic Recommendatory (MP-SER) Administration which is a public benefit corporation attached to PPA, with a capital extension of Ten Billion Pesos (Pph10,000,000,000.00) in cash and a yearly cash contribution by the government amounting to 30% of the appropriation of the PPA in the General Appropriations Act (GAA).



CAI

CAI 91014
45G1

tex

TEX 805588
45G1

tex

tex

EVERGREEN

E1SU 826938
45G1



CAI 91014
45G1

New Nomenclature of PPA Port Management Offices

(Based on GCG Memorandum Order No. 2014-10 dated 25 March 2014)

OLD NAME	NEW NAME
MANILA/NORTHERN LUZON PORT MANAGEMENT OFFICES	
PMO South Harbor	PMO NCR South
PMO North Harbor	PMO NCR North
PMO San Fernando	PMO Northern Luzon
PMO Limay	PMO Bataan/Aurora
SOUTHERN LUZON PORT MANAGEMENT OFFICES	
PMO Batangas	PMO Batangas
PMO Legazpi	PMO Bicol
PMO Puerto Princesa	PMO Palawan
PMO Calapan	PMO Mindoro
	PMO Marinduque/Quezon
	PMO Masbate
VISAYAS PORT MANAGEMENT OFFICES	
PMO Dumaguete	PMO Negros Oriental/Siquijor
PMO Iloilo	PMO Panay/Guimaras
PMO Tacloban	PMO Eastern Leyte/Samar
PMO Pulupandan	PMO Negros Occidental/ Bacolod/Banago/BREDCO
PMO Ormoc	PMO Western Leyte/Biliran
PMO Tagbilaran	PMO Bohol
NORTHERN MINDANAO PORT MANAGEMENT OFFICES	
PMO Cagayan de Oro	PMO Misamis Oriental/ Cagayan de Oro
PMO Iligan	PMO Lanao del Norte/Iligan
PMO Nasipit	PMO Agusan
PMO Surigao	PMO Surigao
PMO Ozamiz	PMO Misamis Occidental/Ozamiz
SOUTHERN MINDANAO PORT MANAGEMENT OFFICES	
PMO Davao	PMO Davao
PMO General Santos	PMO SOCKSARGEN
PMO Cotabato	PMO Cotabato
PMO Dapitan	PMO Zamboanga del Norte
PMO Zamboanga	PMO Zamboanga





Bonifacio Drive, South Harbor
Port Area, Manila, 1018 Philippines
P.O. Box 436, Manila, Philippines
Tel. No. (0632) 527-8356, Fax: (0632) 527-4855

