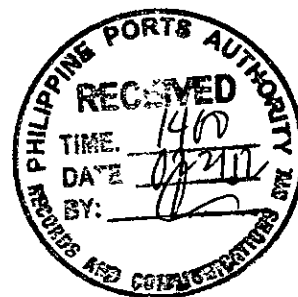




Bonifacio Drive, South Harbor, Port Area, Manila 1018, Philippines, P O Box 436, Manila, Philippines  
Tel No (0632) 527-8356, Fax No (0632) 527-4855, http //www ppa com ph

FEB 15 2012



PPA MEMORANDUM ORDER  
NO. 08 2012

TO : All Port District Managers, Port Managers,  
Pilots' Associations, Shipping Companies,  
and Others Concerned

SUBJECT : Applicable Special Service Charges During  
Docking/Undocking Services Where there  
is Insufficient or no Tugs Available

Pursuant to the Memorandum of Agreement (copy attached), entered into by and among the United Harbor Pilots' Association of the Philippines (UHPAP), Association of International Shipping Lines (AISL) and the Philippine Ship Agents Association (PSAA) on February 13, 2012, the special service charges agreed by the parties for docking/undocking without or with insufficient tug assistance shall be those fees indicated in Annex "A"

Annexure "A" shall serve as an interim schedule of special service fees while the current PPA Administrative Order on Compulsory Tug Assistance are yet under review and amendment, after which the said schedule of special service fees shall be subject for review among PPA, PSAA, AISL and UHPAP

This Order shall take effect on March 1, 2012 after publication in newspaper of general circulation

  
JUAN C. STA. ANA  
General Manager

Published in the following newspapers:

1. Philippine Star
  2. Manila Standard/Today
- February 24, 2012

*VISION*

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

*MISSION*

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

**MEMORANDUM OF AGREEMENT**

**KNOW ALL MEN BY THESE PRESENTS:**

This **MEMORANDUM OF AGREEMENT**, entered into by and among

The **UNITED HARBOR PILOTS' ASSOCIATION OF THE PHILIPPINES (UHPAP)**, a non-profit and non-stock association, with principal office address at Room 1, 3F Antwel Building, Alvarez St, Sta Ana Avenue, Davao City, represented herein by its President, **CAPT. ROMULO B. SALLE**,

The **ASSOCIATION OF INTERNATIONAL SHIPPING LINES (AISL)**, a non-profit, non-stock corporation, with principal office address at Unit 204, Heritage Condominium, 1851 A Vasquez St, represented herein by its General Manager, **ATTY. MAXIMINO T. CRUZ**,

The **PHILIPPINE SHIP AGENTS ASSOCIATION (PSAA)**, a non-profit and non-stock association, with principal address at G/F at Wallem Philippines Building, Beaterio Cor Legaspi Sts, Intramuros, Manila, represented herein by its President, **VIRGINIA C MADLANG-AWA**,

**Witnesseth:**

**WHEREAS**, on November 21, 2003, the Philippine Ports Authority (PPA) issued PPA Administrative Order (AO) No 04-2003 prescribing the Guidelines on Pilotage Services to be Rendered in all Ports and the Corresponding Fees,

**WHEREAS**, Section 2 of the said AO prescribed the required pilotage services to be performed in each pilotage district, the rates of which are the EO 1088 rates under Section 5 of the AO,

**WHEREAS**, pursuant to PPA AO 03-85, any vessel, under normal conditions, may be allowed to manoeuvre in port without tug assistance, provided, however, that compulsory tug assistance shall be required when any of the following conditions may adversely affect the capability of the vessel to safely manoeuvre in port:

- Strong current – flow of current with a velocity of four knots or more and which affects the manoeuverability of the vessel,
- Wind factor – the velocity and direction of air current travelling at 30-50 KPH,
- Conditions at the port – includes the nature of the approach to berth, the port structures and its facilities, the location of the berth and limited manoeuvring space for the vessel,

- Inclement weather – the occurrence of tropical depression and stormy weather in the area during vessel's manoeuvre,
- Mechanical defect of vessel – a defect of the vessel which renders it incapable of maneuvering by itself due to the sudden malfunctioning of the engine/propulsion/navigational equipment

**WHEREAS**, to protect government port facilities and to ensure the safe manoeuvring of vessels, the PPA issued Administrative Order Nos 12-1995, 03-1996, 04-1996, 06-1996, 12-1996, 07-1997, 11-1997, 06-1998, 07-2000, 08-2000, 11-2000, 02-2005 requiring mandatory tug assistance in twelve (12) pilotage districts, namely Cagayan de Oro, Nasipit, Zamboanga, General Santos, Iligan, Ozamis, Iloilo, South Harbor, Davao, MICT, Batangas and Pulupandan,

**WHEREAS**, under subject AOs, a table of tug requirements per pilotage district is provided on the basis of the gross registered tons of the vessels and capacity (horsepower-HP) of the tugs,

**WHEREAS**, said AOs provide that vessels with both functional bow and stern side thrusters of sufficient capacity are exempted from the tug requirement. Further, vessels with functional bow thrusters only are required to have 50% of the tug horsepower requirement,

**WHEREAS**, on the same AOs, a provision states that the rates chargeable, shall be those that are agreed upon between the shipping company and the tugboat operator in the absence of a PPA prescribed rate,

**WHEREAS**, under Section 12 e of PPA AO 03-85, if the tug service is not regularly available, a vessel may still be allowed by the Authority to dock or undock without the prescribed tugs provided additional remuneration shall be given to the pilots

**WHEREAS**, the additional remuneration has not been fixed and has remained a contentious issue between the shipping lines and the pilots association,

**WHEREAS**, sometimes, even though the vessel's bow and stern thrusters are working, the ship is still required to use one tug and comply with the 50% tug horsepower requirement for a certain fee,

**WHEREAS**, during the October 14, 2011 meeting it was stressed that the provisions as stated in the 12 AOs should be strictly adhered to particularly on vessels with both functional bow and stern thrusters or on those with functional bow thrusters only,

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the Parties hereto agree that this **MEMORANDUM OF AGREEMENT** shall cover the assessment and payment of the applicable special service charges, (copy of which is hereto attached and forms an integral part hereof as Annex "A") during docking/undocking services where there is insufficient or no tugs available,

**FURTHER**, the Parties likewise agree that this **MEMORANDUM OF AGREEMENT** resolves that vessels are exempted from the tug requirement when the bow and stern thrusters are both functional and that vessels with functional bow thrusters only are required to have 50% of the tug horsepower requirements,

This **MEMORANDUM OF AGREEMENT** shall take effect immediately upon the signing hereof by the Parties concerned and shall remain in full force and effect unless amended/revoked in writing by mutual consent among Parties

**IN WITNESS WHEREOF**, the Parties hereto signed this **MEMORANDUM OF AGREEMENT** on this 13<sup>th</sup> day of February 2012

**UNITED HARBOR PILOTS' ASSOCIATION**

By

  
\_\_\_\_\_  
**CAPT. ROMULO B. SALLE**

President

**ASSOCIATION OF INTERNATIONAL SHIPPING LINES**

By

  
\_\_\_\_\_  
**ATTY. MAXIMINO T. CRUZ**

General Manager

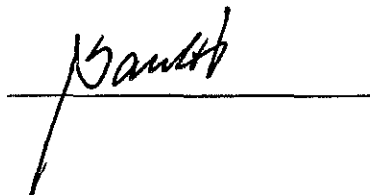
**PHILIPPINE SHIP AGENTS ASSOCIATION**

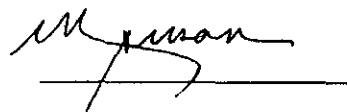
By

  
\_\_\_\_\_  
**VIRGINIA C. MADLANG-AWA**

President

Signed in the presence of

  
\_\_\_\_\_

  
\_\_\_\_\_

REPUBLIC OF THE PHILIPPINES)  
CITY OF MANILA ) S S

**ACKNOWLEDGMENT**

BEFORE ME, a Notary Public for and in CITY OF MANILA, Philippines, this  
FEB 13 2012 day of \_\_\_\_\_ 20\_\_\_\_ personally appeared the following

<u>NAME</u>	<u>IDENTIFICATION DOCUMENT</u>	<u>NO</u>
<u>Romulo B Salle</u>	<u>Passport</u>	<u>XY2338881</u>
<u>Maximino T Cruz</u>	<u>Passport</u>	<u>EB2567073</u>
<u>Virginia C Madlang-Awa</u>	<u>Passport</u>	<u>XX4096620</u>

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free act and voluntary deed, as well as the free and voluntary act and deed of the corporations which they respectively represent as

<u>POSITION</u>	<u>COMMUNITY TAX CERT NO</u>	<u>DATE &amp; PLACE ISSUED</u>
<u>President</u>	<u>CCI 2011 14325628</u>	<u>January 15, 2012</u>
<u>General Manager</u>	<u>CCI 2010 23309034</u>	<u>January 25, 2011</u>
<u>President</u>	<u>CCI 2010 05930977</u>	<u>January 06, 2011</u>

The foregoing instrument, consisting of \_\_\_\_\_ ( ) pages including the page on which this acknowledgment is written, refers to a Memorandum of Agreement, it has been signed by the parties on page \_\_\_\_ ( ) and on the left hand margin of each and every other page hereof, and all the pages bear the imprint of my notarial seal

WITNESSETH MY HAND AND SEAL on the date and at the place aforestated

*[Signature]*  
 NOTARY PUBLIC  
 UNTIL DECEMBER 31, 2012  
 PTR NO. 0325534  
 Issued UNTIL DECEMBER 31, 2013  
 At MANILA  
 TIRING NO. 873695 CAVITE  
 ROLL NO. 37057

Doc No 466  
 Page No 74  
 Book No 801  
 Series of 20 12

*[Handwritten signatures and scribbles on the left margin]*

**Special Service Charges for Docking/Undocking Without and Insufficiency of Tug Assistance**

**Formula 1**

<u>Vessel's GRT</u>	<u>Amount (US\$)</u>
under 10,000 Grt	2,500 00
10,001 - 15,000 Grt	3,500 00
15,001 - 20,000 Grt	4,500 00
20,001 - 25,000 Grt	5,500 00
25,001 - 30,000 Grt	6,500 00

**Formula 2**

<u>Vessel's GRT</u>	<u>Amount (US \$)</u>
under 10,000 Grt	2,000 00
10,001 - 15,000 Grt	2,800 00
15,001 - 20,000 Grt	3,600 00
20,001 - 25,000 Grt	4,400 00
25,001 - 30,000 Grt	5,200 00

Additional charges for Vessel above 30,000 Grt

<u>Vessel Weight</u>	<u>Amount (US \$)</u>
30,001 - 35,000 Grt	0 40 per Grt
35,001 - 40,000 Grt	0 30 per Grt
40,001 above	0 20 per Grt

**Note computation above 30,000 Grt will be up to 50,000 Grt only**

<b>Applications</b>			
In Ports with no Tugs Available	2 Tugs Requirement, only 1 is available	3 Tugs Requirement only 1 is available	3 Tugs Requirement, only 2 are available
Formula 1 will apply Regardless of the no of Tugs required	Formula 2 will apply	Formula 1 will apply	Formula 2 will apply

**Notes**

The above fees shall be inclusive of pilot boat charges when used in assisting the docking and undocking maneuvers Philippine Ports Authority to standardize the number of tugboat requirements uniform among all ports covered by PPA nationwide

Agreed to by the following parties on 03 November 2011

United Harbor Pilots Association of the Philippines  
 Associated of International Shipping Lines  
 Philippine Ship Agents Association

Capt Romulo Salle, Capt Magallanes, Capt Lagura  
 Mr Joey Ilagan  
 Ms Virginia Madlang-awa, Mr Philip Burnag