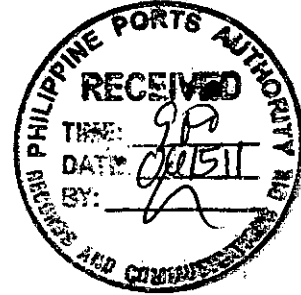




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JUN 13 2011

PPA ADMINISTRATIVE ORDER
NO. 03 - 2011



TO : All District Managers
All Port Managers
Terminal Operators
Port Operations Officers
Finance Officers
Terminal Operations Officers
Importers/Exporters
Consignees/Shippers/Customs Brokers
All Others Concerned

SUBJECT : Amendments to Sections 1 and 2 of PPA Memorandum Circular No. 30-86 Entitled "Guidelines for the Proper Implementation of Extension of Free Storage Period Under Paragraph 16 of PPA MC No. 14-83"

1. AUTHORITY

- 1.1 Board Com Resolution No. 2011-1282
- 1.2 PPA Board Resolution No. 2253

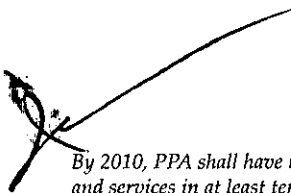
2. RATIONALE

To protect the interest of public health and decongest the ports of overstaying cargoes declared by the Bureau of Customs (BOC) as abandoned and/or forfeited in favor of the government and disposed thru condemnation proceedings.

3. AMENDMENT

Sections 1 and 2 of PPA Memorandum Circular No. 30-86 is amended by adding **Item E under Section 1 and Item F under Section 2:**

Section 1. Grounds for the Extension of Free Storage Period (EFSP) of the prescribed Free Storage Period (FSP) may be granted only under the following specific instances, to wit:



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.

A. When the delivery of cargoes or its loading to the carrying vessel cannot be effected within the FSP due to congestion in the pier/port, breakdown or non-availability of cargo handling equipment, strike, lock-out or civil strife, typhoon, flood, earthquake, fire or other similar occurrences/calamities, any of which causes prevented cargo handling operations. Provided, however, that the following conditions/requirements are met or duly complied with:

1. A written request for EFSP specifying the reason(s) thereof must be filed with the PMO concerned together with the following documents:

a. Certified true copy of the Customs entry, exit or covering documents filed and completely processes within the FSP;

b. Certified true copies of the Delivery Permit or Special Permit to Transfer (SPT) or Authority/Permit to Load, and receipts evidencing payment of Customs duties, taxes, port charges, and other fees due the government or exemption papers if free therefrom; and

c. In the case of breakdown or non-availability of equipment, Certification from the cargo handling operator or its shed/warehouse/pier/CY Superintendent/Manager, in charge of the cargoes, involved that the reason mentioned in the request for EFSP indeed prevented cargo handling operations in the pier/port where the cargoes are located which Certification shall be duly validated by the Terminal Operations Officer and/or Asst. Port Manager/Port Manager concerned; Provided, however, that the accrued storage charges shall be for the account of the cargo handling contractor.

2. The cargoes are already cleared for delivery/loading within the FSP.
 3. The Delivery Permit or Special Permit to Transfer or Warehousing Permit or Authority/Permit to Load was presented within the FSP and the exporter/importer/consignee/owner/broker, who demanded delivery or loading, has sufficient means of transportation, but the delivery/loading thereof cannot be effected due to the reason(s) or cause(s), mentioned in the request under Section 1.A. (1).
- B. When the entry, exit or covering documents of the cargoes involved have not been completely processed by the BOC within the FSP due to any of the applicable causes mentioned in Section 1.A hereof. Provided, however, that the following conditions/requirements are all met or duly complied with:
1. A written request for EFSP specifying the reason(s) thereof must be filed with the PMO concerned together with the following documents:
 - a. Certified true copy of the Customs entry, exit or covering documents duly filed within the FSP; and
 - b. Certification from the Collector of Customs as to the occurrence of the applicable causes/reasons mentioned in the request and its actual duration which prevented the complete processing by Customs of the entry, exit or covering documents of the cargoes involved; provided further, that the reasons are not attributable to the owner/import/exporter/consignee or their broker.

2. The entry, exit or covering documents thus filed with Customs within the FSP are complete and conform with all the requirements.
- C. When the delivery of the cargoes or its loading to the carrying vessel cannot be effected, due to Hold Order/Seizure Order/Suspension Order issued by the BOC or any authorized government agency. Provided, however, that the following conditions/requirements are all met or duly complied with:
1. A written request specifying the reason(s) thereof must be filed with the PMO concerned together with the following documents:
 - a. Certified true copy of the Hold Order/Seizure Order/Suspension Order; and
 - b. Certified true copy of the Customs entry, exit or covering documents duly filed within the FSP, unless the filing of the same was legally prevented by the said orders, in which case a Certification to that effect must be secured from the Collector of Customs and attached to the request.
 2. The reason(s) or cause(s) which gave rise to the Hold Order/Seizure Order/Suspension Order is not attributable to the fault of the owner/importer/exporter/consignee or their broker.

In this regard, non-accrual of storage charges shall cover only the period of actual suspension of delivery starting from the date of issuance of the order and including two (2) days for the Port of Manila; three (3) days for other ports immediately following the date of Notice of Release to the importer/exporter/consignee/shipper or their Broker. The period does not cover the time between the expiration of the FSP and the time when the Order of Suspension of delivery was issued during which storage charges shall accrue.

D. When the delivery of cargoes or its loading to the carrying vessel cannot be effected within the FSP due to health and safety regulations whereby the same are subjected to some treatment commencing within the FSP to ensure its safe consumption or use. PROVIDED, however, that the following conditions/requirements are all met or duly complied with:

1. A written request for EFSP specifying the reason(s) thereof must be filed with the PMO concerned together with the following documents:
 - a. Certified true copy of the entry, exit or covering documents duly filed and completely processed within the FSP;
 - b. Certified true copies of the Delivery Permit or Permit to Transfer or Authority/Permit to Load, and receipts evidencing payment of Customs duties, taxes, port charges and other fees due the government or exemption papers if free therefrom; and
 - c. Certification from the Health/Safety Officer concerned that the cargoes have been subjected to physical treatment and the actual duration thereof.
2. The owner/importer/exporter/consignee or their broker has not incurred any delay in complying with the said health and safety regulations.
3. The compliance with the aforesaid health and safety regulations was not a requirement for the filing of the Customs entry, exit or covering documents of the cargoes involved.

In this regard, non-accrual of storage charges shall cover only the period during which such regulation was required to be complied with (starting from the date of subjection of the shipments to health/allied

regulations up to the time when said requirement was actually complied with). The period of non-accrual does not cover the time between the expiration of the FSP and the date when compliance with said regulation started during which storage charges shall accrue.

E. When the delivery of the cargoes cannot be effected due to its declaration as abandoned and/or forfeited cargoes and its disposition thru condemnation proceedings has been approved by the BOC. PROVIDED, however, that the following conditions/requirements are all met or duly complied with:

1. A written letter by the terminal/cargo handling operator (upon the request of BOC) for EFSP specifying the reason(s) thereof must be filed with the PMO concerned together with the following documents:

- a. Certified True Copy of Container/Cargo Details on Condemned Containers/Cargoes, with information such as: container numbers, date of arrival, description and consignee;**
- b. Certified True Copy of the Condemnation Order by the Collector of Customs;**
- c. Certified True Copy of Detailed Written Plan of Condemnation; and**

In this regard, non-accrual of storage charges shall commence from the date of last cargo discharged to the day of destruction of abandoned and/or forfeited containers.

Section 2. Common Conditions for EFSP. The following shall be the additional conditions to those enumerated above:



- A. The request for EFSP must be filed within the FSP or within twenty four (24) hours immediately thereafter.
- B. The applicable causes for extension enumerated under Section 1.A should occur during or immediately following the FSP. The EFSP shall be limited only for the duration of the said causes following the expiration of the FSP.
- C. Request for extension due to other causes such as delay in the processing of other documents with other government agencies like Release Certificate and other authorization from the Central Bank, Certificate of exemption from the Department of Finance/Department of Trade and Industry or other related papers/requirements which are pre-requisites for the filing or normal processing of the entry, exit or covering documents or late arrival of shipping documents, shall not be given due course.
- D. Requests for EFSP shall be processed at the PMO concerned and shall be approved/disapproved by the Port Manager thereat if the amount of storage charges involved per shipment is within his authority under PPA Memorandum Order No. 01-83, dated January 28, 1983. Those which are beyond their authority shall, after being processed, be forwarded to the Head Office together with the recommendation for approval/disapproval of the Assistant General Manager for Operations or the General Manager depending upon the amount of storage charges involved.
- E. Cargoes/Shipments covered by the requests for EFSP which are disapproved by the Port Manager and/or by the Head Office cannot be released without prior payment of the corresponding storage charges. However, the owner/importer/exporter/shipper/consignee or their broker may pay said charges under protest pursuant to PPA Administrative Order No. 13-77, to effect delivery thereof. The payment shall include storage charges up to the date of actual delivery/release or loading of the cargoes/shipments.

Subject to Section 2.D, partial delivery, in lieu of payment under protest, may be allowed by the Port Manager where the shipment is divisible (disposable/marketable by units or parts), provided, however, that the value of the portion to be retained in the pier/port is sufficient to cover all the accrued storage charges including interest and penalties in the event an adverse decision to the request for EFSP, is rendered. Where shipment is not divisible, delivery/release or loading thereof can be effected only upon prior payment or payment under protest of all the accrued storage charges including interest and penalty charges.

F. Request of EFSP for abandoned and/or forfeited cargoes shall be filed by the terminal/cargo handling operator (upon the request of BOC) with the PMO upon receipt of a copy of the approved Order of Condemnation by the BOC.

4. RESPONSIBILITY

BOC

The BOC, upon approval of the Order of Condemnation, per endorsement by the Committee on Condemnation shall:

1. Submit request for EFSP to the terminal/cargo handling operator;
2. Provide the terminal/cargo handling operator of listing of condemned containers; and
3. Furnish to the Terminal/Cargo Handling Operator a copy of Certificate of Condemnation after the destruction of condemnable goods.

Terminal/Cargo Handling Operator

The Terminal/Cargo handling Operator upon receipt from BOC of the request of EFSP shall:



1. Submit to PPA a request for EFSP together with the container details on condemnable goods. The request be made within the prescribed period from receipt of BOC's request.
2. Conduct verification of cargoes requested for EFSP; and
3. Coordinate with BOC on the speedy completion of the condemnation proceedings.
4. Submit to PPA a copy of Certificate of Condemnation after the destruction of cargo has taken place.

PMO

The PMO upon receipt of the request for EFSP from the terminal/cargo handling operator shall:

1. Conduct actual verification of the physical presence of cargoes ordered for condemnation proceedings;
2. Ensure that the condemnation of cargoes are carried out within the prescribed period;
3. Make an inventory of all overstaying cargoes to include details of the containers and its contents after the FSP.
4. Institute measures to ensure that the port is cleared of overstaying abandoned cargoes for condemnation, within a prescribed period.
5. Submit comments and recommendation to the PDO.

PDO

The PDO shall approve or disapprove the request and submit a report to the General Manager, thru the AGM for Operations.

5. REPORTING

The monthly report of all requests for EFSP which were granted by the Port Manager as required under PPA Memorandum Circular (MC) No. 30-86 shall now include requests for EFSP on overstaying abandoned and/or forfeited cargoes declared as such by the BOC and disposed thru condemnation.

6. PENALTY CLAUSE

The grant of EFSP is without prejudice to other legal action that PPA may take against importers who have abandoned these cargoes.

7. SEPARABILITY CLAUSE

All other provisions of PPA MC No. 30-86 not otherwise inconsistent herewith shall remain valid.

8. REPEALING CLAUSE

All PPA Administrative Orders, Memorandum Circulars/Orders, rules and regulations and clarifications inconsistent herewith are hereby repealed and modified accordingly.

9. EFFECTIVITY CLAUSE

This Administrative Order shall take effect immediately.


JUAN C. STA. ANA
General Manager

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