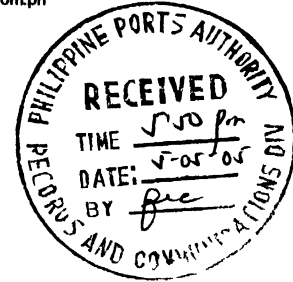




MARSMAN BUILDING 22 MUELLE DE SAN FRANCISCO SOUTH HARBOR PORT AREA MANILA 1018 PHILIPPINES  
TEL NO (0632) 527 8356 527 8375 FAX NO (0632) 527-4855 http://www.ppa.com.ph



MAY 05 2005

**PPA MEMORANDUM CIRCULAR**  
**NO. 07 - 2005**

**T O : All Concerned Port District and Port Managers  
BIMP-EAGA Shipping Operators  
Others Concerned**

**SUBJECT : Guidelines Implementing the Philippines and Brunei Darussalam  
BIMP-EAGA Common Vessel Tariff**

The Arrangement on the Common Tariff for Vessels Operating under the BIMP-EAGA Program between the Philippines and Brunei Darussalam, which expired on 31 August 2001, has been formally renewed by the General Manager of the Philippine Ports Authority and the Director of Ports, Ports Department of Brunei Darussalam (Annex "A") Hence, both countries will continue to enjoy the incentives under the program for another period of two (2) years commencing 27 April 2005

Pursuant to the terms of the Arrangement, all vessels carrying the flags of the Philippines and Brunei Darussalam which are accredited to operate under the BIMP-EAGA Program shall be entitled to the following special port charges against vessels

Port Dues	-	U S \$0 040 per GRT
Dockage	-	U S \$0 020 per GRT per day or fraction thereof

The availment of the above special rates shall be subject to the following conditions

- 1 Vessels operating under the BIMP-EAGA Program shall secure certifications or accreditation from their respective authorized government agencies allowing said vessels to ply the trans-EAGA route under the program and avail of the incentives For Philippine flag vessels desiring to operate under this program, the accreditation shall be secured and issued by the Maritime Industry Authority,
- 2 The special charges are applicable only when the vessel's last and next ports of call are in the BIMP-EAGA ports as listed in Annex B,
- 3 All PPA personnel concerned shall require vessels availing of the incentive to present the certification and documents showing the last and next port of calls prior to extension of the incentives,
- 4 The Arrangement between the Philippines and Brunei Darussalam shall expire on 26 April 2007

*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*

02/05/05 - G-01

This Circular amends PPA Memorandum Circular No 36-99

For your guidance and implementation.

**ATTY. OSCAR M. SEVILLA**  
General Manager

**Annexes**

- A - Philippines-Brunei Darussalam Arrangement on Common Tariff For Vessels Operating Under the BIMP-EAGA Program dated 27 April 2005
- B - List of BIMP-EAGA Ports
- C - Sample Computations

**Copy furnished**

PDO-Managers - PDO-Luzon  
PDO-Southern Mindanao  
PDO-Northern Mindanao

PMOs Under PDO-Northern and Southern Mindanao  
PMO-Puerto Princesa

PG HJ ABD RAHMAN BIN PSI PG HJ ISMAIL  
Director of Ports  
Ports Department  
Brunei Darussalam

Administrator, MARINA

Ambassador Virginia H. Benavidez  
Ambassador Extraordinary & Plenipotentiary  
Embassy of the Philippines  
Brunei Darussalam

Mr Jesus G Dureza  
Presidential Assistant for Mindanao  
Philippine Senior Official for BIMP-EAGA/MEDCO Chairman  
4/F SSS Bldg , J.P Laurel Avenue  
8000 Davao City



**ARRANGEMENT BETWEEN  
THE PHILIPPINE PORTS AUTHORITY  
DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS  
REPUBLIC OF THE PHILIPPINES  
AND  
PORTS DEPARTMENT  
BRUNEI DARUSSALAM  
ON  
THE COMMON TARIFF FOR VESSELS OPERATING  
UNDER THE BIMP-EAGA PROGRAM**

**The Philippine Ports Authority (PPA), Department of Transportation and Communications of the Republic of the Philippines and the Director of Ports, Ports Department, Brunei Darussalam, hereinafter referred to as the PARTICIPANTS**

**RECOGNIZING**, that the countries of Brunei Darussalam, Indonesia, Malaysia and the Philippines have agreed to form the Brunei Darussalam, Indonesia, Malaysia and Philippine East ASEAN Growth Area (BIMP-EAGA) in order to promote investment, trade and tourism in the East ASEAN Section,

**WHEREAS**, the harmonization of the port tariff and lowering of the charges thereof are expected to assist in the success of the BIMP-EAGA project in accordance with the laws and regulations of the four countries,

**WHEREAS**, various shipping companies of the member countries have been clamouring for the immediate implementation of lower vessel charges as an incentive to vessels operating under the BIMP-EAGA program but formal decision on the matter has not been arrived at,

**WHEREAS**, there has been a prior arrangement entered into by both Participants to adopt a common port tariff for their respective vessels,

**WHEREAS**, to sustain the gains generated out of said arrangement, the Participants need to extend its period,

**HAVE DECIDED AS FOLLOWS**

**PARAGRAPH I**

- 1 The Participants hereto agreed that this Arrangement covers the adoption of common tariff for their respective vessels operating under the BIMP-EAGA program as follows

Port Dues	-	US\$ 0 040/GRT
Dockage	-	US\$ 0 020/GRT/Day

- 2 For the purpose of calculating the above charges, the exchange rates of the US\$ to the Philippine Peso or to the Brunei Dollar as the case may be, shall be the applicable spot daily rates issued by the Bangko Sentral ng Pilipinas for charges to be levied in the Philippines and the National Association of Banks for charges to be levied in Brunei Darussalam

**PARAGRAPH II**

- 1 The Republic of the Philippines and Brunei Darussalam flag vessels operating under the BIMP-EAGA program shall be entitled to the above special charges on vessels
- 2 Vessels operating under the BIMP-EAGA program shall be issued certificate of accreditation/certification by their respective authorized government agencies for purposes of availment of the special rates
- 3 These special rates of the common tariff are only applicable when the vessel's last and the next port of calls are in the BIMP-EAGA ports
- 4 These special rates of the common tariff are only applicable in the Philippines and Brunei Darussalam ports as listed in the Annex.

**PARAGRAPH III**

The signatories to this Arrangement shall issue administrative orders or other orders of similar effect, in their area of jurisdiction to have the provisions of the Arrangement respected and properly implemented

**PARAGRAPH IV**

This Arrangement may be modified at any time by mutual consent in writing among the Participants

**PARAGRAPH V**

Any differences arising out of the interpretation or implementation of the Arrangement shall be settled amicably by consultation or negotiation between the two Participants

**PARAGRAPH VI**

This Arrangement will continue to have effect from 27th April 2005 for a period of two (2) years only and may be subject to review after the expiration of the said period

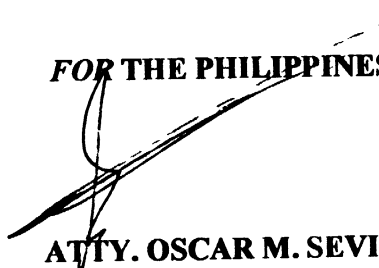
**PARAGRAPH VII**

This Arrangement will remain in effect for a period of two (2) years unless terminated by either one of the Participants upon giving on three month's written notice to the other


**IN WITNESS WHEREOF**, the undersigned have signed this Arrangement

DONE in duplicate at Manila, the Philippines on this 27<sup>th</sup> day of April in 2005, in the English text


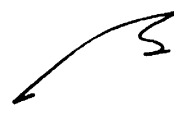
**FOR THE PHILIPPINES**

  
**ATTY. OSCAR M. SEVILLA**  
General Manager  
Philippine Ports Authority  
Republic of the Philippines

**FOR BRUNEI DARUSSALAM**

  
**PG HJ ABB RAHMAN BIN**  
**PSI PG HJ ISMAIL**  
Director of Ports  
Ports Department  
Brunei Darussalam

**WITNESSES:**

  
\_\_\_\_\_  
  
\_\_\_\_\_

**LIST OF PORTS  
UNDER THE BIMP-EAGA PROGRAM**

**THE PHILIPPINES**

NO.	NAME OF PORT	PROVINCE
1.	PORT OF DAVAO	DAVAO CITY
2.	PORT OF GENERAL SANTOS	SOUTH COTABATO
3.	PORT OF POLLOC	MAGUINDANAO
4.	PORT OF ZAMBOANGA	ZAMBOANGA DEL SUR
5.	PORT OF JOLO	SULU
6.	PORT OF PUERTO PRINCESA	PALAWAN
7.	PORT OF CAGAYAN DE ORO	MISAMIS ORIENTAL
8.	PORT OF ILIGAN	LANAO DEL NORTE
9.	PORT OF BONGAO	TAWI-TAWI
10.	PORT OF NASIPIT	AGUSAN DEL NORTE
11.	PORT OF SURIGAO	SURIGAO DEL NORTE
12.	PORT OF OZAMIS	MISAMIS OCCIDENTAL

**BRUNEI DARUSSALAM**

1.	MUARA PORT
2.	KUALA BELAIT PORT

ANNEX "C"

**SAMPLE COMPUTATIONS**

**Example 1** A BIMP-EAGA vessel of 3,000 GRT arrived at the port of General Santos at 0900 hours February 1 and departed for another port at 1400 hours the following day. The port of origin and next port of call are all listed in the BIMP-EAGA.

Conversion rate is P55.37/US \$1.00

	<u>No. of Days Stay</u>
February 1	1 day
February 2	1 day
	-----
<b>Total</b>	<b>2 days</b>
	<u>          </u>

**Computation**

**Port Dues**

$$\text{US } \$0.040 \times 3,000 \text{ GRT} \times \text{P}55.37 = \underline{\text{P}6,644.40}$$

**Dockage**

$$\text{US } \$0.020 \times 3,000 \text{ GRT} \times 2 \text{ days} \times \text{P}55.37 = \underline{\text{P}6,644.40}$$

**Example 2** The above vessel arrived at the port of Zamboanga 0700 hours February 10 and departed at 2200 hours the same day. The port of origin is listed in the BIMP-EAGA but the next port of call is not

	<u>No. of Days Stay</u>
February 10	1 day

**Computation**

**Port Dues**

$$\text{US } \$0.081 \times 3,000 \text{ GRT} \times \text{P}55.37 = \underline{\text{P}13,454.91}$$

**Dockage**

$$\text{US } \$0.039 \times 3,000 \text{ GRT} \times 1 \text{ day} \times \text{P}55.37 = \underline{\text{P}6,478.29}$$

**Example 3** The above vessel arrived at the port of Davao 1200 hours February 21 and departed at 0900 hours of the following day The port of origin is not listed in the BIMP-EAGA but the next port of call is listed

	<u>No. of Days Stay</u>
February 21	1 day
February 22	<u>1 day</u>
Total	<u>2 days</u>

Computation

**Port Dues**

$$\text{U S\$0 081} \times 3,000 \text{ GRT} \times \text{P55 37} = \text{P13,454.91}$$

**Dockage**

$$\text{U S \$0 039} \times 3,000 \text{ GRT} \times 2 \text{ days} \times \text{P55 37} = \text{P12,956.58}$$

**N B** Dollar/Philippine peso exchange rate for use in the computation is announced by PPA Head Office on fortnightly basis using the average conversion rate for the past fifteen days