



24 January 2001

PPA MEMORANDUM CIRCULAR
NO. 08 - 2001

T O : PDO Managers
PMO Managers
Cargo Handling Operators
Shipping Companies
Cargo Shippers/Consignees
Others Concerned

SUBJECT : **Clarification on the Proper Application of Condition No. 3 of PPA
MC No. 004-2001 Re: Cargo Handling Tariff Rate Adjustments**

In view of requests from shipping lines for a simplified implementation of the required productivity rate for container operations by ATI and ICTSI, the following clarifications are hereby issued:

A. PRODUCTIVITY RATE

- A.1. The productivity rate of 25 moves per ship hour considers vessels calling at South Harbor and MICT as being normally serviced by one or two cranes or an average of 1.5 cranes per vessel. On a per crane hour basis, this operation averages 17 moves.
- A.2. ATI and ICTSI, however, committed to improve productivity rate to a standard minimum of 20 moves per crane hour.
- A.3. As such, the productivity rate on container operations at South Harbor and MICT shall henceforth be standardized at a minimum of 20 moves per crane hour. This shall be further improved by not less than 10% by 01 July 2001.

B. PRODUCTIVITY RATE DETERMINATION

To determine the productivity rate, the contractors at South Harbor and MICT shall prepare a duly signed Ship Productivity Report or Statement of Facts and attach same to the billing documents.

C. COVERAGE

These requirements and clarification shall cover only container vessels serviced by the terminal operator's shore gantry cranes.

D. INDIVIDUAL SERVICE AGREEMENTS

- D.1 Although productivity rate is standardized as provided for in A.3 above, ATI and ICTSI shall, within a period of six (6) weeks, discuss and agree with individual shipping lines their service agreement relative to the above. This agreement will define how crane productivity will be measured based on service characteristics. This will further guide the shipping line and the terminal operator whether the 15% increase on the vessel charges shall be payable or not when the productivity standard is not met.
- D.2 The methodology for arriving at productivity rate shall be based on a formula agreed upon between the Terminal Operators and the Association of International Shipping Lines (AISL) Port Operations Committee.

Please be guided accordingly.



JUAN O. PEÑA
General Manager

Published in the following newspapers:

1. Philippine Star)
2. Manial Standard) January 27, 2001