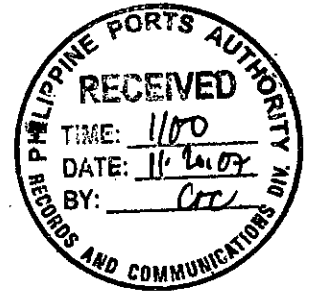




MARSMAN BUILDING, 22 MUELLE DE SAN FRANCISCO, SOUTH HARBOR, PORT AREA, MANILA 1018, PHILIPPINES
TEL. NO. (0632) 527-8356 - 527-8375, FAX NO. (0632) 527-4855, http://www.ppa.com.ph



NOV 16 2007

PPA MEMORANDUM CIRCULAR
NO. 11 - 2007

TO : All Port District Managers
Port Managers
Cargo Handling Operators
Port Users and Stakeholders
Others Concerned

SUBJECT : Revised Rules in the Conduct of Public Hearing for Rate Increases

In order to ensure transparency and thorough deliberation during the conduct of public hearings for rate increases in cargo handling services or other port fees, encourage active participation of port users and other government agencies concerned as well as provide management with accurate reports and recommendation on the results thereof, the following revised rules are hereby adopted:

I. Hearing Panel

- 1.1 A Hearing panel is hereby created which shall be composed of the Technical Assistants of the Members of the Board of Directors representing NEDA, DOTC, DTI, DOF, MARINA, DPWH, DENR and the Private Sector. The PPA may invite other agencies, as may be necessary.
- 1.2 In public hearings conducted outside Manila, the Technical Assistants of the Members of the Board of Directors (representing NEDA, DTI, DOF, MARINA, DPWH, DENR and the Private Sector) shall be represented by their local counterparts, where possible (per PPA MC No. 01-2005).
- 1.3 The Port Manager of the port where the application or request for rate increase has been filed shall act as the Moderator during the conduct of the public hearings. His office shall create the Secretariat who will be tasked to send out notices or invitations, record all deliberations of the hearings and prepare and certify the Minutes thereto. In the absence of the Port Manager, the Port Services Division Manager will act as the Moderator.

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.

2. Application or Request for Rate Increase

2.1 The application for rate adjustments shall be submitted in 10 copies. Each application must present in matrix form and show separately the existing tariff, the desired or adjusted tariff applied for and the legal or other justifications for such application.

2.2 In the application for rate increase, the following shall be attached:

2.2.1 Request by Individual Service Provider

- Financial Statements to include Balance Sheet, Income Statement using appropriate chart of accounts in accordance with the Philippine Financial Reporting System.
- Detailed computation of proposed rates;
- Photo copy of source documents, such as:
 - Government-mandated wage adjustments as approved by the Regional Tripartite on Wage and Productivity Board
 - Increase in power cost
 - Increase in fuel cost
 - Exchange rate of the Philippine peso to the US dollar

(The above source documents shall include figures for the year the last increase was granted up to the present year where adjustment of rate is requested.)

2.2.2 Request for Across the Board Increases

- Detailed Computation of the proposed rates;
- Photo copy of source documents such as:
 - Consumer Price Index (CPI)
 - Government-mandated wage adjustments as approved by the Regional Tripartite on Wage and Productivity Board
 - Increase in power cost
 - Increase in fuel cost
 - Exchange rate of the Philippine peso to the US dollar

(The above source documents shall include figures for the year the last increase was granted up to the present year where adjustment of rate is requested.)

3. Issuance of Notice of Invitations

- 3.1 No public hearing for rate increase shall be conducted without the proper Notice sent by the PMO Secretariat concerned at least ten (10) calendar days prior to the scheduled hearing. The Notice shall be accompanied by an agenda covering the subject matter of said public hearing together with a copy of the Application for Rate Increase or Adjustment duly certified by the Port District Manager or Port Manager concerned as complete.
- 3.2 Upon receipt of the application or request for rate increase, the Notice of Invitation shall be served by the PMO Secretariat on all affected sectors, such as the shipper's council, port users, stakeholders, relevant industry sectors and association, passenger groups, local government units, non-governmental units, and other interested parties. The PPA may invite other affected sectors not mentioned herein. The PMO Secretariat shall ensure that concerned port users, stakeholders, relevant industry sectors and association and other interested parties are served notices within the period prescribed in 3.1 above.
- 3.3 Notices shall be delivered directly to all concerned who shall duly acknowledge receipt of the same.

4. Conduct of Public Hearing

- 4.1 Where the application for rate increases is limited to a particular port or area, the Public Hearing shall be conducted only at the port where the application for rate increase is filed.
- 4.2 The Moderator will acknowledge the presence of the participants and the company/associations they represent. The participants will be informed of the reason for the Public Hearing as well as the proponents thereto. The primary purpose and objective of public hearing shall likewise be duly explained to the attendees.
- 4.3 Proof of service of the Notice/Invitation to all affected sectors shall be presented during the public hearing by the Moderator.
- 4.4 The Moderator of the Public Hearing shall call the proponents to present their proposal and corresponding justification for tariff adjustment, giving a background on the business condition and the causes of the cost increment. The proposal, together with supporting documents, shall be presented, discussed and justified by the proponent.

PPA MC NO. 11 - 2007

- 4.5 The attendees shall be allowed to freely express their opinions, comments and recommendations. Other participants will be called to comment on the presentation of the proponents, without prejudice to the submission of the written comment/position paper within the period prescribed herein.
- 4.6 In case of an agreement or concurrence, all participants shall duly sign the same and witnessed by the Port Manager concerned.
5. After the Public Hearing
 - 5.1 When necessary, the participants shall be allowed to submit their positions in writing within fifteen (15) calendar days after the public hearing. Position papers received after the prescribed period shall not be included in the evaluation.
 - 5.2 Minutes of public hearing(s), agreements by the stakeholders and recommendations of the Hearing Panel shall be forwarded to the General Manager through the Port District Manager concerned and AGM for Operations.
 - 5.3 Upon request in writing, the participants may ask for copies of the Minutes of the Public Hearing(s).
6. Head Office Review
 - 6.1 The Office of the AGM for Operations shall evaluate and prepare the consolidated report.
 - 6.2 The complete report together with the appropriate recommendation shall be submitted to the Board, through the General Manager, for final consideration.
7. Provisional Rate Increase
 - 7.1 The General Manager may grant provisional rate increase pending completion of the public hearing and approval by the Board.
8. Costs of Public Hearing
 - 8.1 Any honoraria which may be authorized for the members of the Hearing Panel shall comply with the existing policies or regulations.
 - 8.2 Necessary and incidental expenses for public hearings conducted outside of Manila shall be shouldered by PPA.

PPA MC NO. 11 - 2007

9. Publication

9.1 Individual Service Provider

Approved rate increase shall be published in a newspaper of local circulation and shall be effective 30 days after the publication,

9.2 Across the Board Increases

Approved rate increase shall be published in a newspaper of general circulation and shall be effective 30 days after the publication.

PPA Memorandum Circular Nos. 06-2002 and 01-2005 are hereby ordered superseded/revoked/cancelled accordingly.



ATTY. OSCAR M. SEVILLA
General Manager