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PPA MEMORANDUM CIRCULAR
No 32- 2003

TO The Port District Managers
The Port Managers
All Shipping Lines
All Cargo handling Operators
And Other Ports Users Concerned

SUBJECT **GUIDELINES, DOCUMENTATION AND PROCEDURES
ON CONTAINER TRANSFERS UNDER SHIPPING
LINE'S CUSTODY**

The herein guidelines shall be deemed as standard documentation and operating procedures to complement the PPA MIS Computerization Project and shall be applicable for transactions of Domestic Shipping Lines availing of the "Cash and Carry with Revolving Deposit" or the "Cash and Carry with Bank Guaranty" collection system under PPA MC No 27-2002, as amended, and PPA MC No 31 2003, respectively

A domestic Shipping Line (SL) who has availed of either of the abovementioned collection systems may be allowed to transfer its loaded or empty containers for any of the following reasons

- To avoid congestion at the immediate areas of the pier, wharf or port's container yard;
- To provide value-added services to its clientele,
- To minimize re-handling of containers at the port's container yard, and,
- To avoid incurring storage charges

1 General Guidelines

- 1.1** As a general rule, container transfers shall be allowed only if made within the Free Storage Period

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

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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.

- 1 2 All port and cargo-handling charges accruing on the cargo due to the PPA must be paid pursuant to the provision of PPA MC 27-2002, as amended, and PPA M.C. No. 31-2003
- 1 3 It is understood that the Shipping Lines, acting as Agents in behalf of the cargo owner, shall bear full responsibility for the payment of all charges accruing on the cargo, including storage charges, if any. The Shipping Line, in the course of the container transfer, shall also be liable for any damage to or loss of the cargo while under its custody
- 1 4 Shipping Lines shall be responsible for the settlement of cargo-handling charges accruing on the cargo due to the Cargo Handling Operator (CHO) either in Cash, or through a separate credit facility with the CHO, to be able to transfer containers under its custody
- 1 5 These guidelines shall not apply to
 - 1 5 1 FCL or LCL containers that are stripped within the pier terminal upon the Shipping Line's or Consignee's request
 - 1 5 2 Transfer of containers from pier to pier for storage purposes
- 1 6 These guidelines shall be applicable at PMO-North Harbor and other PMOs where there are multi-piers/terminals with separate pier/terminal gates other than the port gates. Where there is only one contiguous pier or terminal in the PMO base port, the PMO may promulgate guidelines specific to the PMO, consistent with these guidelines

2 Documentation

- 2 1 PPA Terminal Office must receive the inbound Coasting Manifest (CM), preferably 24 hours, but not less than 8 hours, before vessel arrival, for encoding into the PPA Computer System before the transfer of containers can be allowed
- 2 2 For vessels with less than 8 hours sailing to the port, the inbound CM must be submitted immediately to the PPA Terminal Office upon the vessel arrival, for encoding into the PPA Computer System. However, under this situation, no transfer shall be allowed unless the inbound CM has been fully encoded into the system
- 2 3 PPA, recognizing that there remains many domestic shipping lines without computer networks, wishes to encourage the growth of the

shipping industry through the use of computers and has therefore designed a Template on which BL information may be encoded for easy manifest generation and submission

Through the use of this Template, which shall be available upon written request, domestic shipping lines, using a stand-alone computer system, shall be able to submit an electronic (or soft) copy of the CM directly to the PPA Terminal Office or through the e-Port via the Internet up to one (1) hour before actual vessel arrival or departure, as the case may be

- 2.4 For electronic (or soft copy) inbound CM, data must be received, uploaded to the PPA Computer System, and accepted and approved by PPA Terminal Supervisor (TS) before the expected transfer of the containers
- 2.5 Perishable cargoes in containers, such as produce (tomatoes, bananas, etc), fish and livestock, may be released through the manual system and later encoded by the TOO into the Computer system. This arrangement, however, shall be temporary and only be valid up to three (3) months from the Computer System Roll-Out date at a specific pier or terminal
- 2.6 For purposes of this regulation, the term CHO Invoice shall refer to any document, issued by the CHO reflecting the computation of the cargo-handling charges due on a particular shipment, such as (a) Cash Handling Receipt, (b) Non-Cash Handling Receipt, or (c) Charge Receipt

3 Procedures

3.1 **Transfer of Inbound Containers Under Shipping Line Custody (Annex A)**

These procedures shall govern the movement of inbound containers released to the shipping lines for transfer to its container yard/ container freight station (CY/CFS), which may be located either inside or outside the port, and from where the Consignee/Hauler eventually takes delivery of the container/cargo

- 3.1.1 At any time before vessel arrival or departure, as the case may be, the Shipping Lines may file with the PPA Terminal Supervisor (TS) a Container Transfer Request (CTR), in three (3) copies, for inbound container transfers

The CTR shall contain the following information carrying vessel name, ETA/ATA, and the expected transfer period, and individual container numbers, its corresponding size (10, 20 or 40/5), container status (FCL, LCL, Empty), and BL number (under "Remarks" column. The CTR shall also serve as the "authority" for PPA to bill the applicable port and cargo-handling charges due on transferred containers against the shipping line concerned

Shipping Lines which submit the inbound CM through the e-Port need not accomplish the CTR *if the transfers are to be undertaken on a "per-vessel-load" basis*

In this case, the Shipping Line must submit a written authority to PPA to allow PPA to bill the shipping line the applicable port and cargo-handling charges due on transferred containers. Such authority may be on a "per-vessel" basis or for "all-vessel" basis. However, a Container Discharge List (CDL) on a per-vessel basis, which should contain the same information as the CTR, must still be submitted to the PPA TS concerned

- 3 1 2 The TS verifies completeness of the CTR (or CDL) information and manually determines that the estimated amount to be guaranteed by the shipping line, together with other outstanding billings, do not exceed the available credit. *If within the credit limit, the TS approves and returns the approved CTR (or CDL) to the Shipping Line. The TS forwards copy to the CHO and retains File Copy*

In the event the credit limit will be reached or exceeded as a result of the present transaction, the TS shall require the shipping line to settle some of its outstanding accounts before approving the CTR (or CDL) or seek higher PPA authority approval for an "Override" to allow the Computer system to generate the Invoices.

- 3 1 3 Based on the PPA transmitted, TS-approved CTR (or CDL), the CHO shall pre-prepare the CHO Invoice to facilitate documentation
- 3 1 4 On the day of transfer, Shipping Line Driver/Hauler (D/H) presents **EIR/C(V)TS** (for laden and empty containers) for CHO Gate Pass issuance. CHO issues Gate Pass after crosschecking the container numbers with the PPA-

provided, TS-approved CTR (or CDL) and attaches the CHO Invoice. CHO retains copy of EIR/C(V)TS

- 3.1.5 Shipping Line D/H presents CHO Invoice and Gate Passes at the PPA Terminal Office. The Terminal Operations Officer (TOO) verifies BL and container number with the TS-approved CTR (or CDL) and stamps "Authority to Deliver" on the Gate Pass.
- 3.1.6 Shipping Line D/H exits Pier Gate.
- 3.1.7 TOO generates system invoice and attaches the retained copy of the CHO Invoice and Gate Pass.
- 3.1.8 At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system invoices for the day and forwards billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office.

3.2 Transfer of Outbound Containers Under Shipping Lines Custody (Annex B)

These procedures shall govern the movement of outbound containers delivered by the shipping lines to the pier for loading from its container yard/container freight station (CY/CFS), which may be located either inside or outside the port, where the Shipping Line first received the container/cargo from the Shipper/Hauler

- 3.2.1 The Shipping Line may file a Container Transfer Request, in three (3) copies, with the TS at the pier of loading, preferably two days prior to the carrying vessel's departure.

For Shipping Lines which guarantee all charges on containers loaded onto their vessel, a Container Loading List (CLL) and the written authority, mentioned under the 4th paragraph of Item 3.1.1, must be submitted to PPA in lieu of the CTR.

In the case of empty containers, the Shipping Line binds itself to submit to PPA the list of empty containers loaded on a specific vessel, whether said empty containers came from inside or outside the pier/terminal, within 24 hours after the carrying vessel's departure.

3.2.2 The TS verifies completeness of the CTR (or CLL) information and manually determines that the estimated amount to be guaranteed by the shipping line, together with other outstanding billings, do not exceed the available credit. If within the credit limit, the TS approves and returns the approved CTR (or CLL) to the Shipping Line. The TS forwards copy to the CHO and retains File Copy.

In the event the credit limit will be reached or exceeded as a result of the present transaction, the TS shall require the shipping line to settle some of its outstanding accounts before approving the CTR (or CLL) or seek higher PPA authority approval for an "Override" to allow the Computer system to generate the Invoices.

3.2.3 Upon the entry of the container to the pier, the Shipping Line D/H presents the BL/PBL to the CHO who issues the CHO Invoice.

3.2.4 The Shipping Line D/H presents the BL/PBL and the CHO Invoice to the PPA Terminal Office. The TOO verifies the container numbers with the TS-approved CTR (or CLL) and stamps "Authority To Load" on the BL or PBL. The TOO generates the outbound cargo system Invoice and attaches the retained copy of the BL/PBL and CHO Invoice.

3.2.5 Shipping Line D/H brings the outbound container into the pier for marshalling, storage or loading onto the vessel.

3.2.6 At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system Invoices for the day and forwards the billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office.

3.3 Release of Inbound Containers Under Shipping Line Guaranty (Annex C)

These procedures shall govern the movement of inbound containers released to the Consignee/Hauler where the Shipping Line guarantees the payment of all port and cargo-handling charges due on the container.

3.3.1 Consignee/Hauler presents Original BL to the Shipping Line. The Shipping Line collects freight and all charges due from the consignee or its representative. Shipping Line issues

Release or Delivery Order (R/DO) to the consignee or its representative in exchange for the BL Shipping Lines stamps Guaranty on the R/DO if the port and cargo-handling charges on the cargo are to be charged to its account

3 3 2 The Consignee/Hauler proceeds to the CHO and presents R/DO CHO issues the CHO Invoice and the Gate Pass and stamps "Guaranteed" on all copies of both documents

3 3 3 Consignee/Hauler presents CHO Invoice and Gate Passes at the PPA Terminal Office The TOO verifies BL and container number and stamps "Authority to Deliver" on the Gate Pass TOO encodes CHO Invoice & OR details, generates system Invoice and attaches the CHO Invoice and Gate Pass stamped "Guaranteed "

3 3 4 Consignee/Hauler exits Pier Gate

3 3 5 At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system Invoices for the day and forwards the billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office

3.4 Acceptance of Outbound Containers Under Shipping Line Guaranty (Annex D)

These procedures shall govern the movement of outbound containers delivered to the pier by the Shipper/Hauler where the Shipping Line guarantees the payment of all port and cargo-handling charges due on the container

3 4 1 Shipper/Hauler presents Pro-forma BL to the Shipping Line The Shipping Line collects freight and all charges due from the Shipper/Hauler Shipping Line issues Bill of Lading to the Shipper/Hauler Shipping Line stamps Guaranty on the BL if the port and cargo-handling charges on the cargo are to be charged to its account

3 4 2 The Shipper/Hauler proceeds to the CHO and presents BL CHO Issues CHO Invoice stamped "Guaranteed "

3 4 3 Shipper/Hauler presents BL, CHO Invoice at the PPA Terminal Office The TOO verifies CHO Invoice and stamps "Authority to Load" on the BL TOO encodes CHO Invoice

details, generates system Invoice and attaches CHO Invoice stamped "Guaranteed "

3 4 4 Shipper/Hauler brings the outbound container into the pier for marshalling, storage or loading onto the vessel

3 4 5 At the specified cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all the system Invoices and forwards the billing to the Shipping Lines for payment with a copy provided to the PPA Accounting Office

3.5 Transfer of Containers Under Shipping Line Guaranty: Received at One Pier but for Loading at Another Pier (Annex E)

These procedures shall govern the movement of outbound containers from one pier to another due to changes in the carrying vessel's berthing arrangement and where the Shipping Line guarantees the payment of all port and cargo-handling charges due on the container

3 5 1 Shipping Line files a CTR, in five (5) copies, to the PPA TS where the containers for transfer are presently stored The CTR is to be distributed as follows

- 1st Copy - Shipping Line
- 2nd Copy - TS at Originating Terminal (TSOT)
- 3rd Copy - CHO at Originating Terminal (CHOT)
- 4th Copy - TS at Receiving Terminal (TSRT)
- 5th copy - CHO at receiving Terminal (CHRT)

3 5.2 The CTR shall contain the expected transfer period, individual container number, its size (10, 20 or 40/5) and status (FCL, LCL, Empty) and the reason for the transfer (example, For Loading, etc)

The CTR must also specify that all cargo charges accruing on the listed containers shall be for the account of the Shipping Line This shall serve as the Authority for PPA to bill the Shipping Line concerned

For Shipping Lines which guarantee all charges on containers loaded onto their vessel, a Container Loading List (CLL) and the written authority, mentioned under the 4th paragraph of Item 3 1 1, must be submitted to PPA in lieu of the CTR

In the case of empty containers, the Shipping Line binds itself to submit to PPA the list of empty containers loaded on a specific vessel, whether said empty containers came from inside or outside the pier/terminal, within 24 hours after the carrying vessel's departure

3.5.3 The TSOT verifies the completeness of the CTR (or CLL), approves and returns the approved CTR (or CLL) to the Shipping Line. The TSOT then also forwards a copy each of the CTR (or CLL) to the CHO and to the PPA TS at the receiving (loading) pier and retains File Copy

3.5.4 On the day of the transfer, Shipping Line Driver/Hauler (D/H) presents EIR or C(V)TS to the CHOT for Gate Pass issuance. CHOT checks the container number against the PPA-provided, TSOT-approved CTR and issues CHO Invoice and Gate Pass. CHOT indicates the original entry/receipt date of the container to be transferred in the "Remarks" portion of the CHO Gate Pass

3.5.5 Shipping Line D/H presents CHO Invoice and Gate Pass at the PPA Terminal Office. The Terminal Operations Officer (TOO) verifies container number with the TSOT-approved CTR (or CLL), generates the system Invoice, if charges have not been previously invoiced, and stamps "Authority to Transfer" on the CHO Gate Pass. If previously invoiced, TOO tags the transferred containers to the new SCN of carrying vessel

3.5.6 Shipping Line D/H exits Pier Gate

3.5.7 At a specific cut-off time, the TOO generates, on a daily basis, the Summary of Invoices on Account, attaches all invoices for the day and forwards billing to Shipping Lines for payment with a copy provided to the PPA Accounting Office

3.6 Receiving of Containers Transferred From Another Pier for Loading Under Shipping Line Guaranty (Annex F)

These procedures shall govern the acceptance of outbound containers transferred from another pier due to changes in the carrying vessel's berthing arrangement and where the Shipping Line guarantees the payment of all port and cargo-handling charges due on the container

- 3.6.1 Shipping Line D/H presents the EIR or C(V)TS to the CHRT, CHRT verifies container number with the TSOT-approved CTR (or CLL) and issues CHO Invoice
- 3.6.2 Shipping Line D/H presents 2nd PPA copy of CHO Gate Pass, issued by the CHOT and duly stamped by the PPA terminal Office thereat, to the receiving PPA Terminal Office, where the transferred containers are to be loaded
- 3.6.3 TOO verifies the 2nd copy of the CHO Gate Pass details with the approved copy of the CTR (or CLL) earlier provided and approved by the originating PPA terminal. If in order, TOO stamps "Authority To Load" on the EIR or C(V)TS and retains the CHO Invoice and 2nd copy of the Gate Pass
- 3.6.4 TOO checks the computer system if the transferred containers have been tagged to the new SCN. If not, advises the originating PPA Terminal to initiate the process. TOO encodes the first receipt/entry date reflected on the "Remarks" portion of the 2nd PPA copy of the CHO Gate Pass into the computer system
- 3.6.5 Shipping Line D/H brings outbound container into the pier for marshalling or direct loading onto the carrying vessel

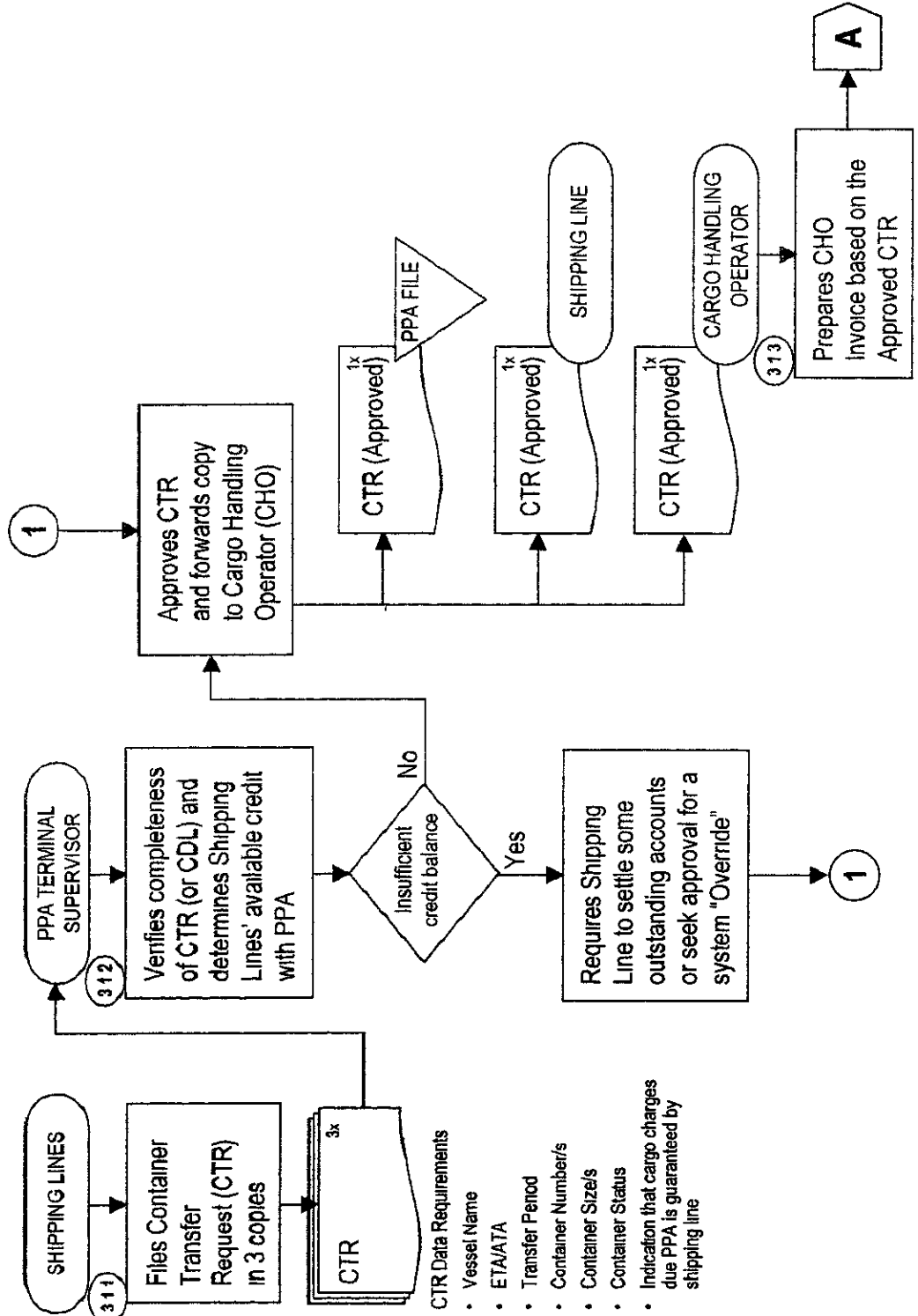
This Memorandum Circular shall be effective Fifteen (15) days after publication in a newspaper of general circulation and shall remain in full force and effect until otherwise amended or revoked by competent authority


ALFONSO G. CUSI
General Manager

Encl As stated

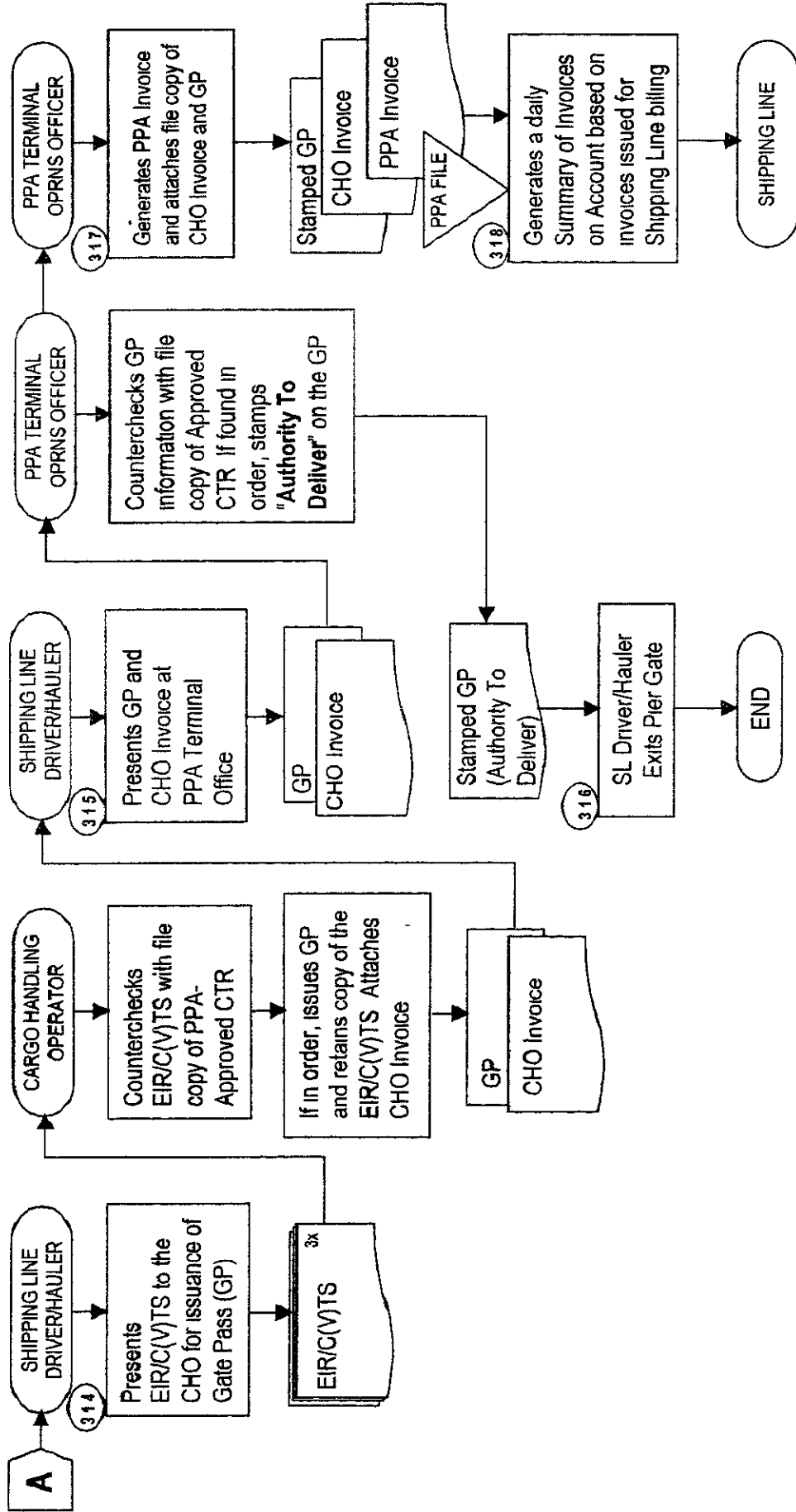
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Prior to vessel arrival or departure



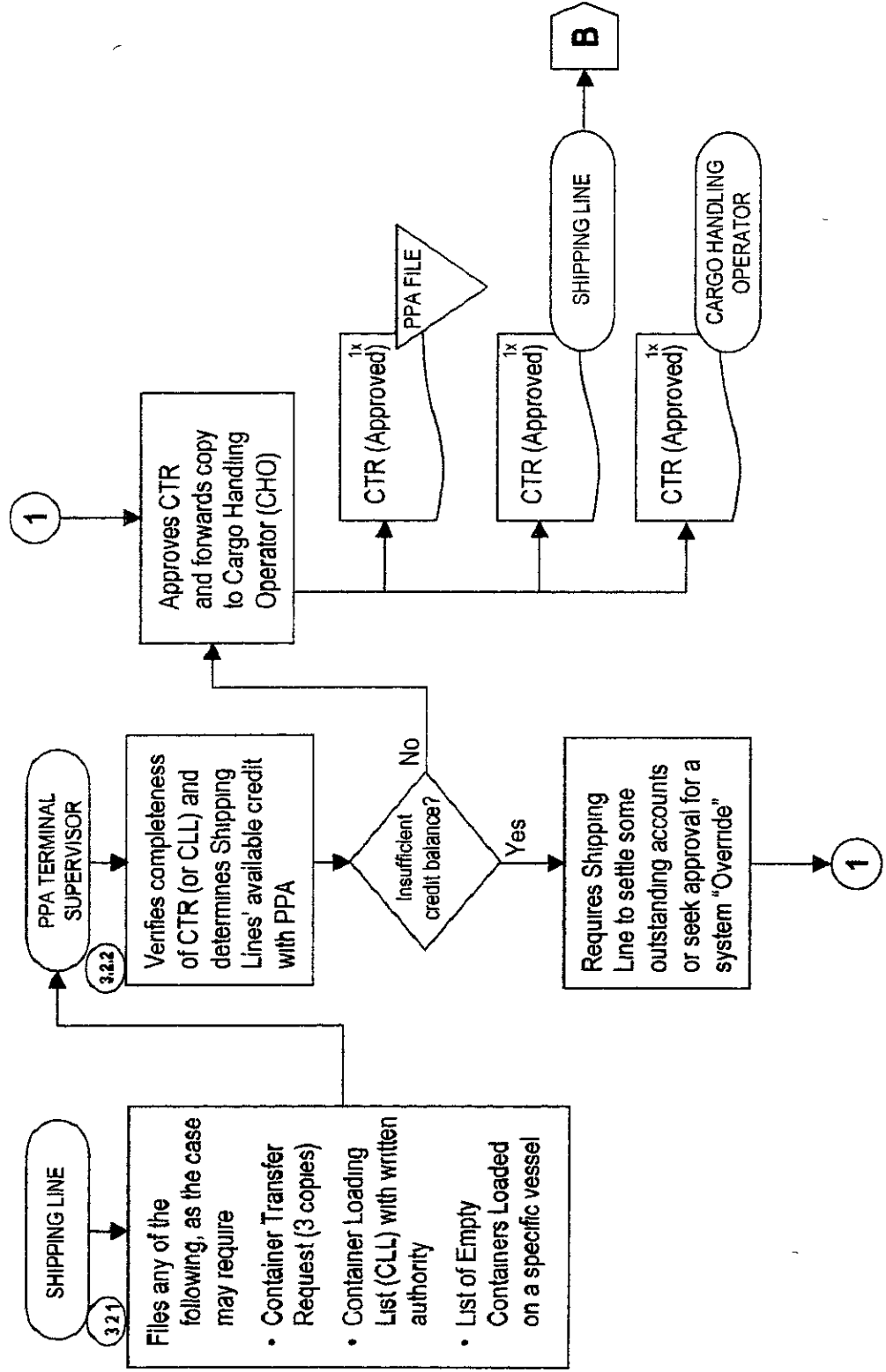
TRANSFER OF INBOUND CONTAINERS UNDER SHIPPING LINES CUSTODY

During transfer of Inbound Container



TRANSFER OF OUTBOUND CONTAINERS UNDER SHIPPING LINES CUSTODY

Two days prior to vessel departure



TRANSFER OF OUTBOUND CONTAINERS UNDER SHIPPING LINES CUSTODY

Upon entry of Outbound Container

B
SHIPPING LINE DRIVER/HAULER

3.2.3
Presents Bill of Lading (BL) or Proforma BL (PBL) to CHO

BL/PBL

CARGO HANDLING OPERATOR

Upon receipt of the BL/PBL, issues CHO Invoice

CHO Invoice

3.2.4
SHIPPING LINE DRIVER/HAULER

Presents BL/PBL and CHO Invoice to the PPA Terminal Office

CHO Invoice
BL/PBL

PPA TERMINAL OPNRNS OFFICER

Counterchecks BL/PBL with file copy of Approved CTR

If found in order, stamps "Authority to Load" on BL/PBL and retains a copy

Stamped BL/PBL (Authority To Load)

Stamped BL/PBL (Authority To Load)

1

PPA TERMINAL OPNRNS OFFICER

Generates Outbound Cargo Invoice and attaches file copy of BL/PBL

CHO Invoice
Stamped BL/PBL
PPA Invoice
PPA FILE

3.2.6
Generates a daily Summary of Invoices on Account based on invoices issued for shipping line billing

SHIPPING LINE

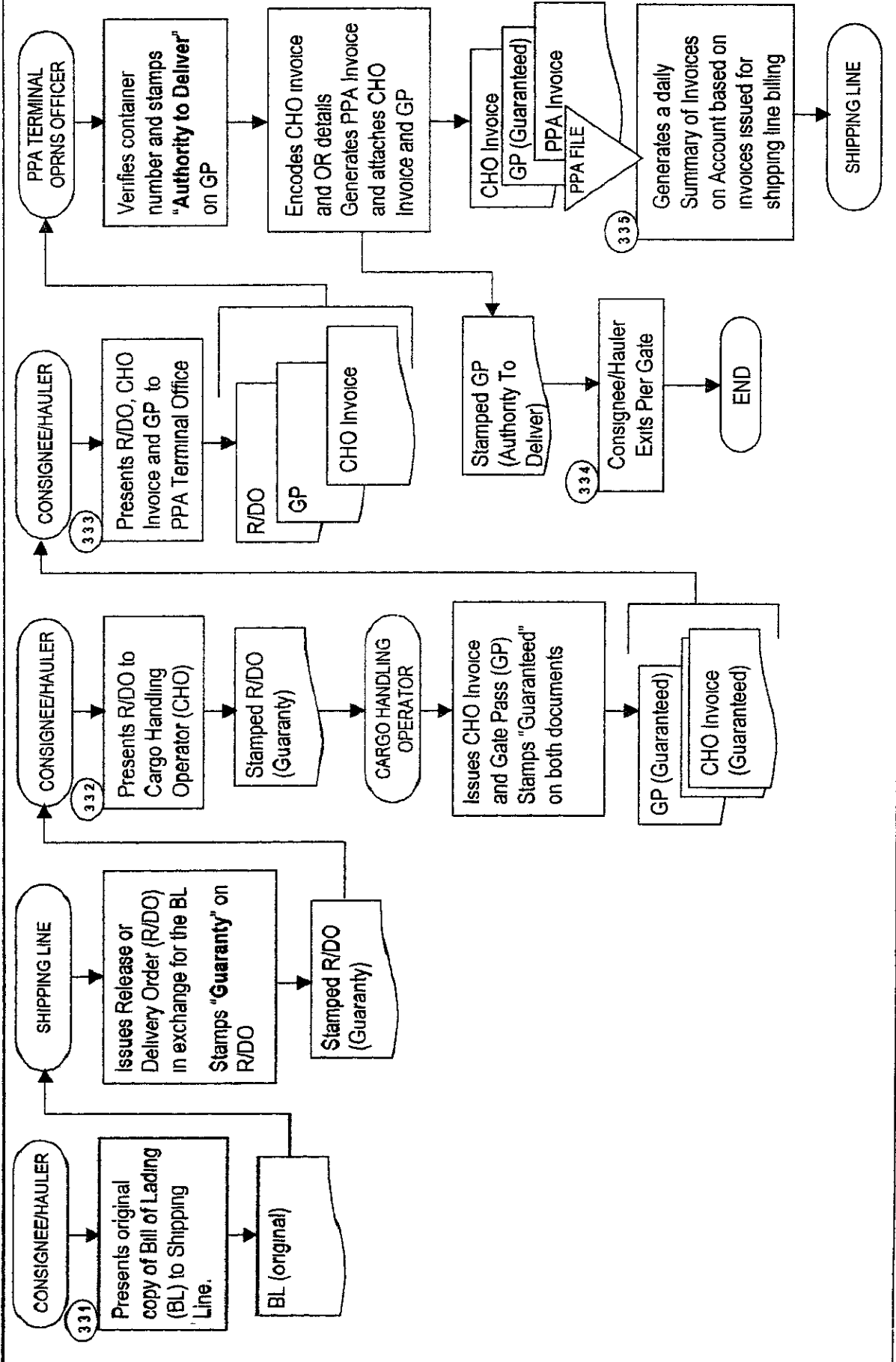
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3.2.5
SHIPPING LINE DRIVER/HAULER

Delivers outbound container to the pier for marshalling, storage or loading onto the vessel

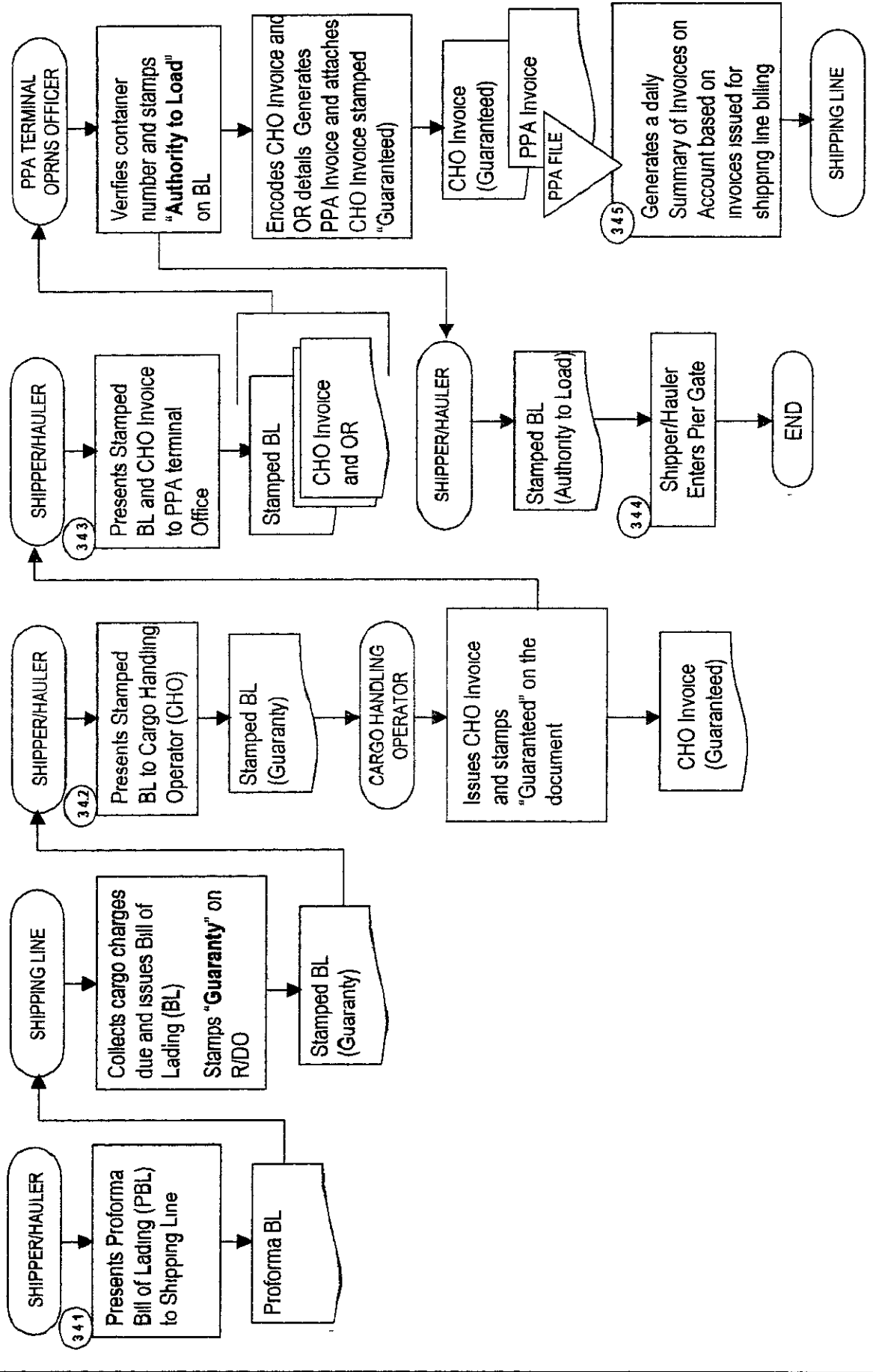
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RELEASE OF INBOUND CONTAINERS UNDER SHIPPING LINES GUARANTY

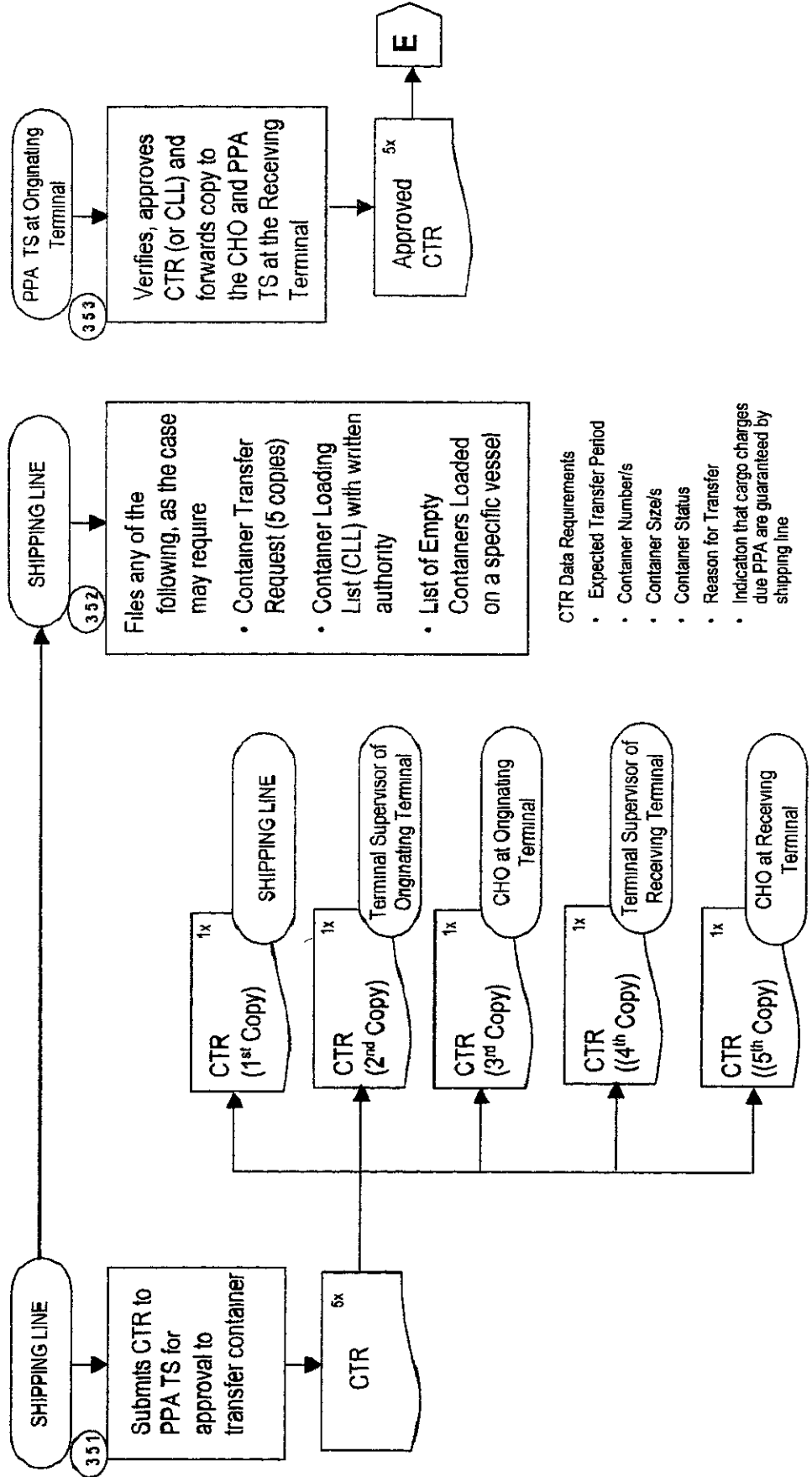


Annex D

RELEASE OF OUTBOUND CONTAINERS UNDER SHIPPING LINES GUARANTY

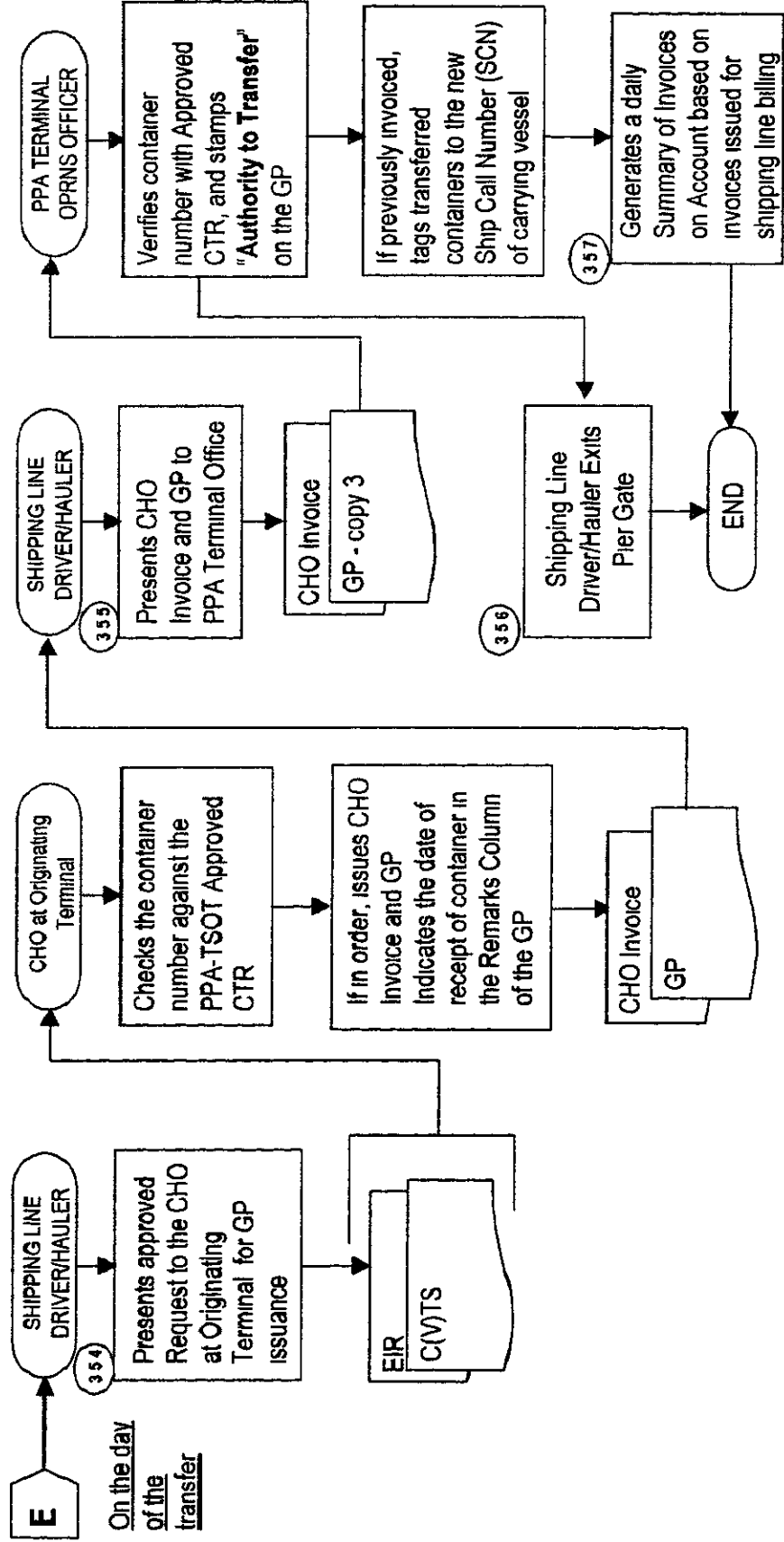


TRANSFER OF CONTAINERS UNDER SHIPPING LINES GUARANTY RECEIVED AT ONE PIER BUT FOR LOADING AT ANOTHER PIER



- CTR Data Requirements
- Expected Transfer Period
 - Container Number/s
 - Container Size/s
 - Container Status
 - Reason for Transfer
 - Indication that cargo charges due PPA are guaranteed by shipping line

TRANSFER OF CONTAINERS UNDER SHIPPING LINES GUARANTY RECEIVED AT ONE PIER
BUT FOR LOADING AT ANOTHER PIER



Annex F

RECEIVING OF CONTAINERS TRANSFERRED FROM ANOTHER PIER FOR LOADING

Upon entry of Container to the Loading Pier

