



Republike ng Pilipinas  
**PANGASIWAAN NG DAUNGAN NG PILIPINAS**  
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**PPA**  
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December 8, 1982

PPA MEMORANDUM CIRCULAR  
NO. 36 - 82

**SUBJECT : Policy on Private Sector  
Participation in Port  
Development**

**T O : All Port Managers, Private  
Port Owners/Operators,  
Port Users and Others  
Concerned**

Quoted hereunder for information and guidance is the "Policy on Private Sector Participation in Port Development" duly approved in the 81st Regular Meeting of the PPA Board of Directors as per Board Resolution No. 519-A dated 10 November 1982:

**1. ON GENERAL POLICY**

The provision and operation of ports and port facilities in the country is a government function, as carried out through its agency, the Philippine Ports Authority. The private sector, in its complementary role, shall be encouraged to assist and be allowed to participate in the performance of this function.

In order to maximize the benefits arising from private sector involvement and partnership in port development, it is deemed necessary to identify areas wherein private capital shall be welcomed and preferred as enumerated below:

1.1 Where existing port infrastructure, technology and equipment, whether provided by government or the private sector, are not sufficient or capable of meeting the current or projected demand;

1.2 Where government finances are not sufficient nor available to meet the expenses in the provision of such additional port infrastructure, technology and equipment required; and

1.3 Where such port infrastructure, technology and equipment conforms to the government port development plans.

2. ON SPECIFIC POLICY

2.1 Duration of Permit. Private ports shall be permitted to operate and exist as such for as long as the corresponding Bureau of Lands foreshore lease agreement or any other similar government contract remain valid and in full force and effect. Thereafter, the port facility and any improvements on the lease area shall be vested in the government.

Upon expiration of the PPA permit and when so required by PPA, the port owner shall remove at his own expense the entire or specified parts of the port facility he has constructed.

2.2 Wharfage. Private port owners shall continue to enjoy the 50% reduction in wharfage dues for their own domestic cargo either loaded from or discharged at their own port facilities.

2.3 Area of Cargo Handling Operations. The private port owner shall be permitted to undertake cargo handling operations (organic or contracted) not only within his own facility but also at anchorage. Anchorage operations are permissible only when the vessel cannot berth due to draft or "other safety considerations and its cargo are loaded from or for discharge to the private port facility."

2.4 Integration of Cargo Handling Services. The integration of cargo handling services shall be preferred but not mandatory. Thus, the private port owner may engage one or more contractors to provide any portion or all of the necessary cargo handling services in his own facility.

2.5 Choice of Contractor. The private port owner may engage any cargo handling contractor and shall not be limited to the existing contractors operating in the area. The contractor so chosen shall start providing the service only after he has secured the necessary cargo handling permit from PPA.

The permit shall be issued upon submission of the same documentary requirements submitted by government port contractors. A PPA cargo handling permit shall likewise be required for organic cargo handling operations.

2.6 Government Share. The government share from cargo handling services on owned cargo handled either by the private port owner himself or his contractor is hereby replaced by a reasonable regulatory fee to offset PPA expenses in the regulation and supervision of this type of operations.

As a minimum, this fee shall not be lower than the cost of cargo checking services which PPA may undertake or contract to ensure the accuracy and veracity of information on port traffic.

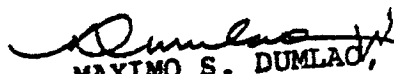
2.7 Third Party/Commercial Operations. Subject to general policy, handling of third party/commercial cargo may be allowed, provided that:

2.7.1 Commercial/third party cargo shall be assessed the full 100% wharfage due, regardless of the extent of its use of private port facilities.

2.7.2 Commercial/third party cargo shall be subject to the government share based on applicable existing rates in the nearest government port facility and shall be paid by the private port owner whether the cargo handling operations are organic or performed by a contractor who has been engaged to provide the work.

The PPA Board has also directed that a review of all existing private port facilities be undertaken by the Authority. In this regard, the implementing guidelines for this review shall be shortly promulgated after consultation with the private sector.

BY AUTHORITY OF THE GENERAL MANAGER:

  
MAXIMO S. DUMLAC, JR.  
Assistant Executive Officer