



OCT 31 2000

**PPA MEMORANDUM CIRCULAR**

No. 45 - 2000

**T O :** All Port District Managers  
All Port Managers  
Cargo Handling Contractors/Operators  
Shipping Companies  
Others Concerned

**S U B J E C T:** Palletizing and Stockpiling of Non-Containerized Cargoes as Part of Regular Cargo Handling Services

There have been varied interpretations relative to palletizing and stockpiling or piling services as part of arrastre work being rendered in the receipt and delivery of cargoes from and to shipper's or consignee's transportation.

To ensure proper interpretation of the terms "Palletizing and Stockpiling or piling of Cargoes" as commonly used in cargo handling services and in the terms and conditions of the tariff, and eliminate misunderstandings among cargo handling operators, shipping line owners, shippers and consignees, the following clarifications are hereby issued.

1 SCOPE

This Memorandum Circular shall cover arrastre and stevedoring services for non-containerized cargoes in all ports with cargo handling contracts or hold-over permits issued by the Philippine Ports Authority

2 DEFINITION OF TERMS

2.1 Stockpiling or Piling of Cargoes – This refers to an activity where non-containerized cargoes are transferred and stored at PPA owned and designated open storage, shed or warehouse located inside the port prior to delivery or loading to vessel. This also includes piling or delivery of cargoes onto consignee's trucks.

This may also refer to piling of cargoes inside consignee's owned warehouse or storage outside of the operational area of the authorized cargo handling operator. This activity, however, is a special service which may be imposed a separate fee.

2.2 Palletizing of cargoes as used in item 9.7 of the terms and conditions of the cargo handling tariff, refers to an activity where breakbulk cargoes are placed on portable pallets prior to discharging or in receiving deliveries from shipper or in delivering cargoes onto consignee's transportation.

Palletizing of cargoes also refers to an activity where the cargo handler's services are engaged to place and strap cargoes on pallets, off dock, in order to comprise a unit load per pallet.

3 CLARIFICATIONS

- 3.1 Stockpiling or Piling of cargoes as defined in the first paragraph of item 2.1 hereof is part of arrastre services not subject to any additional fee. This service is already paid for under the prescribed arrastre rates in the cargo handling tariff.
- 3.2 The particular activity of piling cargoes onto consignee's truck, being part of the arrastre work to be rendered by the authorized cargo handler in the port, can not be segregated and should not be awarded to another contractor to warrant the imposition of additional fee for said activity.
- 3.3 Stockpiling or piling of cargoes inside consignee's warehouse or storage, being a special service, is subject to additional fee at the rate agreed upon by the authorized cargo handler and the cargo owner or as prescribed in the cargo handling tariff.
- 3.4 Palletizing of cargo as defined in the first paragraph of item 2.2 hereof is likewise part of the arrastre/stevedoring services, which is not subject to an additional charge.

Palletizing of cargoes as defined in the second paragraph of item 2.2 is not part of the regular arrastre work which is, therefore, subject to a separate charge.

4 REPEALING CLAUSE

All PPA issuances, or parts thereof, which are inconsistent herewith are hereby repealed or amended.

5 EFFECTIVITY

This Circular shall take effect immediately and shall remain in force until revoked or amended.

JUAN O. PEÑA

/cas/d de palletizing