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21 November 1990

PPA MEMORANDUM CIRCULAR  
NO. 50 90

TO - All District Managers, Port Managers  
Cargo Handlers and Others Concerned

SUBJECT - GUIDELINES IN THE IMPLEMENTATION OF THE  
REVISED FIXED FEE POLICY ON GOVERNMENT  
SHARE FROM CARGO HANDLERS

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Pursuant to PPA Board EXCOM Resolution No. 90-137 dated May 16, 1990 and confirmed by PPA Board Resolution No. 1120 and in relation to PPA EXCOM Resolution No. 90-169 dated October 29, 1990 as confirmed by PPA Board Resolution No. 1155, the following guidelines are hereby prescribed for the collection of government share from cargo handlers in the form of a fixed fee in lieu of the fixed and variable fees earlier approved and implemented under Board Resolution No. 953 dated May 9, 1988.

1. The Revised Fixed Fee Policy

- 1.1 The collection of the fixed fee under this policy shall apply to all contracts and permits issued to cargo handling contractors in government ports after the issuance of this Memorandum Circular
- 1.2 The fixed fee shall be the amount equivalent to the highest recorded and audited government share paid by the cargo handling contractor for the last three (3) years, plus a ten (10%) percent add-on.
- 1.3 In lieu of the variable fee earlier implemented, subject fixed fee shall be increased yearly by five (5%) percent, compounded annually, starting from the second (2nd) year until the expiration of the contract.

2. Suspension Of The Implementation of the Revised Fixed Fee Policy

- 2.1 The implementation of the revised fixed fee policy, however, will be temporarily suspended for a period of one (1) year in ports placed under open competition or where there are more than one (1) contractor/operator in a given port or operational area

- 2.2 In place of the fixed fee, the government percentage share shall be temporarily implemented for a period of one (1) year after which PPA shall determine whether to lift the temporary suspension or make the government percentage share permanent.
  - 2.3 The government percentage share to be prescribed should not be less than ten (10%) percent of the gross income billed from domestic cargo handling operations and not less than twenty (20%) percent for foreign cargo handling operations.
  - 2.4 The suspension of the implementation of the fixed fee policy shall likewise apply to ports undergoing major construction, rehabilitation and/or expansion, at least during the period that the port facilities are not utilized to the maximum due to the on-going civil works, after which the revised fixed fee shall be implemented until the expiration of the contract.
3. All PPA policies, rules and regulations and parts thereof inconsistent with or contrary to any of the provisions of this Circular are hereby modified accordingly.

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

  
ROGELIO A. DAYAN  
General Manager