

PPA Memorandum Circulars
PORTS AUTHORITY
5th Floor, B.F. Condominium
Aduana, Intramuros, Manila

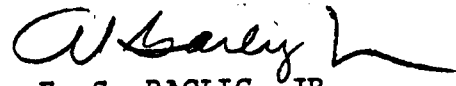
26 July 1983

PPA MEMORANDUM ORDER
No. 20 - 83

TO : All Port Managers
Port Operations Officers
Finance Officers
Others Concerned

SUBJECT : Implementing Guidelines on the Proper
Assessment and Collection of the New
Port Charges

Attached are the implementing guidelines for the proper assessment and collection of the new port charges under PPA Memorandum Circular No. 14 - 83 dated 18 July 1983 for your guidance and ready reference.


E. S. BACLIG, JR.
General Manager

Implementing Guidelines on the Proper
Assessment and Collection of the New Port Charges

I. Definition of Terms:

1. Free Storage Period - means the period allowed for any article, baggage and/or container to be stored in any port premises, cargo sheds and warehouses of the Authority without the payment of storage fee.
2. GRT - refers to the gross registered tonnage of the vessel.
3. Revenue Tonnage - means 1,000 kgs. or 1.1326 cubic meters (40 cu. ft.) whichever yields the greater amount of revenue.
4. Transit Cargo for Export - refers to any article arriving at any port from another domestic port or place and destined for re-shipment to a foreign port.
5. Imported Transit Cargo - refers to any article arriving at any port from a foreign port or place and destined for re-shipment to another local port.
6. Foreign Transshipment Cargo - refers to any article arriving at the port from a foreign port or place and destined for re-shipment to another foreign port.
7. Domestic Shut-Out Cargoes - are cargoes brought to the port premises for domestic shipment which were not loaded on the intended carrying vessel provided that such vessel has actually docked.

8. Third Party Cargoes - refer to cargoes not owned by the private pier/wharf owner.
9. Containerized Cargoes - are cargoes packed in containers for easy handling or transportation of same as a unit.
10. Container - means any structure so designed to hold and keep articles, materials and products, with inside hold, in the form of boxes, tanks, or the like, for singular or unit handling and transport, generally having any internal volume or capacity of not less one (1) cubic meter. It is further defined according to their uses as dry cargo, refrigerated, liquid bulk, platform, open top, solid bulk and ventilated container.
11. FCL Container (Full Container Load) - refers to containerized cargo owned by only one consignee. *Shipper*
12. LCL Container (Less Container Load) - refers to containerized cargo owned by more than one shipper/consignee.

II. Exemptions:

1. All vessels of the Armed Forces of the Philippines and those owned by other government agencies used exclusively for training purposes are exempted from the payment of Usage Fee.

2. Naval, diplomatic and academic vessels owned by any foreign government not carrying cargo or passengers and not for hire shall be exempted from the payment of all vessel charges, provided that said foreign government also grants the same privileges to such vessels owned by the Philippine Government.
3. Where the State has arrangements with a foreign government in respect of vessels belonging to that foreign government and such vessels are not normally engaged in the conveyance of cargo or passengers, the same shall be exempted from the payment of all vessel charges;
4. Vessels seeking shelter from inclement weather or entering the port for medical help and other maritime necessity shall be exempted from the payment of all vessel charges;
5. Whenever any vessel is stopped from discharging cargo to avoid congestion on the piers or for other justifiable causes, such vessel shall be exempted from the payment of Berthing or Usage Fee during the period of such suspension unless in the meantime it loaded/unloaded at shipside or from the pier;

6. Carques owned by government agencies or private entities granted exemptions from the payment of wharfage or storage fee by virtue of Presidential Issuances decreed after 1 January 1976; and
7. Registered export products of firms duly registered with the Board of Investments under R.A. 6135 shall be exempted from the payment of wharfage fee for export.

III. Port Charges

1. Harbor Fee

- a) Definition - Harbor fee is a one-time charge assessed against vessels engaged in international trade every time they call at any port.
- b) Subject to the Charge - The following are subject to the payment of Harbor Fee :
 - 1) Vessels entering the port for the purpose of loading/discharging cargo or embarking/diseimbarking passengers; and
 - 2) Vessels entering the port for the purpose of bunkering or taking provisions, repairs or changing members of the crew.

2. Berthing Fee

- a) Definition - Berthing fee is the amount assessed against a vessel engaged in international trade for berthing or making fast to a vessel so berthed.
- b) Subject to the Charge - Berthing fee shall be levied on the following :
1. Cargo vessels engaged in foreign trade which berth for the purpose of discharging and/or loading cargo; and
 2. Non-cargo vessels engaged in foreign trade which berth only for the purpose of loading and/or taking passengers or for taking fresh water supply or receiving bunker fuel.

Provided that vessels that do not berth but drop anchor at the anchorage area shall be charged the Anchorage Fee.

- c) Assessment of Harbor, Berthing and Anchorage Fees
1. A fraction of a day shall be counted as one (1) whole day in the assessment of Berthing and Anchorage Fees;

2. Time spent by vessel waiting for berth is not included in the assessment of Berthing Fee. The assessment of Berthing Fee starts from the time a vessel makes fast up to the time it lets go the line;
 3. The assessment of Anchorage Fee starts from the time a vessel drops anchor up to the time it lifts anchor;
 4. Vessels of more than 30,000 GRT shall be charged Berthing/Anchorage Fee equivalent to 30,000 GRT; and
 5. Harbor Fee is assessed every time a vessel calls at the port per GRT or part thereof with no maximum limit.
- d) Illustrations in the Assessment of Harbor, Berthing and Anchorage Fees

Case I.

A. At Government Port - Combination of Berthing and Anchorage

A vessel of 35,000 GRT engaged in foreign trade called at the port. It stayed at berth from 2230 hrs. August 1, 1983 up to 0200 hrs. of August 3, 1983. The vessel also stayed at anchorage. It dropped anchor at 0300 hrs. of August 3 and lifted anchor at 1200 hrs. of August 4.

Counting of the total number of days the vessel stayed.

1) At Berth

August 1	-	1 1/2 hrs.	=	1 day
August 2	-	24 hrs.	=	1 day
August 3	-	<u>2 hrs.</u>	=	<u>1 day</u>
Total		<u>27 hrs.</u>		<u>3 days</u>

2) At Anchorage

August 3	-	21 hrs.	=	1 day
August 4	-	<u>12 hrs.</u>	=	<u>1 day</u>
Total		<u>33 hrs.</u>		<u>2 days</u>

Computation of Harbor, Berthing and Anchorage Fees

1) Harbor Fee

Total GRT		35,000
Rate as of Aug. 1	x	<u>₱ .334/GRT</u>
Harbor Fee		<u>₱11,690</u>

2) Berthing Fee

Maximum GRT limit		30,000
Rates as of Aug. 1	x	<u>₱ .161/GRT/Day</u>
		₱ 4,830
Total Stay Time at Berth (3 days)	x	<u>3</u>
Berthing Fee		<u>₱14,490</u>

3) Anchorage Fee

Maximum GRT limit		30,000
Rate as of Aug. 1	x	<u>₱ .091/GRT/Day</u>
		₱ 2,430
Total Stay Time at Anchorage (2 days)	x	<u>2 days</u>
Anchorage Fee		<u>₱ 4,860</u>
Total Charges Against Vessel		<u>₱31,040</u>

3. At the Private Port - Combination of Berthing and Anchorage

A vessel of 35,000 GRT engaged in international trade called at a private port. It arrived at berth at 2230 hrs. of August 1 and left for anchorage at 0130 hrs. of August 3. It dropped anchor 0230 hrs. of the same day (August 3) at the anchorage area and lifted anchor at 1200 hrs. the following day (August 4) for another port.

Counting of the total number of days the vessel stayed

1) At Berth

August 1	-	1 1/2 hrs.	=	1 day
August 2	-	24 hrs.	=	1 day
August 3	-	<u>1 1/2 hrs.</u>	=	<u>1 day</u>
Total		<u>27 hrs.</u>		<u>3 days</u>

2) At Anchorage

August 3	-	21 1/2 hrs.	=	1 day
August 4	-	<u>12 hrs.</u>	=	<u>1 day</u>
Total		<u>33 1/2 hrs.</u>		<u>2 days</u>

Computation of Harbor, Berthing and Anchorage Fees

1) Harbor Fee

Total GRT		35,000
Rates as of Aug. 1	x	<u>₱ .334/GRT</u>
Harbor Fee		<u>₱11,690</u>

2) Berthing Fee

Maximum GRT limit		30,000
Rates as of Aug. 1	x	<u>₱ .115/GRT</u>
		₱ 3,450
Total stay time at Berth (3 days)	x	<u>3 days</u>
Berthing Fee		<u>₱10,350</u>

3) Anchorage Fee

Maximum GRT limit		30,000
Rate as of Aug. 1 (1/2 of ₱.161)	X	<u>₱ .081</u>
		₱ 2,430
Total Stay Time at Anchorage (2 days)	x	<u>2</u>
Anchorage Fee		<u>₱ 4,860</u>
Total Charges Against Vessel		<u><u>₱26,900</u></u>

C. Suspension of Berthing Fee at Government Port

A vessel of 35,000 GRT engaged in international trade called at the port. It arrived at berth at 1200 hrs. of August 1 and immediately started discharging its cargo. On August 2 at 0030 hrs., the vessel was ordered to suspend the discharging of its cargo owing to congestion in the pier. The vessel was ordered to resume discharging at 2330 hrs. of August 3. The vessel completed the discharging/loading of cargo and left for another port on August 4 at 1230 hrs.

Counting of the total number of days the vessel is liable for payment of Berthing Fee

	<u>Stay at Berth With Suspension of Discharging</u>	<u>Stay at Berth Without Suspension Order</u>	<u>Total No. of Days Vessel Liable to Berthing Fee</u>
Aug. 1	-	12 hrs.	= 1 day
Aug. 2	23 1/2 hrs.	1/2	= 1 day
Aug. 3	23 1/2 hrs.	1/2	= 1 day
Aug. 4	-	12 1/2 hrs.	= 1 day
Total	<u>47 hrs.</u>	<u>25 1/2 hrs.</u>	<u>4 days</u>

Computation of Berthing Fee (in addition to Harbor Fee)

Maximum GRT limit		30,000
Rate as of Aug. 1	x	<u>₱ .161</u>
		₱ 4,830
Total Number of Days With Berthing Charge		<u>1</u>
Total Berthing Fee		<u><u>₱ 4,830</u></u>

3. Usage Fee - *Port*

a. Definition - Usage Fee is the amount assessed against a vessel engaged in coastal (domestic) trade for berthing, for making fast to a vessel so berthed or for mooring at an anchorage area.

b. Subject to the Charge - The following are subject to the payment of Usage Fee:

- 1) Vessels loading or discharging cargo or passengers;
- 2) Laid-up vessels at berth or at the anchorage area;
- 3) Vessels at anchorage or at berth for the purpose of bunkering, taking provisions, repair or changing members of the crew;
- 4) Private non-commercial water crafts;
- 5) Vessels engaged in "Barter Trade" and Bay and River Trade", and
- 6) Barges and Lighters.

C. Assessment of Usage Fee

- 1) A fraction of one day is counted as one (1) whole day in the assessment of Usage Fee.
- 2) Time spent by vessel waiting for berth is not included in the assessment of Usage Fee.
- 3) Assessment of Usage Fee starts from the time a vessel makes fast up to the time it lets go the line, or from the time it drops anchor up to the time it lifts anchor for another port, and
- 4) Vessels engaged in "Bay and River Trade" shall be charged Usage Fee every time they call at the port subject to the maximum and minimum charges.

D. Illustration in the Assessment of Usage Fee.

Case I.

- A. At the Government Port - Combination of At Berth and At Anchorage.

A vessel of 1,000 GRT engaged in coast-wise trade called at a government port. It arrived at berth at 22³⁰ hrs. of August 1, 1983 and left for anchorage at 0130 hrs. of August 3, 1983. The vessel dropped anchor at 0220 hrs. of the same day (Aug. 3) and lifted anchor for another port at 1230 hrs. of August 4, 1983.

Counting of the total number of days the vessel stayed.

1) At Berth/At Anchorage

Aug. 1	-	1 1/2 hrs.	=	1 day
Aug. 2	-	24 hrs.	=	1 day
Aug. 3	-	23 hrs.	=	1 day
Aug. 4	-	<u>11 1/2 hrs.</u>	=	<u>1 day</u>
T o t a l		<u>60 hrs.</u>	=	<u>4 days</u>

Computation of Usage Fee

GRT of Vessel	1,000
Rate as of Aug. 1, 1983	<u>₱ .092/GRT/Day</u>
	₱92.00
Total Number of Days Vessel Stayed at the Port	<u>4 days</u>
Total Usage Fee	<u>₱368.00</u>

B Vessels Engaged in "Bay and River Trade"

A vessel of 700 GRT engaged in "Bay and River Trade" called at the port in the morning and stayed at berth for 4 hours. In the afternoon, it called at the port again and stayed for another 4 hours.

Computation of Usage Fee

1) First call in the morning

Total GRT	700 GRT
Rate as of Aug. 1	<u>₱.046</u>
(1 hrs. is counted as one (1) day)	<u>₱32.20</u>

2) Second call in the afternoon

Total GRT	700 GRT
Rate as of Aug. 1	<u>₱.046</u>
	<u>₱32.20</u>
Total Usage Fee	<u>₱64.40</u> (more than the maximum)
Maximum Usage Fee Per Day	<u>₱46.00</u>

4. Wharfage Fee

a. Definition - Wharfage Fee is the amount assessed against the cargo loaded or discharged by the vessel based on revenue tonnage for non-containerized cargo or number of boxes for containerized cargo received or discharged by such vessel.

b. Subject to the Charge - The following are subject to the payment of wharfage fee:

- 1) All cargoes loaded or unloaded at any government or privately-owned port.

C. Assessment of Wharfage Fee

1. The rates for Wharfage Fee shall be applicable to all cargoes loaded/unloaded at government wharves/piers. However, cargoes loaded/unloaded at anchorage or midstream shall be charged only 50% of the applicable rates.
2. Cargoes loaded/unloaded at private ports, whether at berth or anchorage/midstream, shall also be charged 50% of the applicable rates at government port.
3. The wharfage fee for containerized cargo (foreign and domestic) shall be applied only on FCL containers. LCL containers shall be charged the rates for non-containerized cargoes.
4. Domestic cargoes shall be charged a Wharfage Fee every time they are loaded or unloaded in a port based on their total revenue tonnage rounded off to the nearest ton in the case of non-containerized cargo, or per box basis in the case of containerized cargoes.
5. Empty containers (domestic or foreign) shall not be charged Wharfage Fee.
6. Foreign Transshipment Cargo shall be charged Wharfage Fee only upon entrance at the port. Outgoing Foreign Transshipment Cargo shall no longer be charged Wharfage Fee.

7. Import cargo shall be subject to foreign Wharfage Fee at the port of entry and coast-wise movement of said cargo shall be charged domestic wharfage fee. The reverse shall apply for export cargo.
8. Existing policy of charging 50% of Wharfage Fee on Third Party Cargo carried by vessel diverted by Port Manager to a private pier/wharf shall be maintained.
9. Initial claims for exemption from payment of wharfage under Presidential Issuances decreed after 1 January 1976 shall be accompanied with copies of said issuances. In case of any doubt as to the interpretation of certain provision/s thereof, insofar as wharfage is concerned, the same shall be referred to the Head Office for final resolution before the exemption shall be granted.

Insofar as the claims for exemption of firms registered with the Board of Investments is concerned, only exportation of the registered products of said firms registered under P.A. 6135, otherwise known as the Export Incentives Act,

shall be exempt from payment of Wharfage Fee. Coastwise shipments and importations of these firms are subject to the payment of wharfage fee.

Illustration in the Assessment of Wharfage Fee

Case I. Cargo for Export at Government Port. 1,000 revenue tons of non-containerized cargo from the government of Port of Bohol, intended for export to Japan were unloaded at the domestic wharf at the Port of Cebu. The following day, the cargoes were loaded to the ocean going vessel bound for Japan berthed at the foreign pier.

Computation of Wharfage Fee:

	<u>Port of Bohol</u>	<u>Port of Cebu</u>
<u>Domestic Wharfage:</u>		
1000 P.T. x ₱ .00	₱000 (outbound)	₱ 000 (inbound)
<u>Export Wharfage:</u>		
1000 P.T. x ₱5.75	-	<u>5,750.00</u>
Total	<u>₱000.00</u>	<u>₱5,550.00</u>

Case II. Import Cargo at Government Port to Private Port. 1000 revenue tons of imported bulk cargo from China, destined to a private port in Iligan were discharged from a foreign vessel at anchorage at the South Harbor, Port of Manila directly into the domestic barges to be transported to Iligan.

commence from the day the last item of the carrying vessel has been officially announced to have been discharged.

- b. Export cargoes — the 5-calendar day free storage period shall commence from the day the cargo is officially received at the port.
 - c. Domestic cargoes entering at the port — the 2-calendar day shall commence from the day the cargo is officially received at the port.
 - d. Domestic cargoes discharged at the port -- the 2-calendar day free storage period shall commence from the day the last item of cargo of the carrying vessel has been officially announced to have been discharged.
 - e. Shut-out domestic cargoes — the 2-calendar day free storage period shall commence from the day the vessel where said cargoes are intended to be loaded, has departed.
- 2) The Storage Fee per box for containerized cargo shall be applicable only to empty and FCL containers. LCL containers shall be charged the rates for non-containerized cargo per revenue ton.
- 3) Imported cargo staying at the port longer than the "free storage period" while in transit at the domestic port of exit to the final port of destination shall be liable to domestic storage in addition to whatever import Storage Fee it has paid while at the entry port.

- 5) Export cargo while in transit at a domestic port is liable to domestic storage fee.
- 6) Foreign transshipment cargo delivered to local end users shall be treated as imported and shall, therefore, lose the special benefits for transshipment.
- 7) Initial claims for exemption from the payment of Storage Fee shall be accompanied with Presidential Issuances decreed after 1 January 1976 to support said exemption.

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