

27 October 2006

HON. VICENTE T. SUAZO, JR.
Administrator
Maritime Industry Authority
PPL Building, UN Avenue
Manila

Dear Administrator Suazo:

My best greetings to you and your team.

I am attaching this article as it is very timely. The shipping industry in the Philippines is deteriorating.

It is faced with increased competition which is part of a free market. We should leave that be.

However, as a result, the industry is lowering their standards and we are allowing it. This is why we have oil spills. This is why we have ships breaking down. Tight cash flows invariably result in maintenance gaps. The industry already started off with very low levels of maintenance supported by the bottom of the international societies tolerating these gaps.

Companies that have continuous breakdowns putting at risk lives and the reputation of domestic shipping among our passengers and abroad with insurance companies and industry in general.

May we request the Maritime Industry Authority to stand firm when it comes to standards. A poor economic environment and high fuel prices affect profitability. That affects us all. However, we do not think that is a reason to lower levels of safety. We are all affected when our industry reputation is damaged. It is not just the line involved.

It is getting worse and we do not see any real government action. We noticed there were some attempts by Marina to do what was right like assessing

financial conditions of companies and their ability to finance their operations. This seems to have gone the way of all candle wicks.

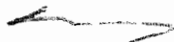
The lowest quality companies seem to dictate standards in our country. We lower the bar to satisfy the lowest of standards. Why have them if we are going to adjust to them instead of them adjusting to international standards.

The Philippine economy is ready to take off and our shipping industry is slipping. Why? Because we adjust our bar to the lowest of standards.

I ask myself why I even bother to write a letter like this as it will fall on deaf ears as it has for three decades. In the last Marina Board Meeting, I commented to all of you that we have seen this happening for decades. Something happens like 5000 deaths in 1987 and now an oil spill like that of Guimaras. We all get excited, the newspapers are full of the subject and then time passes and so does our concern.

I am not going to make any noise in any form of media as my intent is not to embarrass anyone and so I send this letter to you Sir and our Marina Board as I do think the situation merits some discussion in our next board meeting. I would be very happy to make a presentation with fotos of our industry that may shock all of you.

Yours truly,



ENDIKA ABOITIZ

cc: MARINA Board