



Coalition for Ports Modernization

~~Philippine Chamber of Commerce and Industry~~ ♦ ~~Distribution Management Association of the Philippines~~ ♦ Export Development Council ♦ Mindanao Business Council ♦ Federation of Free Farmers ♦ Association of Private Port Owners and Operators of the Philippines ♦ Pier 8 Arrastre and Stevedoring Services, Inc. ♦ Asosasyon ng Manggagawa sa Pantalan

April 29, 2002

Secretary Leonardo Montemayor
Department of Agriculture

Dear Mr. Secretary,

At the suggestion of Usec. Emie Ordonez, we wish to elaborate on our requests to the President in our letter dated 21 April 2002 requesting her:

1. To rollback only 18% of the 20% total increase, leaving 2% to safeguard the wage increase which GM Cusi claims is the amount that have already been applied to the port workers:
 - a) We are enclosing herewith a history of the increasing cargo handling rates as a background to this issue.
 - b) Mr. Eliodoro Cruz, President of the Pier 8 Arrastre and Stevedoring Services Inc. affirmed that this arrangement, while affecting his company, will safeguard the laborers from any adverse effect during the pendency of the hearings that follow.
 - c) At the same time this will obviate the need to pass on the mounting transport and handling charges to the consuming public and to the farmers who have to ship their commodities throughout the country.
 - d) Already, some foreign shipping lines are refusing to pay the latest additional rate increase and the domestic shippers are considering following suit, in order to avoid creating an inflationary spiral.
2. To instruct that public hearings be immediately conducted to determine the appropriate rate adjustments, under a formal, transparent and fair process:
 - a) The last two successive increases were based on hearings conducted during the previous Administration under very irregular circumstances.
 - b) There were no formal evidences presented, specifically financial statements of the cargo handlers, which are required to justify any rate increases. Rather the approach, upon review of the minutes, will reveal that the burden of proof was being placed on the port users as to why rate increases should not be granted.
 - c) The request for these financial reports and hard evidences by the users and consumers affected were not addressed.
 - d) We believe that only fair hearings leading to justifiable rate increases will finally resolve this festering issue that have plagued this industry since the period during the previous administration.

We congratulate this administration for having achieved the lowest inflation rate in decades, thanks to the performance of your sector, and we wish to continue this performance, rather than to negate the gains that your sector has achieved. We feel our recommendations will effectively translate the President's instructions during the National Food Conference to reduce the freight costs before May 1, 2002.

If there are any further clarifications needed please let us know. Thank you for your anticipated support of this great need.

Yours very truly,

Meneleo Carlos Jr.
Coalition for Shipping and Ports Modernization