



Republic of the Philippines  
**DEPARTMENT OF AGRICULTURE**  
Office of the Secretary  
Elliptical Road, Diliman, Quezon City

**URGENT**

*Remind these Orders to give me by May 8 the "unbundled" logistics costs (port charges, cargo handling rates, shipping costs, etc.), and specific recommended reduction measures. Sto Carlos / Bji bin have the studies. 10/1 5.05.02*

29 April 2002

**MEMORANDUM FOR THE PRESIDENT**

**FROM :** *Leonardo Q. Montemayor*  
**LEONARDO Q. MONTEMAYOR**  
Secretary

**SUBJECT :** Update on Sea Transport Logistic Cost Reduction

This is to provide an update on the cost reduction scheme you endorsed during the 4<sup>TH</sup> Mindanao Food Congress in Cagayan de Oro held last April 3-5, 2002.

We agree with the cost reduction measures recommended by the Philippine Ports Authority (PPA) management, which are being finalized tomorrow afternoon in an official document. Some of the measures are as follows:

- Reduce the required documents from 14 to 22 to only 4 documents, thus cutting the processing time by at least 60%;
- Build more Roll On : Roll Off berths to achieve more efficient handling;
- Modernize the North Harbor by implementing Phase I of the Plan (Terminal 1) and deepening the North Harbor with actual construction starting July;
- Execute preferential action for Mindanao by expanding immediately the Cagayan Port;
- Complete the analysis of the cost structure for handling and port charges to determine areas for cost reduction;
- Convene immediately the National Port Advisory Council to include more private sector participation in port management.

While we agree with the above measures, we had recommended that the PPA Board be convened immediately to discuss and resolve the other issues brought up by the private sector, as identified in my April 25 memorandum to you. Secretary Alvarez agreed to do this; but unfortunately, we understand that he cannot convene the Board before May 1.

The attached letter from Mr. Meneleo J. Carlos, Jr. of the Coalition for Shipping and Ports Modernization may serve as reference.

For your information.