

## **Failure of ro-ro blamed on PPA, DBP; Glo 'mad'**

Among complaints: guidelines only released this year

*By Elias O. Baquero*

Sun.Star Cebu, March 8, 2005

Top Stories Section, Page 12

n PPA Regional Manager Raul Santos explains that guidelines for terminal system were released only last January because they were still studying the project

THE Philippine Ports Authority (PPA) and the Development Bank of the Philippines (DBP) are being blamed over the failure in the full implementation of the Roll-on-roll-off Terminal Systems (RRTS).

The RRTS, President Arroyo's pet project aimed at reducing the transport cost of goods, was launched two years ago and should have been fully implemented by now.

The Japanese Government, through the Japan Bank for International Cooperation (JBIC), even allocated P30 billion to finance the RRTS project in 2002, but up to now, no investor has applied for the loan because of high interest rates.

A maritime official said the President got mad upon learning of the developments.

In a press briefing yesterday, Tet Gambito of the Consumers Complaint Center Inc., said that while Arroyo launched the Strong Republic Nautical Highway (SRNH) and RRTS in 2003 yet, the PPA issued the guidelines only in January 2005.

### Components

The RRTS is one of the components of the SRNH, which will connect all islands in the entire country through transportation.

Gambito also lamented that the PPA refused to remove the arrastre and stevedoring fees of cargoes loaded on vehicles that go directly to the vessel without arrastre and stevedoring services.

He said the PPA refused to remove the fees because it faces to lose its 10 percent share of the fees.

In the same briefing at the Cebu City Marriott Hotel, PPA Regional Manager Raul Santos explained that the guidelines for the RRTS were released only last January because they were still studying the project.

### Ro-ro capable

Santos said, however, that since the launching of RRTS, more than 70 percent of government ports nationwide are ro-ro capable.

He said the RRTS has now focused on private investors who want to open new ports in the rural areas.

In this connection, Santos said the PPA has set a special processing division for RRTS where interested investors can secure approval within 30 days provided the requirements are complete.

But Director Glenn Cabañez of the Maritime Industry Authority (Marina) said Arroyo was mad upon learning that no ship owner or investor has yet applied for a loan with DBP to develop a port or construct warehouses.

“Who benefited from the P30 billion funds provided for by JBIC?” Cabañez said.

#### Interest rate

Ship owners said the DBP is also partly to blame for the delay of implementing the RRTS. While the JBIC allocated the P30 billion three years ago for RRTS participants at one percent interest, DBP impose a nine percent interest and real estate collaterals.

Cabañez said this is the reason the governments of Japan and the Philippines, through their representatives, are now planning to create either the Maritime Credit Corporation or Maritime Equity Corporation to help Filipino ship owners acquire modern vessels through easy financing and very low interest rates.

Cabañez said that because JBIC only charged one percent interest rate, DBP should charge only two or three percent.

A DBP official explained that since the DBP is under the rules and regulations of the Bangko Sentral ng Pilipinas (BSP), they cannot charge interest below the rate the BSP has set.

DBP president Reynaldo David, however, told Sun.Star Cebu that they have created two teams to approach interested investors and help them in obtaining loans.