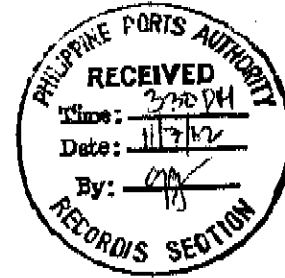


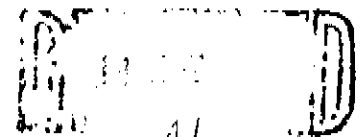
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PPA Memorandum Circular
No. 41 - 2002

TO : Port District Managers
Port Management Office Managers
Terminal Operations Officers
Finance Officers
Shipping Companies
Cargo Handling Operators
Port Users and
All Others Concerned

PHILIPPINE PORTS AUTHORITY
PORT DISTRICT OFFICE-MANILA



BY: [Signature] UNIT

SUBJECT: Guidelines for Adopting a Universal Government Share of 10% for Domestic Cargoes and 20% for Foreign Cargoes From the Revenue of Cargo Handling Operators Nationwide

I. RATIONALE:

In consonance with the Authority's initiative to reduce logistics cost and pursuant to the 12 September 2002 Presidential Management Staff Memorandum containing the Chief Executive's commitments and directives during the 11th Mindanao Business Conference, this Authority hereby adopts a universal rate of 10% for collecting the government share from the revenue of cargo handling operators for domestic operations and 20% for international operations.

II. AUTHORITY:

1. Article IV, Section 6, paragraph a), item (iii) of PD 857, as amended
2. Article IV, Section 6, paragraph b), item (ix) of PD 857, as amended
3. Article VII, Section 19 of PD 857, as amended
4. Article VII, Section 20, paragraphs a), b) and c) of PD 857, as amended

III. PROCEDURES:

1. The Commercial Services Department of the Authority shall adjust the cargo-handling tariff of ports whose cargo-handling operators have committed a government share of more than 10% for domestic cargoes and 20% for foreign cargoes as provided for in their respective cargo handling contracts.

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 ADM - [Signature] 11/18
 NACO - [Signature] 11/18
 PSC - [Signature] 11/18
 FRO - [Signature] 11/18
 COA - [Signature] 11/18
 OADR - [Signature] 11/18
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 P4 - [Signature] 11/15
 P6 - [Signature] 11/15
 P8 - [Signature] 11/15
 P10 - [Signature] 11/15
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 P14 [Signature] 11/15
 P16 [Signature] 11/15
 MSO [Signature] 11/15
 P18 [Signature] 11/15

2. The cargo handling tariff of the affected ports shall be adjusted using the following formula:

For Domestic Cargoes:

$$\text{CHR}_N = \text{CHR}_O - [(n - 10\%) (\text{CHR}_O)]$$

For Foreign Cargoes:

$$\text{CHR}_N = \text{CHR}_O - [(n - 20\%) (\text{CHR}_O)]$$

Where :

CHR_N = New Cargo Handling Tariff

CHR_O = Old Cargo Handling Tariff

n = Old percentage Government Share provided in the contract

10% = New percentage Government Share for Domestic cargoes

20% = New percentage Government Share for Foreign cargoes

3. The adjusted cargo-handling tariff shall be published twice (2x) by the PMO concerned in a newspaper of local circulation. Said rates shall be deemed approved after the final publication.

IV. COVERAGE:

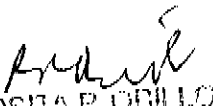
This shall cover all cargo-handling tariff of ports nationwide with the exception of the Manila South Harbor and Manila International Container Terminal.

V. EFFECTIVITY:

This Memorandum Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation.


ALFONSO G. CUSI
General Manager

CERTIFIED TRUE COPY
FROM THE ORIGINAL


ROSITA P. OBILLO
Manager, Records &
Communication Division

Published in the Philippine Star - November 12, 2002
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