

**[ PPA OPERATIONS MEMORANDUM ORDER NO.  
06-2001, NOVEMBER 28, 2001, November 28,  
2001 ]**

**STANDBY PENALTY CHARGES AT SOUTH HARBOR AND MANILA  
INTERNATIONAL CONTAINER TERMINAL (MICT)**

The imposition of standby penalty charges has resulted in various conflicts between the operators and shipping lines in the application of crane productivity rate under PPA MC Nos. 04-2001 and 08-2001. In order to resolve these, the following clarifications are hereby issued.

**1. SCOPE**

This Memorandum Order shall cover the imposition of allowable standby penalty charges at the South Harbor and the MICT.

**2. OBJECTIVES**

2.1 To guide ATI and ICTSI in the proper imposition of allowable standby penalty charges;

2.2 To resolve disagreements between the cargo handling service providers and the shipping lines with respect to the imposition of standby penalty charges.

**3. CLARIFICATIONS**

**3.1 Standby Penalty Charges**

Standby penalty charges shall be applied on delays in the loading or discharging of containers, the causes of which are beyond the control of the terminal operator. In general, standby penalty charges shall be imposed from the time operation stops up to the time it resumes, under any of the following circumstances.

3.1.1 Waiting for vessel's arrival, provided, the reckoning point shall be based on vessel's original ETA. Amendments to ETA should be submitted not later than 12 hours before ETA from foreign port and 6 hours from any local port;

3.1.2 Waiting for ship's agent, provided, there will be no charge if agent transports quarantine doctor/boarding officer;

3.1.3 Opening/closing bay covers by ship's crew, which is applicable only to McGregor or similar hatches;

3.1.4 Waiting for ship's crew, provided, there is a written request from shipping line;