

**[PPA OPERATIONS MEMORANDUM CIRCULAR NO.
06-2007, November 05, 2007]**

**CLARIFICATION ON PPA OPERATIONS MEMORANDUM CIRCULAR
(OMC) NO. 02-2007 RE 65%-35% SHARE ON CARGO HANDLING**

PPA OMC No. 02-2007 was implemented to stop the practice on the 65%-35% sharing of the arrastre fees in instances where the cargo handling operator utilizes equipment of the shipping lines in rendering service to vessels and cargo owners. This was issued to further encourage the cargo handling operators to provide their own cargo handling equipment as part of their contractual commitments.

Taking cognizance on the implication of the stoppage of the sharing as well as the inconvenience the shipping lines, cargo handlers and cargo owners have experienced in view of this move, this clarification is hereby issued.

As a matter of policy, the cargo handling operator (CHO) shall provide cargo handling equipment (CHE) in rendering service to vessels and cargo owners. This does not, however, prevent the CHO from utilizing the shipping-owned equipment. In the event that CHE of the shipping lines is utilized, sharing on the arrastre fees may be negotiated between the parties. The sharing, may still follow the 65%-35% scheme but in favour of the shipping lines.

For compliance. Adopted: 05 Nov. 2007

(SGD.) BENJAMIN B. CECILIO
AGM for Operations



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