

[CEZA ADMINISTRATIVE ORDER NO. 001, S. 2002, NOVEMBER 15, 2002, November 15, 2002]

**INTERIM RULES AND REGULATIONS/GUIDELINES ON THE
MANAGEMENT AND OPERATION OF ANY PORT WITHIN THE
CAGAYAN FREEPORT**

Pursuant to Republic Act No. 7922, otherwise known as the "Cagayan Special Economic Zone Act of 1995", and in view of the turnover of management and operation of Port Irene from the Philippine Ports Authority (PPA) to the Cagayan Economic Zone Authority (CEZA), the following rules and regulations and guidelines in the management and operation of any port within the Cagayan Freeport, amending CEZA Administrative Order No. 001, series of 1998, are hereby adopted.

**ARTICLE I
Preliminary Provisions**

SECTION 1. Title. — These rules and regulations/guidelines shall be known as "CEZA Administrative Order No. 001-2002.

SECTION 2. Declaration of Policy. — CEZA, the government entity mandated to supervise and manage the operation of the Cagayan Special Economic Zone and Freeport (the "Cagayan Freeport"), shall conform with the international standards in the operation of the port, and shall adopt policies that will ensure effective and efficient management and operation of the port resulting in competitive service to both foreign and domestic port users. CEZA shall strictly implement policies to ensure legal and smooth port operations, and at the same time, provide competitive service to port users, thereby setting the rules and regulations and guidelines on the management and operation of the port.

SECTION 3. Aims/Objectives. — These rules and regulations aim to:

- a. Establish a system of operation for the port;
- b. ensure smooth flow of operation in the port;
- c. define functions and responsibilities of every agency involved in the operation of the port;
- d. safeguard the Cagayan Freeport from illegal and anomalous activities;
- e. regulate fees and services in the Cagayan Freeport;
- f. effectively and efficiently provide competitive service to port users; and
- g. properly regulate activities in the port.

SECTION 4. Applicability. — These guidelines shall apply to all port personnel, port users, and other entities doing business in the Cagayan Freeport.

SECTION 5. Definition of Terms. — For the purpose of this Administrative Order, the terms used herein shall mean as follows:

1. RA 7922 — shall refer to Republic Act No. 7922, otherwise known as the "Cagayan Special Economic Zone Act of 1995", the law creating the Cagayan Special Economic Zone and Freeport.
2. Cagayan Freeport — shall refer to the Cagayan Special Economic Zone and Freeport, defined in Section 3 of RA 7922 as a separate customs territory covering the entire area embraced by the Municipality of Santa Ana and the islands of Fuga, Barit and Mabbag in the Municipality of Aparri, all in the province of Cagayan.
3. CEZA shall refer to the Cagayan Economic Zone Authority, a government corporate body established pursuant to RA 7922.
4. BOC shall refer to the Bureau of Customs.
5. BID shall refer to the Bureau of Immigration and Deportation.
6. BOQ — shall refer to the Bureau of Quarantine, Department of Health.
7. BPI — shall refer to the quarantine division of the Bureau of Plant Industry.
8. BAI — refers to the quarantine division of the Bureau of Animal Industry.
9. Port — shall refer to any port within the Cagayan Freeport.
10. Port District shall refer to the territorial jurisdiction under the control, supervision or ownership of CEZA over an area (land and/or sea) declared as such in accordance with Republic Act No. 7922.
11. Port User — shall refer to shipping agent, shipper and vessel owner authorized by CEZA to use the port for shipment of cargoes and/or passengers, or for any other legal purpose like ship repair and shelter.
12. Accreditation — shall refer to the authorization to render services or the exercise of the profession.
13. Certificate of Accreditation — shall refer to the certificate issued by CEZA evidencing the firms' accreditation to operate at the port.
14. Harbor Pilot shall refer to any person providing pilotage services within the Cagayan Freeport.
15. Pilotage Service shall refer to the service of rendering advice to the Master of Vessel by pilots for the safe navigation of the vessels within the harbor limits.
16. Vessel shall refer to any shipping vessel weighing 100 gross tons or more.

17. Lesser Container Load (LCL) shall refer to the goods inside the container belonging to more than one (1) shipper/consignee.
18. Full Container Load (FCL) shall refer to all goods inside the container belonging to a single consignee, and meant for door to door delivery.
19. Container — shall refer to a structure designed to hold and keep articles, materials and products together inside a hold in the form of boxes, tanks, or the like, for singular or unit handling and transport, generally having any internal volume or capacity of not less than one (1) cubic meter.
20. Tonnage — shall refer to the size of the vessel
21. Revenue Tonnage (RT) shall refer to 1,000 kgs. or 1.1326 cubic meters (40 cu. ft.) whichever yields the greater amount of revenue.
22. Gross Registered Tonnage (GRT) shall refer to the gross tonnage of the vessel as indicated in the ship registry.
23. Wharfage — shall refer to a charge on all the cargoes, whether containerized or not, coming in/going out or transshipped through a port on the basis of the total metric or revenue tonnage whichever is applicable.
24. Dockage (at Berth) shall refer to the amount assessed against a vessel engaged in international or foreign trade, including those engaged in barter trade, for mooring or berthing at a pier, wharf, bulkhead-wharf, river or channel marginal wharf at any national port in the Philippines.
25. Dockage (at Anchorage) shall refer to the amount assessed against a vessel engaged in international or foreign trade, including those engaged in barter trade, that do not berth but drop anchor at either a government or privately-owned port whether operated exclusively or commercially.
26. Palletized shall refer to types of cargoes which utilize wood staves or slats as their base and were being shipped as a unit or were held together as a set.
27. Anchorage shall refer to a place with sufficient depth of water where vessels maneuver, anchor or may ride at anchor within the harbor.
28. Berthing shall refer to the maneuvering of a vessel from the anchorage or pilot station to a berth, including the action to make fast the vessel alongside.
29. Cargo Handling Operator shall refer to accredited arrastre and/or stevedoring firm in the port.
30. Arrastre shall refer to all work performed on the dockside of the vessel, including receiving and loading of cargo from and to ship's tackle with the use of dock gang and cargo handling equipment.

31. Stevedoring shall refer to all work performed on board a vessel, that is the process or act of loading and unloading cargo, stowing inside hatches, compartments and on deck or open cargo spaces on board vessel.
32. Ancillary Services Operator shall refer to legal and juridical entity engaged in services aside from those activities mentioned above.
33. Authorized Users of the Port shall refer to legal and juridical entities allowed to use the port for port activities.
34. Storage Area refer to open areas within the port including unoccupied stockpiling areas.
35. ETA shall refer to the expected time of arrival of the vessel.
36. ETS shall refer to the expected time of start of cargo-handling operation.
37. ETC shall refer to the expected time of completion of cargo-handling operation.
38. ETD shall refer to the expected time of departure of the vessel.
39. Dangerous Cargoes shall refer to goods liable to cause damage to the vessel or to endanger human lives as well as those which are a source of danger to other cargo.
40. Lay-up Fee is the amount levied against vessels that have been decommissioned or otherwise unemployed and idle while waiting for better business prospects for their operations or when so authorized by the Authority.

ARTICLE II

Guidelines on the Use of the Port

SECTION 6. Application to Use the Port. — All port users, prior to undertaking any activity at the port, shall secure permission from CEZA. The port user shall submit the duly notarized application form (PI-01 Form attached as Annex "A")^[1] at the following CEZA offices:

- a. Manila Offices at 7/F Westar Building, 611 Shaw Boulevard, Pasig City. Telephone Numbers (02) 636-5780/6365782; Fax Number (02) 631-3997.
- b. Santa Ana Office at Centro Santa Ana, Cagayan.
- c. Tuguegarao Office at No. 12 Main Avenue San Gabriel Village, Tuguegarao City; Telephone Numbers (078) 8447190 and (078) 8447192; Telefax Number (078) 8447189

The application form shall be accompanied with documents, which include the following:

- a. SEC Registration or DTI Registration;

- b. Board Resolution for Authorized Representative; and
- c. Processing Fee of P500.00

Furthermore, submission of application shall be made only during the first shipment. Consequent shipments shall require the port user to file a request for Vessel Entry Pass.

SECTION 7. Evaluation of Application. — Upon receipt of the application, CEZA has the option to call for a pre-approval meeting to evaluate the application. CEZA shall decide whether the entity is allowed or prohibited from using the port based on the following criteria;

- a. Cargo is not prohibited under Philippine Laws;
- b. Applicant is a legal entity allowed to conduct business in the Philippines;
- c. Intention to comply with the rules and regulations of CEZA for the port;
- d. The operation of the entity will not greatly overburden existing infrastructure or would require an unacceptable amount of CEZA investment to build necessary infrastructure;
- e. Cargo and/or vessel will not have a serious detrimental effect on the environment, and destructive impact on the safety and security of the Cagayan Freeport, or the country as a whole; and
- f. The applicant does not have a known record of criminal activity.

SECTION 8. Issuance of Permit to Use — Upon approval of application, the port user shall be issued a Permit to Use (PI-02 Form attached as Annex "B")^[2], and shall be included in the list of Authorized Users of the port. Those included in the list of Authorized Users of the port need not apply, as well as undergo a pre-approval meeting for consequent shipments prior to the issuance of the Vessel Entry Pass.

ARTICLE III

Entry and Exit of Vessel

SECTION 9. Filing of Vessel Pass by Authorized User of the Port. — The port user or agent shall file an Entry Pass (PI-03) Form attached as Annex "C")^[3] 72 hours prior to the ETA of the vessel. Particulars of the vessel, cargo and other pertinent information, and terms and conditions in operating at the port shall be detailed in the Vessel Entry Pass.

Required import or export documents shall be submitted together with the Vessel Entry Pass. The following is the list of documentary requirements for importation and exportation:

- A. For Importation of CSEZFP Registered Enterprises:
 - 1. Bill of Lading;
 - 2. Commercial Invoice;
 - 3. Packing List; and