

[PPA ADMINISTRATIVE ORDER NO. 08-96, April 19, 1996]

REGULATIONS FOR THE REGISTRATION AND/OR GRANT OF PERMITS FOR THE OPERATION OF ANCILLARY SERVICES IN THE PORTS

I

Preliminary Provisions

SECTION 1. *Authority.* —

1.1 Section 2 (f), Article II of PD 857

1.2 Section 6-a(ii), (iii), (v), (x), 6-b(xv), Article IV of PD 857

1.3 Section 20(a), Article VII of PD 857, as amended by LOI 1005-A

1.4 Executive Order No. 159 dated Feb. 23, 1994

1.5 Executive Order No. 212 dated Nov. 28, 1994

SECTION 2. *Title.* — This regulation shall be known and cited as the Port Ancillary Services Regulations (PANSER).

SECTION 3. *Scope.* — This regulation shall apply to all ancillary services to cargoes, vessels and clients/users transacting business in all government ports under the jurisdiction of the Philippine Ports Authority (PPA), including permits to operate ancillary services in port premises covered by lease contracts.

SECTION 4. *Definition of Ancillary Service.* — The term ancillary services shall mean those services other than cargo handling, portage services and pilotage services performed inside the port, including its harbors/fairways and extensions, involving provision/application/use of equipment, facility, utility, manpower/expertise, and goods (Annex "A").

II

Guidelines

SECTION 5. *Regulation of Ancillary Services.* — To effectively regulate and rationalize ancillary services, PPA shall:

5.1 Provide ancillary services to port users whether on its own or contracted to private companies;

5.2 Encourage the participation of the private sector in the provision of ancillary services;

5.3 Maintain continuous provision of needed ancillary services by licensing capable operators who have the necessary financial, operational and managerial capabilities and service contracts;

5.4 Ensure freedom of port users to choose who shall provide for them the ancillary service they need from those duly authorized by the Authority;

5.5 See to it that ancillary services shall be provided on a non-exclusive basis; and

5.6 Ensure that a public bidding is conducted for ancillary services whose contracts have expired.

SECTION 6. *Registration, Approval and Issuance of Contract/Permit.* —

6.1 *Filing of Application* — Any person, natural or juridical, who is qualified under existing laws to engage in business and existing operators who are not yet holders of PPA permits or those operating on a "hold-over capacity" shall apply for a permit to operate ancillary service from the local Port Management Office (PMO) of the Authority where the applicant intends to operate.

6.2 *Processing of Applications* — The following procedures shall govern the processing and issuance of contracts/permits:

6.2.1 All applications for a permit to operate ancillary services shall be filed and processed by the Port Management Office concerned. (Checklist of requirements in Annex "B"*)

6.2.2 All applications filed or submitted shall be initially evaluated by the Port Management Office, including those applications directly filed at the Port District or Head Office which shall be immediately transmitted to the PMOs concerned. (Evaluation Checklist in Annex "C"*)

6.2.3 After the initial processing and evaluation by the PMO concerned, applications for one (1) year duration shall be processed and approved by the PMO. Applications for two (2) year contracts/permits shall be forwarded to the District Manager for approval and issuance of said contract or permit. All applications for permits/contracts for three (3) years or above shall be forwarded to the Office of the AGM for Operations/POSD for technical processing/evaluation/review and its approval shall follow the approved delegation of authority. (PDO Joint Memorandum in Annex "D"*; POSD and CSD Memorandum in Annexes* "F" and "G")

6.2.4 Authentication of all relevant documents submitted by the applicants must be strictly accomplished by the Port Manager concerned by signing every consecutively numbered document accompanying each application. The PMOS shall specifically authenticate the correctness/veracity of the copy of Ancillary Service Rates as prescribed/restructured by the Authority or as proposed by the applicant. (Certification Form in Annex "E"*)

6.2.5 Upon effectivity of the approved permits, the PDO/PMO concerned shall monitor the compliance by the contractor/permittee of every term/condition stipulated in the permit and non-compliance thereof shall be subject to appropriate action as provided in existing regulations for this purpose.

6.2.6 The PMO shall submit copies of the approved permit to the Port District Office and the AGM for Operations Office as mandated by PPA MC No. 38-88 and MC No. 17-90 on the revised delegation of authority.

6.2.7 Guidelines on the processing and evaluation of applications for security/watchman services at the ports shall be in accordance with PPA Memorandum Circular No. 16-90 dated 10 April 1990 re: Revised Guidelines on the Supervision of Private Security Agencies Operating within PPA Jurisdiction.

6.2.8 Processing of permits for transportation and freight service operators shall include processing of individual passes for vehicle access based on registration certificates submitted, provided that the necessary police and safely clearance shall have been issued by the appropriate unit of the PMO concerned.

6.3 *Duration and Renewal of Contract Permit* — Generally, permits issued under this Order shall be valid for a period of one (1) year while contracts shall be valid for 2-3 years or more from the date of approval. To ensure continuity of the service, however, renewal applications shall be filed within thirty (30) days before the expiration of the permit/contract. Failure to file within the prescribed period without justifiable reason constitutes a ground for non-extension of the permit/contract to operate ancillary services in the ports.

If for valid reasons, the renewal permit has not yet been issued, the applicant shall continue to operate on a hold-over capacity subject to the terms and conditions of the previous permit.

SECTION 7. *Rates and Fees Chargeable by Ancillary Service Operator.* — For services rendered by the ancillary service operator, the rates applicable shall be those agreed upon by the parties concerned. In the absence thereof, or in case of conflict, the Authority shall establish the applicable rates.

SECTION 8. *Government Share.* — For services/businesses rendered inside the port, the following shall be collected:

8.1 *Port Ancillary Services I* — In consideration of the rights and privileges granted the permittee/contractor, he shall remit to the Authority (without prejudice to its right to subsequently impose a direct collection system) not later than the 10th day of each month not less than 10% of the gross income derived from the operation of Ancillary Services listed under Annex "A" Group I.

8.2 *Port Ancillary Services II* — A regulatory fee shall be collected in consideration of the permit to operate granted to a business operator inside the port for ancillary services listed under Annex "A" Group II.

8.3 The operator shall submit on a monthly basis to the PMO its gross income earned from ancillary services by submitting its financial statement (without

prejudice to PPA undertaking an examination of its books of accounts).

SECTION 9. *Adjustments of Fees (Increase/Decrease)*. — The fees prescribed (or those to be prescribed) by the Authority shall not be limited or confined to services mentioned herein and shall not preclude the Authority from collecting fees on other ancillary services not mentioned therein or from increasing the floor rates as it may deem necessary.

SECTION 10. *Responsibility of the Port Manager*. — The following responsibilities are delegated or assigned to Port Managers of PMOs:

10.1 Supervise the operations of ancillary services and enforce the terms and conditions of the permit and initiate necessary corrective measures as he may deem appropriate, including the enforcement of regulations applicable to such devices;

10.2 Directly undertake projects involving the provision of ancillary services where:

10.2.1 the project capitalization is relatively substantial which cannot be provided in due time by the private sector;

10.2.2 direct operation or use of facility and equipment is vital to ensure continuity of service and is necessary in the interest of security and public safety; and

10.2.3 the service needs to be provided due to its urgency to meet strong public demand.

SECTION 11. *Standards For Ancillary Service Operators*. — As a policy, only qualified applicants shall be authorized by PPA to render ancillary service in the port. The following standards shall be considered:

11.1 *Administration* —

11.1.1 holder of a valid PPA contract, permit or license;

11.1.2 complies with permit/contract registration requirements of other government agencies;

11.1.3 properly organized and managed by experienced officers and personnel;

11.1.4 has sufficient capitalization necessary to operate and maintain good service;

11.1.5 complies with labor laws, compensation laws and labor relation requirements;

11.1.6 complies with the administrative terms and conditions of its PPA permit/contract;

11.1.7 undertakes training and skills upgrading of personnel workers;

11.1.8 renews its PPA permit/contract promptly and before expiration date.

11.2 *Operations* —