

MARINA INTEGRATED PLAN

Highlights of Accomplishment

For Calendar Year 2005

On 22-23 February 2005, the MARINA, in collaboration with the Philippine Interisland Shipping Association (PISA), coordinated the conduct of the Philippine Maritime Industry Visioning/Planning Workshop. Said Workshop attended by the representatives of the maritime sectoral associations and the Directorate of the MARINA led by MARINA Administrator, Vicente T. Suazo, Jr., was held at the Development Academy of the Philippines in Tagaytay City. The primordial objective of the workshop is to review the 2002 Philippine Maritime Industry Strategic Action Plan (PMISAP) and come-up with an Adjusted PMISAP in consideration of recent developments in the maritime industry.

To ensure that MARINA will be able to realize its commitments as reflected in the Adjusted PMISAP, the MARINA conducted a 3-day Plan Assessment Workshop on 04-06 April 2005 and adjusted its Integrated Plan for CY 2005-2010. The Adjusted MARINA Integrated Plan (MIP) took into consideration activities assigned to/committed by MARINA in the adjusted PMISAP and activities to implement PGMA's 10-Point Agenda with respect to the maritime industry.

To seal the commitments and to formally adopt agreements during the said Workshops, a Manifesto was signed by all stakeholders on 01 June 2005 at the Department of Transportation and Communications (DOTC) in the presence of the DOTC Secretary and Undersecretary for Water Transport and Special Concerns.

For the Calendar Year 2005, the highlights of accomplishment are presented hereunder:

A well-developed merchant fleet providing logistic support for the movement of people and goods

In line with one of PGMA's 10-Point Agenda of linking the entire country through a network of transport infrastructure and pursuant to DOTC D.O. No. 2004-53, MARINA, as member of the DOTC-Expanded Strong Republic Nautical Highway/ Road-Roll On-Roll Off Transport System (SRNH/RRTS), undertook the following activities:

- Continued to actively participate as member of the DOTC Team for the Expanded SRNH/RRTS through print and broadcast media;
- Encouraged / attracted ship operators / owners to provide RORO shipping services in 15 SRNH routes comprising of 49 ships as of 1st Semester 2005;
- Supported the Department of Tourism projects namely the Island Caravan Project and the Island Paradise Adventure Race (IPAR) Visayas leg by providing the required information on rates, schedules and RORO service providers in the route;
- Coordinated with the MROs in extending the invitation to the private sector to participate in the following SRNH/RRTS routes:
 - a. Zamboanga City to Lamitan , Basilan
 - b. Polloc Port
 - c. Palawan to Iloilo and vice-versa and Bonbonon, Siaton, Negros Oriental

- Coordinated with the League of Municipalities of the Philippines, Northern Samar Chapter to invite Metro Cebu Route to Port of San Isidro vv Port of San Jose and Victoria;
- Kept the public posted on RRTS concerns such as the rates, schedules, and service providers of the routes;
- Submitted comments in a Memorandum dated 12 September 2005 on House Bill No. 335 entitled: "An Act Institutionalizing the Roll-on/Roll-off Terminal System and Appropriate Funds thereof;
- As an active member of SRNH TWG, attended the following meetings/ fora:
 - Series of DOTC–SRNH TWG Meetings
 - Zamboanga-Western Mindanao RORO Conference
 - Committee on Railways & RORO Meeting in Congress
 - PMS-OP Meeting re Update on SRNH under PGMA's 10–Point Agenda
 - PGMA's 10-Point Agenda (SRNH/RRTS) Oversight Committee Hearing.
 - Channel 4- Tele-Agri Program
 - Western Mindanao RORO Executive Committee Meeting under Sec. Dureza
 - O.P. Top Level Meeting re Action Plan on Mindanao's Shippers Resolution covering issues on SRNH/RRTS, among others.

In its effort to provide adequate, effective, affordable and quality shipping services throughout the country, the following activities were likewise undertaken:

- Identified and declared some 132 new / missionary routes/areas of operation with the issuance of MARINA Advisory No. 2005-01 on 30 May 2005. The initial list of identified missionary routes was issued / published in the Manila Times on 09 June 2005.
- Drafted MC on Missionary Routes providing a built-in incentive scheme, which is incorporated under the Revised IRR of RA 9295, for domestic shipping operators providing services in missionary routes. The MC was endorsed to the MARINA Executive Committee (EXCOM) for consideration and subsequently will be submitted to the MARINA Board for approval.
- Updated the classification of routes as primary, secondary and tertiary which was endorsed to the MARINA Management Committee (MANCOM) for consideration.
- Completed the drafting of MARINA guidebook on inter-island shipping routes.

As member of the Pasig River Ferry Service Project Technical Working Group (TWG), MARINA participated in the following activities:

- Attended 16 Meetings of the TWG
- Drafting and finalization of the Terms of Reference in August 2005
- Bidding and selection of the ferry operator for the Pasig River on 28 September 2005
- Attended meetings on formulation of navigational guidelines along Pasig River (with PISA and PHILPESTA)
- Commented on Draft Contract with Ferry Boat Operators
- Attended the Contract signing at the DOTC during the last week of October 2005

On the conduct of JICA-Assisted Study entitled "Domestic Shipping Development Plan (DSDP)", the following were accomplished for the period:

- ALMEC completed Phase I of the Study representing the 3^d and 5th month of the 13-month Project
- On 04 February 2005, a workshop was conducted participated by stakeholders where environmental scanning / problems and issues in domestic shipping were discussed. The result of the environmental scanning was summarized in the Progress Report published on 07 March 2005 and presented to the Steering Committee on 11 March 2005.
- Another workshop was conducted on 14 March 2005, where the result of the environmental scanning was presented. The resource speaker from Indonesia presented a case study on their 30-year country experience in public ship finance.
- In preparation of the Interim Report and the draft Final Report of the Study, series of seminars, workshops and meetings were conducted as follows:
 - First Regular Counterpart/Study Meeting (16 February 2005)
 - Second Regular Counterpart/Study Meeting (02 March 2005)
 - Special Counterpart/Study Team Meeting (11 March 2005 am)
 - Study Team Meeting with the Administrator and Indonesian Delegation (15 March 2005)
 - Counterpart Study Team Meeting (15 June 2005)
 - Domestic Fleet Modernization Strategy Seminar in Manila (20 June 2005)
 - Counterpart Study Meeting re: The five (5) Feasibility Study Project (05 July 2005)
 - Modernization of Trunkline Ropax Fleet in the Manila-Cebu Route
 - RRTS Development on the Central Nautical Highway
 - Corn Bulk Shipping between Mindanao and Luzon
 - Cold Chain Development
 - Ship Financing
 - Meeting with NDC- MEC under the Fostering Program for NDC-MEC (06 July, 16 August 2005)
 - Meeting with ALMEC Consultants re: Ship Finance (13 July 2005)
 - Workshop re: NDC-MEC (19 August 2005)
 - Special Meeting with DSO, JICA Experts and JICA Manila representative re: DSDP Study (13 September, 05 October 2005)
 - Counterpart/Study Team Meeting (11 October 2005)
 - DSDP Meeting in Cebu (13-14 October 2005)
 - Domestic Fleet Modernization Strategy Final Seminar in Manila (18 October 2005)
 - Steering Committee Meeting (27 October 2005)

On the implementation of RA 9295, to date, MARINA endorsed to DOF the grant of incentives to four (4) shipyards involving nine (9) ships and five (5) domestic shipping companies involving 17 ships.

Under RA 9295, Chapter IX, Section 23 and Rule XVIII, Section 3 of its IRR which provides for the immediate preparation and implementation of the Mandatory Ship Retirement Program for all unclassified ships that fail to meet the classification standards of a government recognized/accredited classification society, the following accomplishments are noted:

- Prepared the initial write-up on the review of related literature/ studies/ policies/ plans and programs such as i.e., MARINA MCs, FSAs and previous studies;
- Ongoing updating of Domestic Commercial Vessel Inventory based on MROs data, Annual Reports and CPC Issuance prior to RA 9295;
- Ongoing evaluation of the financial capability of domestic shipping companies based on the annual report submitted.

On increasing the 40% foreign equity for overseas shipping companies, an Executive Order was drafted increasing foreign capitalization in the overseas shipping to incorporate issues in mortgage, cabotage, manning, among others. Said draft was submitted to FSA and INTERMAP for comments. Draft EO has been revised in favor of promoting and strengthening the Philippine Flag Registry. The 7th draft of the EO is still being subjected to further comments of the private sector associations.

Likewise, a position paper was submitted to the BOI for the inclusion of the domestic shipping, overseas shipping, shipbuilding and ship repair sectors in the 2005 IPP. The 2005 IPP was approved by PGMA on 26 April 2005 and identified the operations of the three (3) sectors as preferred activities. On 30 May 2005, the MARINA submitted comments on the 2005 IPP for BOI to issue the necessary General Policies and Guidelines on the description/ coverage and entitlement of incentives of the preferred activities.

A well developed shipbuilding, ship repair and shipbuilding capability

Relative to RA 9295, Chapter VIII, Section 20 and Rule XVII, Section 1 of its IRR which stipulated that "Every year MARINA shall evaluate and determine the progressive capability of MARINA-registered shipyards to build and construct new vessels for the domestic trade, MARINA has drafted an Administrative Order on the Guidelines on the Evaluation of the Shipbuilding Capabilities of MARINA-Registered Shipyards for deliberation by the MARINA Management Committee (MANCOM).

As a result of the Inter-Agency Seminar-Workshop at the Pearl Manila Hotel on 16 March 2005 to develop project proposals to the APEC Transportation Working Group (TPT -WG), where the Philippines currently chairs the Steering Committee on Human Resources Development, the MARINA submitted a project proposal entitled "Initiatives to Promote the Competitiveness of the SBSR and Shipbreaking Industry in the APEC Region" . Said Proposal was approved during the Final Plenary of the 25th APEC Transportation Working Group (TPT -WG) held in Washington, DC, USA, on 31 May–03 June 2005.

In view of the recent developments, particularly the adoption of new project guidelines for projects seeking funding from APEC, the said Philippine proposal is currently being re-adjusted to conform to the new APEC requirements, and the same will be re-submitted to the TPT -WG for its endorsement to the APEC Budget and Management Committee (BMC) for funding consideration.

On the establishment of the Maritime Industrial Park (MIP), the MARINA, as member of the TWG Project Team pursuant DOTC Dept. Order 2003-67, participated in a meeting 18 August 2005 at DOTC. The MARINA, in compliance with the instructions of the DOTC Undersecretary Bengzon, submitted the data on categorization of shipyards not only in terms of capacity but also in terms of capability.

While SBSR Sector was already included in the BOI IPP 2005 there a proposal to extend the period of the Sector's inclusion up to three (3) years to enable the investors to recover their investments.

To promote the shipbuilding and ship repair industry of the country, MARINA continuously participated in various relevant national and international fora and submitted comments such as the following:

- RP-Turkey Joint Economic Meeting last 27 to 28 July 2005 re: Ship Repair and Maintenance in the Philippines
- Prepared information on Philippine shipyards and price list of dry-docking and repair of vessels and submitted it to DFA in a letter dated 20-26 September 2005 for subsequent submission to the National Iranian Tanker Company (NITC) thru the Office of the Middle East and African Affairs.
- Submitted inputs to the OP on 10 October 2005 on the concerns of the SBSR Sector, to be raised by PGMA during the State Visit of the Korean President in the Philippines on 14-16 December 2005.

Global Competitiveness

The incentives granted by RA 7471, as amended by RA 9301, have been retained under the E-VAT Law and are being implemented by MARINA under MC 201. Subsequently, MARINA conducts monitoring of incentives availment under this Act.

Geared towards the promotion of the Philippine Flag as an alternative ship registry, a Study on the Establishment of a Quality Ship Register under the Technical Assistance of the Dutch Government/JCMA is being pursued. Initially, a Seminar/ Workshop was conducted on 18-20 May 2005 at Casa Marinero, Intramuros, Manila with Dr. Rob de Bruijn and Mr. Frans Kamman from Netherlands as the resource speakers. The said seminar/workshop was participated in by 35 MARINA officials/ employees and seven (7) representatives from the overseas shipping sector associations. In support of the study, the following activities have been undertaken:

- Prepared a comparative matrix for ships and company registration by continent (Asian, European and Mediterranean) and by type of registry.
- Drafted summary report on Norwegian Ship Registry
- Finalized draft Executive Order on Philippine International Ship Registry and presented to the DOTC Secretary, MROs and the Private Sector Representatives on 14, 15-16 and 19 September 2005 respectively.
- Revised Executive Order to incorporate comments from the private sector. The EO was renamed as "Promotion and Expansion of the Philippine Ship Registry."

Another activity undertaken by the MARINA in line with the promotion of the Philippine Flag as an alternative ship registry, is the preparation of the Philippine Ship Register User's Handbook. As of September 2005, the initial draft was completed.

To increase flag participation in the carriage of the Philippine government cargo relative to PD 1466, initially the data gathering specifically on the Philippine Export-Import Trade covering the periods 1999-2004 was undertaken following the consultation meetings with the PSB, NFA, NAPOCOR and DOE.

On the appointment of maritime attaches in strategic foreign ports, the position paper was already finalized and its Implementing Rules and Regulations (IRR) was drafted. However, instead of Maritime Attaches, Maritime Registry Officers have been proposed to be created/posted in 3 strategic ports abroad under the draft EO on the Promotion/Expansion of the Philippine Ship Registry. The creation of such positions was likewise proposed under the Proposed MARINA Rationalization Plan pursuant to EO 366 which was submitted/presented to DOTC/DBM on 13 December 2005.

In line with the optimization of opportunities derived from membership or participation in bilateral / multilateral agreement, the American Bureau of Shipping (ABS) and Nippon Kaiji Kyokai (NK) granted the request to train MARINA ISM Auditors, as part of the institutional capability building program of MARINA. On 20-23 June 2005, ten (10) were trained in Manila and on 18-22 July 2005, three (3) were trained in Singapore.

For the period under review, the Revised Model Shipping Agreement was finalized in December 2005. Likewise, presented hereunder is the status of the bilateral/multilateral arrangements/agreements with our maritime trading partners:

RP-Saudi Arabia

- A NEDA-TRM Meeting with the representatives of both countries was conducted on 27 April 2005.
- Proposed draft agreement with Saudi Arabia based on the model agreement was re-submitted to DFA on 15 September 2005

RP-Cyprus

- Transmitted letters to DFA and BIR soliciting their comments / recommendations on the Cypriot proposal which shall form part of the Philippine position.
- NEDA-TRM Meeting was conducted on 28 April 2005 to finalize the Philippine position on the proposed amendments to the draft agreement.
- The RP-Cyprus Merchant Shipping Agreement was initialed by both parties on 21 June 2005 and awaiting position of Cyprus

RP-Germany

- Conducted NEDA-TRM Meeting on 25 May 2005 to finalize Sub-Com position on some of the issues on the proposed RP-Germany Merchant Shipping Agreement.

On the draft bilateral agreements with Latvia, Slovenia and South Africa, the Philippine counter proposals were drafted and a comparative matrix of the three (3) countries proposals vis-à-vis the Philippine Model Agreement was generated.

To further enhance cooperation and mutual understanding between the Philippines and other maritime nations, the MARINA has submitted comments / position papers in relation to maritime-related concerns/issues such as the following:

- Comments on the List of Possible Actions for inclusion in the draft Bali Plan of Action under the APEC Ocean Related Ministerial Meeting (AOMM2) submitted to DFA on 26 July 2005
- Proposal for Australia to invest in shipping as an agenda for the Philippine-Australia Ministerial Meeting
- Comments on the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on High Seas on 09 August 2005
- Position Paper on putting up of Philippine Representative Office for purposes of Ship Registration in Dubai submitted to Al-Tamimi Shipping L.L.C. on 30 August 2005
- Comments on the request and offer under the Japan-Philippine Economic Partnership Agreement, ASEAN-China WTO members
- Position of the Administration regarding MARPOL Amendment (13) G
- Position of the Administration regarding the amendment of SOLAS Chapter V/15
- Position of the Administration regarding Ballast Water Convention
- Position Paper on the Evaluation of Request for the Issuance of Statutory Certificate by ROs
- Comments on WTO Trade Policy
- Position Paper on Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels of the High Seas
- Comment of Fishery Administration in the Philippines
- Comments on Chapter 3 : Services Annex 3 (k, l) on Maritime Transport Services

Prime Employer/Supplier of Qualified Seafarers

MARINA continued to actively participate as member of the Technical Panel for Maritime Education (TPME) which oversees more stringent rules for schools and monitors their compliance with international standards.

On the assessment of training standards of maritime training centers, MARINA, as a member of the Maritime Training Council (MTC) – TWG, has drafted position paper regarding training standards for accreditation of training centers.

To enhance / increase shipboard training opportunities to become qualified / competent marine officers on board international and domestic vessels in the future, the Shipboard Training Scheme being implemented by the MARINA under the assistance of the Government of Japan thru the MICC (now SECOJ) since 1990, is now on its 17th year of implementation. To date, a total of 758 cadets have undergone the 14-month training in Japan. Also, a procedure for National Pooling of Cadets for Shipboard Training for Domestic Trade was also drafted in coordination with Philippine Association of Maritime Institution (PAMI).

Likewise, to continuously sustain the country's image as the number one supplier of competent shipboard labor, the MARINA coordinated the conduct of meeting of the 6th Joint Committee on Maritime Affairs (JCMA) with Netherlands held on 25 May 2005.

Under the assistance of the Government of the Royal Kingdom of Norway, a MARINA-NMD Project entitled "Competency Based Professional Development for Filipino Seafarers via Distance Learning" is currently being implemented for marine deck officers to acquire the

management level competence required by the STCW. To implement the Project, a project team was created composed of MARINA as Chairman and members are the University of the Philippines-Open University, CHED, MTC, Subject Matter Experts (SME), NMD and Aalesund University College. For the period under review, a workshop for the development of syllabi for the Management Level Course (MLC) was conducted on 24-26 June 2005 at the Maritime Academy for Asia and the Pacific (MAAP). Five meetings by the Sub-TWG were conducted to complete the review of the curriculum of MLC.

Under the MIP, one of MARINA's priority program/project is the establishment of the MARINA Training Center with the objective to continuously upgrade the knowledge, skills and abilities (KSA) of our seafarers. In pursuing this, the following activities were undertaken:

- Conducted initial meeting with the Philippine Association of Maritime Training Centers, Inc. (PAMTCI) on the establishment of a MARINA Training Center.
- Completed the identification of maritime manpower groups.
- Identified training requirements and qualification standards.
- Drafted survey questionnaires on the training needs of our seafarers.
- Identified initially two (2) training programs for Shipbuilding Managers and Executives.

As to the development of a certification process for the competency of maritime manpower both in shipping and shipyard, the MARINA shall accredit assessment centers with simulator for MAP/MIP passers prior to issuance of Endorsement Certificate and Certificate of Competence (COC). For the SBSR Sector, it is still to be determined as to which agency will issue COC.

To protect the interest of the seafarers onboard ships plying the overseas trade, a Bill entitled "An Act creating the National Seafarers Administration Prescribing its Powers and Functions and Appropriating Funds, otherwise known as the National Seafarers Administration Act of 2004", is currently with the House of Representatives-Committee on Overseas and Workers Affairs since 12 January 2005. MARINA together with the support of the private sector will push for the re-filing of the said Bill.

Excellent Maritime Safety Records

In support of the global concern to protect the marine environment, a follow-up seminar course on the implementation of the MARPOL Convention 73/78 was conducted on 9-13 May 2005 under the auspices of the Royal Kingdom of Netherlands / JCMA. In addition to MARINA, said seminar-workshop was participated in by other government agencies such as DOTC, PPA, PSB, MTC, BI and BOC.

The review and revision of the 1997 PMMRR is underway. To ensure the implementation of this activity, Special Order Nos. 308-05 and 308-A-05 were issued on 25 May 2005 and 23 June 2005 respectively, creating a TWG and Technical Evaluation Committee composed of representatives from MARINA and the private sector. Series of meetings were conducted by the TWG. Meetings of the Technical Evaluation Committee were held on 23 September 2005 and 16 December 2005 wherein accomplishments of the different TWGs were presented. Revision of Minimum Safe Manning Requirements in Chapter XVIII of the RPMRR was

completed. Further, a letter signed by the Administrator requesting for Technical Assistance on the PMMRR Review and Revision Project was sent to the IMO Regional Coordinator.

To enhance MARINA's Safety Management System Audit, a Project Proposal entitled, "Development of Guidelines for Maritime Administration Seeking to Implement Audit-Based Systems and Procedures to Enhance Ship Survey/Inspections" with the objective to develop/formulate procedures, checklist and guidelines was submitted by MARINA to the IMO-ASEAN. The Project was approved in principle and now awaiting advice on the start of the Project. In this regard, the Philippines, thru the MARINA, was tasked to act as Lead Coordinating Country for this IMO-ASEAN Project as a follow thru of the ASEAN Forum on IMO Conventions.

On 21-23 June 2005, an ISM Internal Auditor's Course was conducted by ABS with some MARINA Technical Staff attending. Drafting of MC on the supervision of recognized organizations/ classification societies is ongoing.

In compliance with PGMA's Six Point Directive on Maritime Safety, the review of the National Maritime Safety Plan and Formulation of Regional Maritime Safety Plan have already been started. To date 80% of the Plan has been drafted. Furthermore, the MARINA shall also develop a standard ship design and an alternative boat-building technology such as i.e., steel, fiberglass and aluminum, for the replacement of wooden-hulled ships. To date, MARINA has prepared the preliminary standard ship designs which were submitted to the Administrator for consideration. On 13 December 2005, a meeting was attended re: Presentation of Ro-Ro design by the Australian representative in relation to the NDC-MEC Project.

Pursuant to Chapter III, Section 9 of RA 9295 and Rule VI, Section 4 of its IRR which provides that "In order to foster a systematic, uniform and effective conduct of ship safety inspection of all registered domestic ships, a Ship Safety Inspection System (SSIS) and a Manual for its implementation are hereby adopted", MARINA with the issuance of MARINA MCs 203 and 205 dated 19 January 2005 and 21 April 2005 has adopted the implementation of the Rules Governing the Implementation of Ship Safety Inspection System (SSIS). Also, to effectively implement the ship inspection function under RA 9295, a Memorandum of Agreement between MARINA and PCG was signed on 14 September 2005. The purposes of the Agreement are the following: a) to authorize the Second Party to perform ship safety inspection services in behalf of the first party; b) for both parties to define the coverage, terms and conditions and requirements of such authorization; c) to authorize the Second Party to issue Special Permit to carry dangerous cargoes/goods; d) to assist the First Party to perform enforcement activities; and e) to provide administrative proceeding for maritime casualty or incident.

Under the JICA-Assisted Project on Enhancement of Ship Inspection and Administration in the Philippines which was completed in September 2005, training on the SSIS were conducted in June and July 2005 in Manila and Cebu, respectively and participated in by MARINA and PCG ship inspectors.

To strictly implement/enforce/monitor compliance with the SOLAS/PMMRR/ISM/NSM/STCW, COLREG/MARPOL/ISPS, etc., a Guideline in the Implementation of Enforcement

Functions/Compliance Monitoring was drafted. Relative to this, eight (8) maritime incident/accident investigations in coordination with MROs were conducted.

Superior Customer Service (Effective Delivery of Frontline Services)

On the continuing formulation/ adoption/ review/ assessment of laws, rules, regulations, policies, the following Memorandum Circulars were issued for the period under study:

- MC 2005-002 – Issued on 19 October 2005 on the Rules Amending Chapter XV, Regulation 8 of the 1997 PMMRR on the Official Number and Marking of Ships and Providing for its Annual Validation
- MC 2005-001 - Issued on 19 October 2005 on the Revised Schedule of Fees and Charges
- MC 205 – Issued on 21 April 2005 on the Revised MC 203 on the Rules Governing the Implementation of the Ship Safety Inspection System (SSIS)
- MC 204 – Issued on 21 April 2005 on the Assumption of Functions under Republic Act 9295
- MC 203 – Issued on 19 January 2005 on the Rules Governing the Implementation of the Ship Safety Inspection System (SSIS)

Conducted public consultation/ hearing on the following draft (new/revised) MCs/Rules & Regulations/Administrative Orders held in Cebu, Cagayan de Oro and Manila on 04, 05 and 10 August 2005:

- Compulsory Passenger Insurance Coverage Program
- Financial Capability of Applicants for Issuance of CPC
- Amendment of MC 79/79A on Accreditation
- Annual Tonnage Fees
- Official Number and Marking of Ships
- Omnibus Fees and Charges
- Accreditation of Suppliers / Manufacturers of Life Saving Appliances
- Re-admeasurement of Ships

Under the Codification of MARINA Rules and Regulations pursuant to Special Order No. 765-04 dated 17 November 2004, In general, the review of MARINA Memorandum Circulars and their corresponding preliminary drafts were completed. The summary of accomplishments per Sector is presented hereunder:

Domestic Shipping Sector

- Drafted proposed amendments of MCs 79/79-A and 186 on the Accreditation of Domestic Shipping Companies and Entities.
- Introduced new sections for acquisitions through local sale and local charter on the Acquisition of Ships for Domestic Trade (MCs 104, 121, 177, 184 and IRR of RA 9295)
- Incorporated provisions of RA 9295 and its IRR on the issuance of special permit (MC 105 and IRR of 9295)

- Proposed MC amending MC 161 by introducing a new set of standards/procedures for determining the financial capability of CPC applicants/holders for approval of the MARINA EXCOM
- Proposed MC on policy measures for operators providing water transport services in missionary routes for approval of the MARINA EXCOM
- Amended procedural requirements, forms, certificates, flowcharts and fines & penalties relating to application systems. Still to incorporate licensing previously delegated to PCG (Chapter XV of PMMRR, MCs 177, 102, 109 and 110)
- Reported a total of 80% accomplishment under the Codification of MCs as of 3rd Quarter 2005

Maritime Safety Sector

- The TWG has accomplished approximately 75% of the codification work. What remains to be done by the TWG is to incorporate the valid provisions of the MCs into the appropriate Chapters and Regulations of the PMMRR 1997 and subsequent to edit and finalize the Codified Maritime Safety Rules and Regulations.
- The MC on the Accreditation of Suppliers/ Manufacturers of LSA was subjected for public consultation held in Cebu, Cagayan de Oro and Manila on 04, 05 and 10 August 2005 respectively

Shipbuilding and Ship Repair Sector

- The draft of the Shipbuilding, Ship Repair and Shipbreaking Rules and Regulations has been submitted by the Sector.
- The Administrative Order on the Guidelines on the Evaluation of the Shipbuilding Capabilities of MARINA-Registered Shipyards per Rule XVII of the IRR of RA 9295 has been drafted and ready for presentation / discussion to the MARINA MANCOM.
- The draft MC on Re-admeasurement of Existing Vessels was submitted to the Board and was remanded to Management for Public Sector Consultation. Thus, it was subjected for Public Consultation on 04, 05 and 10 October 2005 in Cebu, Cagayan de Oro and Manila respectively.
- Reported a total of 20% accomplishment under the Codification of MCs as of 3rd Quarter 2005

Overseas Shipping Sector

- Prepared initial draft of the following MCs:
 - Accreditation
 - Acquisition
 - Ship Documentation
 - Issuance of CSR
 - Supernumeraries
 - Availment of Incentives
 - Logbook of Registration
- Reported a total of 60% accomplishment under the Codification of MCs as of 3rd Quarter 2005

Maritime Manpower Sector

- The draft amendatory circular to MC 163 on the Revised Rules on the Issuance of Seafarer's Identification and Record Book (SIRB) was presented to the MANCOM on 15 August 2005. With the expansion of coverage for the issuance of SIRB to seafarers onboard vessels of above 3 GT to below 35 GT, the Course Framework will be adjusted by the MDO. Further, it was agreed that MARINA will be the one to conduct training program on Modified Basic Safety Training Course.
- Completed the drafting of the following circulars and are due to presentation to the MARINA MANCOM:

Amendatory MCs

- MC 141
- MC 164
- MC 170

New MCs

- MC on Authentication of Seafarer's Documents
- MC on Registration of Training Record Book
- The draft amendatory circulars to MC 174 and 185 was presented during the TWG meeting but discussion was deferred due to the Administrator's plan to establish a MARINA Training Center.
- Reported a total of 80% accomplishment under the Codification of MCs

Administrative Matters

- MC 2005-001 on the Revised Schedule of Fees and Charges with 30% across the board increase (excluding fees and charges for overseas shipping-related applications) and incorporating new/revised fees concerning CPC applications pursuant to RA 9295 Chapter III, Section 7 (Issuance of Authority to Operate) and Rule IV, Section 2 (Issuance of CPC) was approved by the MARINA Board on 19 October 2005.

The MARINA is continuously undertaking the Development/ Implementation/ Enhancement of Application Systems, Database creation and Information Sharing, to wit:

- Updated MARINA Website on 30 January 2006
- Continuing updating of database system of seafarers based on SIRB/QDC issuances
- Completed the system and updated database on the Philippine Domestic Ship Registry pursuant to MC 198 based on the submission of MROs
- Completed the systems/programs for the Issuance of Company CPC under RA 9295

Submitted thru a Memorandum dated 16 May 2005 to AFO request for funding/outsourcing the development of the following programs/systems:

- Development of Domestic Shipping Office Application System (DSOAS) such as Application on Ship Acquisition and Application for Special Permit
- Development of Systems/Programs for the Generation of Safety Certificates relative to the SSIS Implementation

- Development of Overseas Shipping Office Application Systems (OSOAS) such as Application on Accreditation of Overseas Shipping Companies, Application on Ship Acquisition, Application for Special Permit and Desk Top Monitoring.
- Development of Shipbuilding and Ship Repair Application System (SBSRAs) such as Application on Licensing and Inspection of SBSR Enterprises
- Establishment and Development of enforcement/monitoring computer database system (FSC Computer Data base system)

On the assessment/monitoring of financial report/BIR Tax payments and domestic shipping rates the following were accomplished:

- Prepared and sent 104 letter reminders/replies;
- Evaluated/assessed Financial Standing of 48 companies;
- Received and inputted the Financial Statements of 23 Shipping companies
- Submitted to Sen. Mar Roxas on actual passage freight rates being charged by domestic liner shipping companies/operators

On the implementation of DOTC's OPLAN Kalakbay, MARINA participated in the following activities:

- Observance of Holy Week (19-27 March 2005)
- Oplan Balik Aral (03-12 June 2005)
- All Souls/Saints Day (28 October – 03 November 2005)
- Christmas and New Year's Day (22 December 2005 – 03 January 2006)

A Graft and Corruption-Free Agency

On the continuing streamlining of procedures and requirements, coordination with NCR is currently being undertaken relative to the review of MC 169 on the SPT of different applications processed by the MARINA-NCR including RA 9295-related applications. This effort is geared towards establishing Standard Processing Time (SPT) for the processing of the different applications processed by the MROs.

To enforce ethical standards, MARINA is currently resolving four (4) cases involving MARINA employees; has disposed 247 cases of violations of MARINA rules and 441 seafarers have been put to the Watchlist.

MARINA, as a Strong Maritime Administration

On the enhancement of the image of the Philippines as a responsible member of the international maritime community and to strengthen / enhance institutional linkages, MARINA officials / staff are continuously participating / attending in relevant national / international maritime conferences / meetings such as the following:

- DOTC-GAD FP/TWG and Trainers as Special Agency Representative on 18 January and 13 September 2005
- IMO/ILO Ad Hoc Expert Working Group Meeting on 18 April 2005

- Roundtable discussion on the National Territory UNCLOS on Treaty of Paris on 19 April 2005
- Meetings concerning Maritime Security and Border Crossing with Australian Officials
- Third Secure Trade in the APEC Region Conference at Incheon, Korea on 24-27 February 2005
- 19th Asean Senior Transport Officials Meeting at Vientiane, Laos on 19-20 May 2005
- 25th APEC Transportation Working Group Meeting at Washington DC, USA on 31 May - 03 June 2005
- 94th Session of the Council of IMO at London – IMO Headquarters on 20 – 24 June 2005
- Meeting between the Philippines and Turkey for the 1st EC on 28 July 2005
- 2nd Philippine – Vietnam Joint Permanent Working Group Meeting on Maritime and Ocean concerns, Hanoi Vietnam on 08 – 13 August 2005
- 10th Asean Maritime Transport Working Group (MTWG) Meeting in Bangkok, Thailand on 24-26 August 2005
- First APEC-ISPS Code Implementation Workshop held on 05-13 March 2005 at the Westin Philippine Plaza, Manila.
- IMO Regional Seminar Workshop on the Implementation of the SOLAS Chapter XI-B and the ISPS Code, 12-16 December 2005
- 32nd Ship for Southeast Asian Youth Program, 03 October – 31 December 2005
- IMO Regional Workshop to Collect, Handle, Treat and Dispose of Waste Generated in Applying the International Convention on the Control of Harmful Ships, 02-07 October 2005, Chennai, India
- International Training Programme in Manpower Research 24 October – 19 December 2005, New Delhi, India
- National Seminar/Workshop on the Social and Economic Benefits to Meteorological Services 23-25 November 2005, Manila
- Seminar on the Expanded Value Added Tax, December 2005
- Two (2) MARINA staff completed Master of Arts in Maritime Administration on October 2005, Malmo Sweden

To enhance the existing Administrative and Finance systems and procedures, Guidelines and Procedures in the creation and use of MARINA Trust Fund had been prepared presented to DBM. However, on the proposal to retain 50% of income of the MARINA to be used in the promotion of the maritime industry, the DBM suggested some revisions particularly on the special provisions which will harmonize PD 474 and RA 9295.

On the Rationalization of MARINA Organizational Structure and in compliance with Executive Order No. 366, the Agency has submitted/presented to the DOTC and DBM the Proposed MARINA Rationalization Plan on 13 December 2005 .