

## MEMORANDUM CIRCULAR NO. 59

**TO : ALL OWNERS/OPERATORS OF INTER-ISLAND LINER VESSELS AND ALL CONCERNED**

**SUBJECT : IMPLEMENTING GUIDELINES ON THE RATE INCREASE**

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Pursuant to the Order of the Maritime Industry Board dated 10 April 1991 authorizing an increase of 12% and 8% in passage and freight rates, respectively, for of interisland liner shipping, the following guidelines in implementation thereof are hereby promulgated:

### 1. COVERAGE

Only member-companies of the Conference of Interisland Shipowners and Operators and another operators who have filed applications for rate increase and paid the corresponding filing fee and issued the corresponding Order therefor are authorized to implement the following structure/system and schedule of rate subject to the conditions set forth below.

### 2. RATE STRUCTURE/SYSTEM BOTH

A fork tariff system both for passage and freight shall continue to be adopted as authorized under MC 57 and/or under paragraph 1 (coverage) hereof. The new rate, as specified herein, as the indicative or base rate; plus 5% of the base rate as the upper limit (maximum) and minus 5%, as the lower limit (minimum), shall be allowed to be charged.

### 3. PASSAGE RATES

Distance In n.m.	1 <sup>st</sup> Class/ 2 <sup>nd</sup> Class	Per Passsenger		
		Minimum	Third Class Base	Maximum
0-100	Unregulated	1.0623	1.1182	1.1741
101-300	Unregulated	0.9760	1.0274	1.0787
301 & above	Unregulated	0.8899	0.9368	0.9836

#### CONDITIONS

- a. A minimum of 50% of the authorized (passenger) capacity of the vessel shall be allocated and maintained as Third Class accommodation.

- b. The service standards prescribed by the Inter-island Passenger Service Standards Project for First, Second and Third class accommodations are hereby adopted and made part hereof.
- c. The passage rates to be prescribed for distances greater than the upper limits of the distance categories, i.e. 100 and 300 nautical miles, shall in no case be lower than the rates for shorter distances (in a lower distance category).

**4. FREIGHT RATES**

Distance In n.m.	Minimum	<u>Class A</u>	
		Base	Maximum
0-100	102.7427 + (.7767)(dist.)	108.1502 + (.8176)(dist.)	113.5577 + (.8585)(dist.)
101-300	84.6232 + (.7248)(dist.)	89.0771 + (.7629)(dist.)	93.5310 + (.8011)(dist.)
301 and above	66.5039 + (.6731)(dist.)	70.0041 + (.7085)(dist.)	73.5043 + (.7439)(dist.)

Distance In n.m.	Minimum	<u>Class B</u>	
		Base	Maximum
0-100	82.2339 + (.6212)(dist.)	86.5620 + (.6539)(dist.)	90.8901 + (.6866)(dist.)
101-300	67.6987 + (.5796)(dist.)	71.2617 + (.6101)(dist.)	74.8248 + (.6406)(dist.)
301 and above	53.2235 + (.5375)(dist.)	65.0248 + (.5658)(dist.)	58.8260 + (.5941)(dist.)

Distance In n.m.	Minimum	<u>Class C</u>	
		Base	Maximum
0-100	66.7963 + (.5057)(dist.)	70.3119 + (.5323)(dist.)	73.8257 + (.5589)(dist.)
101-300	55.0198 + (.4720)(dist.)	57.9155 + (.4968)(dist.)	60.8113 + (.5216)(dist.)

301 and above	43.2409 + (.4379)(dist.)	45.5167 + (.4609)(dist.)	47.7925 + (.4840)(dist.)
Distance In n.m.	Minimum	<u>Class C (Basic)</u> Base	Maximum
0-100	59.3745 + (.4495)(dist.)	62.4995 + (.4731)(dist.)	65.6245 + (.4968)(dist.)
101-300	48.9064 + (.4194)(dist.)	51.4805 + (.4415)(dist.)	54.0545 + (.4636)(dist.)
301 and above	38.4363 + (.3892)(dist.)	40.4593 + (.4096)(dist.)	42.4822 + (.4301)(dist.)

#### CONDITION

In the condition of the freight rate, the computed rate shall be considered the official rate; and the rate for a longer distance than 100 nautical miles or 300 nautical miles, as the case maybe, shall in no case be less than the rate for a shorter distance in a lower distance category.

#### 5. OTHER CONDITIONS

In the implementation of the above schedule of rates, the following conditions must be complied with:

- 5.1 That vessels operated by companies availing of the increase must have complied with and must have maintained standards of safety and seaworthiness jointly and severally applied by the Authority and the Philippine Coast Guard;
- 5.2 That the CISO member companies must have submitted their Audited 1990 Annual Reports on or before 30 April 1991;
- 5.3 That other companies must have submitted their Audited 1990 Annual Reports on or before on or before 31 March 1991;

- 5.4 That liner operator shall submit to this Authority a certification showing a list of distances of all their authorized links by the National Mapping and Resources Information Authority (NAMRIA);
- 5.5 That any matrices of authorized limits of rated shall have to be certified by this Authority;
- 5.6 That operators shall post in conspicuous places at their terminals, booking stations, and other places of transactions the prescribed rates and/or matrices thereof; and
- 5.6 That operators shall submit to this Authority a quarterly report on actual rates charged.

## **6. PENALTY**

Any violation of, or failure of the operators to comply with, the guidelines/conditions hereinabove set forth shall constitute a sufficient ground for the suspension/revocation or cancellation of the vessel's franchise or Certificate of Public Convenience, as the case may be, in addition to the penalties prescribed under the Public Service Act, as amended and other relevant rules and regulations of this Authority.

This Circular shall take effect fifteen(15) days after its publication once in a newspaper of general circulation in the Philippines.

Manila, Philippines, 11 April 1991.

By Authority of the Board:

**PHILIP S. TUAZON**