

MEMORANDUM CIRCULAR NO. 62

**TO : ALL INTER-ISLAND LINER OPERATORS/
SHIOWNERS/ ALL CONCERNED**

**SUBJECT : GUIDELINES ON ROLLBACK OF INTER-ISLAND LINER
FREIGHT RATES PER THE ORDER DATED AUGUST 14,
1991 OF THE MARINA BOARD**

To implement the MARINA Board-approved 5.5% rollback on inter-island liner freight rates as embodied in the MARINA Order dated on 14 August 1991 effective 24 August 1991, the following implementing guidelines are issued for compliance:

I. COVERAGE:

The freight rate rollback of 5.5% shall be applicable to all common carriers engaged in inter-island liner shipping.

II. REVISED SCHEDULE OF FREIGHT RATES:

Taking into account the varied existing authorized freight rate levels, the following revised schedule of freight rates for each levels is hereby adopted.

1. For operators who are authorized to charge freight rates under MARINA MC.59

Distance In n.m.	Minimum	<u>Class A</u> Base	Maximum
0-100	97.0919 + (.7340)(dist.)	102.2019 + (.7726)(dist.)	107.3120 + (.8112)(dist.)
101-300	79.9689 + (.6849)(dist.)	84.1779 + (.7209)(dist.)	88.3868 + (.7564)(dist.)
301 and above	62.8462 + (.6361)(dist.)	66.1539 + (.6695)(dist.)	69.4616 + (.7030)(dist.)

Distance In n.m.	Minimum	<u>Class B</u> Base	Maximum
0-100	77.7110 + (.5870)(dist.)	81.8011 + (.6179)(dist.)	85.8911 + (.6488)(dist.)
101-300	79.9689 + (.5477)(dist.)	84.1779 + (.5765)(dist.)	88.3868 + (.6054)(dist.)
301 and above	62.8462 + (.5079)(dist.)	66.1539 + (.5347)(dist.)	69.4616 + (.5614)(dist.)

Distance In n.m.	Minimum	<u>Class C</u> Base	Maximum
0-100	63.1225 + (.4779)(dist.)	66.4447 + (.5030)(dist.)	69.7670 + (.5282)(dist.)
101-300	51.9937 + (.4460)(dist.)	54.7301 + (.4695)(dist.)	57.4667 + (.4929)(dist.)
301 and above	40.8627 + (.4138)(dist.)	43.0133 + (.4356)(dist.)	45.1639 + (.4574)(dist.)

Distance In n.m.	Minimum	<u>Class C (Basic)</u> Base	Maximum
0-100	56.1089 + (.4248)(dist.)	59.0620 + (.4471)(dist.)	62.0152 + (.4695)(dist.)
101-300	46.2165 + (.3963)(dist.)	48.6491 + (.4172)(dist.)	51.0815 + (.4381)(dist.)
301 and above	36.3223 + (.3678)(dist.)	38.2340 + (.3871)(dist.)	40.1457 + (.4064)(dist.)

2. For operators who are authorized to charge freight rates under MARINA MC. 57

Distance In n.m.	Minimum	<u>Class A</u>	
		Base	Maximum
0-100	89.8998 + (.6796)(dist.)	94.6314 + (.7154)(dist.)	99.3631 + (.7511)(dist.)
101-300	74.0453 + (.6342)(dist.)	77.9425 + (.6675)(dist.)	81.8396 + (.7009)(dist.)
301 and above	58.1909 + (.5889)(dist.)	61.2536 + (.6199)(dist.)	64.3163 + (.6509)(dist.)

Distance In n.m.	Minimum	<u>Class B</u>	
		Base	Maximum
0-100	71.9547 + (.5436)(dist.)	75.7418 + (.5722)(dist.)	79.5288 + (.6008)(dist.)
101-300	59.2364 + (.5071)(dist.)	62.3540 + (.5338)(dist.)	65.4718 + (.5605)(dist.)
301 and above	58.1909 + (.4703)(dist.)	61.2536 + (.4951)(dist.) (64.3163 + (.5198)(dist.)

Distance In n.m.	Minimum	<u>Class C</u>	
		Base	Maximum
0-100	58.4467 + (.4424)(dist.)	61.5229 + (.4658)(dist.)	64.5991 + (.4890)(dist.)
101-300	48.1423 + (.4130)(dist.)	50.6761 + (.4347)(dist.)	53.2099 + (.4564)(dist.)
301 and above	37.8358 + (.3831)(dist.)	39.8271 + (.4033)(dist.) (41.8185 + (.4235)(dist.)

Distance In n.m.	Minimum	<u>Class C (Basic)</u>	
		Base	Maximum
0-100	51.9527 + (.3933)(dist.)	54.6871 + (.4140)(dist.)	57.4214 + (.4347)(dist.)
101-300	42.7932 + (.3670)(dist.)	45.0454 + (.3863)(dist.)	47.2977 + (.4057)(dist.)
301 and above	33.6318 + (.3406)(dist.)	35.4019 + (.3584)(dist.) (37.1720 + (.3764)(dist.)

3. For operators who are authorized to charge freight rates under MARINA MC 46

Distance In n.m.	Class A	Class B
0-100	75.7052 + (.5723)(dist.)	60.5934 + (.4578)(dist.)
101-300	62.3539 + (.5340)(dist.)	49.8832 + (.4270)(dist.)
301 and above	49.0029 + (.4959)(dist.)	39.2173 + (.3960)(dist.)

Distance In n.m.	Class C	Class C (Basic)
0-100	49.2183 + (.3726)(dist.)	42.5725 + (.3450)(dist.)
101-300	40.5409 + (.3761)(dist.)	37.5379 + (.3220)(dist.)
301 and above	31.8617 + (.3226)(dist.)	29.5016 + (.2987)(dist.)

4. For operators who are prescribed the 1986 CISO freight rates by virtue of the Order dated 11 April 1986 authorizing a rate rollback which had been

made applicable to all common carriers. This group would, therefore, include all liner shipping operators who are prescribed a general CISO rate level prior to or earlier than the 1986 CISO rate level and who have not petitioned and have not been granted approval by government to charge rates higher than the CISO 1986 level rates.

Distance In n.m.	Class A	Class B	Class C & C Basic
0-100	70.0974 + (.5299)(dist.)	56.1050 + (.4238)(dist.)	45.5725 + (.3450)(dist.)
101-300	57.7352 + (.4944)(dist.)	46.1882 + (.3954)(dist.)	37.5379 + (.3220)(dist.)
301 and above	45.3730 + (.4592)(dist.)	36.3123 + (.3668)(dist.)	29.5016 + (.2987)(dist.)

5. For non-banca operators who are not prescribed rates under the four above-mentioned rate levels, that is, those operators whose authorized rates are not following any of the general CISO rate levels (past and present).

For any specific rate(s) not covered under A-D above, the new reduced rates(s) shall be computed generally as follows:

$$\text{New Reduced Rates} = (.945) \times (\text{existing authorized rate})$$

III. 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 maybe, in addition to the penalties prescribed under Public Service Act, as amended and other relevant circulars, rules, and regulation of this Authority.

IV. EFFECTIVITY

These guidelines shall take effect immediately.

August 23, 1991.

BY AUTHORITY OF THE BOARD:

PHILIP S. TUAZON
Administrator