

## MEMORANDUM CIRCULAR NO. 64

**TO :** ALL VESSEL OWNERS/OPERATORS AND ALL OTHERS CONCERNED

**SUBJECT :** GUIDELINES FOR THE LEGISLATION OF “COLORUM” WATER TRANSPORT VESSELS IN THE COASTWISE TRADE.

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The MARINA Board during its 102<sup>nd</sup> Regular Meeting on 04 December 1991 approved the proposal of Management to conduct a legalization program for colorum water transport vessels in the coastwise trade operating as liner or tramper regardless of size. The following guidelines are hereby promulgated to implement this legalization program:

**Section 1. Definition Of Terms.** - For purposes of this Memorandum Circular, the terms below shall have the following meaning, unless the context indicated otherwise:

a. A **colorum vessel** is a private water transport operated for public utility purposes without any authority from the Maritime Industry Authority (MARINA) pursuant to the Public Service Act, as amended, and PD No. 474, and implementing rules and regulations.

b. A **Certificate of Public Convenience (CPC)** is an authorization issued by the MARINA for the operation of inter-island public water transportation facilities. (Lifted from annotation under Section 12 of the Public service Act, as amended)

c. **Legalization** is a liberal act of Government, through the issuance of Certificate of Public Convenience to make the existing colorum operation of domestic water transport vessel operator legal and in order.

**Section 2. Coverage.** - Those covered by this memorandum Circular are vessel owners/operators who fall under any of the following classification/criteria:

a. All unauthorized operators as of 1986 who have rendered open public, continuous and uninterrupted water transport service in specific area/route/link, there are existing authorized operators.

b. All unauthorized operators as of 1986 who have rendered open, public, continuous and uninterrupted water transport service in specific area/route/link where there are no existing authorized operators.

c. All unauthorized operators as of 1990 who have rendered open, public, continuous and uninterrupted water transport service in specific area/route/link where there are no existing authorized operators.

**Section 3. Period Of Legalization.** - All those covered under section 2 above shall apply with the MARINA for the issuance of a Certificate of Public Convenience (CPC) within six(6) months from the issuance of this Circular. After this period, all those who fail to apply and secure the required CPC/PA/SP, as the case may be, shall be subject to the penalties herein provided. All applicants whose operation is within the area of jurisdiction of any MARINA Regional Office (MRO) may file their application with said Office.

**Section 4. Conduct Of Legalization.** - The Maritime Regional Offices(MROs) shall coordinate and enlist the support and cooperation of other concerned government agencies, such as, the PCG, PPA, NTC, bureau of Quarantine and Bureau of Customs. For the effective and efficient implementation of the program. The active participation of non-government organizations(NGOs) and other private entities shall likewise be pursued.

**Section 5. Qualification Requirement.** - The applicant shall be citizen of the Philippines, or a partnership/corporation at least 60% of the authorized capital stock is owned by citizens of the Philippines, in accordance with the provisions of P.D. No. 474 and the Public Service Act, as amended.

**Section 6. Documentary Requirements.** - Applicants who shall avail of this legalization shall submit the following documents in triplicates:

1. Jurisdictional requirement: Affidavit of Publication of Notice of Hearing in a newspaper of general/local circulation. For liner applicants, proof of notice to affected operators.
2. To be obtained from the Philippine Coast Guard (PCG)
  - a. Certificate of Inspection reflecting the vessel's authorized area of operation and type of service
  - b. Certificate of Ownership
  - c. Coastwise License or Bay/River License
  - d. Certificate of Admeasurement
  - e. Certificate of Philippine Registry (if applicable)
3. 5" x 7" colored photographs of the vessels showing (a) port side view; (b) starboard side; and (c) astern view.
4. Certified sketch of proposed routes and distance from NAMRIA (ex. BCGS) showing distances from port-to-port link for liner applicants.

5. Financial Statements (Latest Balance Sheet/Income Statement). For new operator, estimated income and expenses for 2 months.
6. For liner vessels carrying passengers - Passenger Insurance Cover at P50,000.00 per authorized passenger at an aggregate limit of the authorized passengers.
7. Others as may be required by MARINA prior to issuance of Certificate of Public Convenience.

**Section 7. Conduct Of Hearing.** - To expedite the processing of CPC applications under this Circular, the conduct of summary procedure of hearing in uncontested cases shall be observed. Liberal construction of the rules is hereby encouraged.

**Section 8. Penalties And Sanctions.** - After the legalization period, all owners/operators of inter-island vessels who continue to operate without having filed applications for and secured the CPC/PA/SP, as the case may be, from the MARINA, shall be subject to apprehension and penalty in accordance with the provisions of the Public Service Act, as amended, and the pertinent Memorandum Circulars of the Maritime Industry Authority.

**Section 9. Fees.** - Existing fees prescribed for the issuance of a Certificate of Public Convenience(CPC) shall be paid upon filing of all applications under this Memorandum Circular.

**Section 10. Effectivity.** - This Memorandum Circular shall take effect fifteen (15) days after its publication once in the Official Gazette or a newspaper of general circulation on the Philippines.

PHILIP S. TUAZON  
Administrator

This is to certify that the Memorandum Circular No. 64 was approved in the meeting of the Maritime Industry Board held on 04 December 1991.

PURITA C. CENTENO  
Corporate Board Secretary