

MEMORANDUM CIRCULAR NO. 92

TO : ALL OWNERS/OPERATORS OF INTERISLAND LINER VESSELS AND ALL CONCERNED

SUBJECT : IMPLEMENTING GUIDELINES ON THE RATE INCREASE

Pursuant to the Order of the Maritime Industry Board dated December 01, 1994 authorizing an increase of 15% and 10% in passage and freight rates, respectively, for interisland liner shipping, the following guidelines in implementation thereof are hereby promulgated:

- 1. COVERAGE** - Only member-companies represented by the Conference of Interisland Shipowners and Operators in this petition and any other operators who have filed applications for rate increase and paid the corresponding filing fee and issued the corresponding Order therefore are authorized to implement the following structure/system and schedule of rate subject to the conditions set forth below.
- 2. RATE STRUCTURE/ SYSTEM BOTH FOR PASSAGE AND FREIGHT**- 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 10% of the base rate as the upper limit(maximum) and minus 15%, as the lower limit(minimum), shall be allowed to be charged.
- 3. PASSAGE RATE** - Provision for meals shall be optional to the operators. The following rates shall be prescribed:

RATE WITH MEALS

<u>Distance</u> <u>In n.m.</u>	<u>First</u> <u>Class</u>	<u>Per Passenger</u> <u>Third Class</u>		
		<u>Minimum</u>	<u>Base</u>	<u>Maximum</u>
0-100	Unregulated	1.0930	1.2859	1.41445
101-300	Unregulated	1.0043	1.1815	1.2996
301 and above	Unregulated	0.9157	1.0773	1.1850

RATE WITHOUT MEALS

<u>Distance In n.m.</u>	<u>First Class</u>	<u>Per Passenger Third Class</u>		
		<u>Minimum</u>	<u>Base</u>	<u>Maximum</u>
0-100	Unregulated	1.0930	1.2859	1.3650
101-300	Unregulated	0.9691	1.1401	1.2541
301 and above	Unregulated	0.8837	1.0396	1.1436

CONDITIONS

- a. First and Second Class passage rates shall continue to be deregulated, for all vessels offering such accommodation in accordance with the service standards prescribed under MARINA Memorandum Circulars No. 65, provided that at least fifty(50) percent of the authorized passenger capacity of the vessel shall be allocated and maintained for Third Class Accommodation.
- b. In cases where only first and Second Class passenger accommodations are provided by a vessel, or where Third Class passenger accommodations provided by the vessel is less than 50% of the vessel's total passenger capacity, the Second Class passage rate shall be regulated, with the prescribed rates as hereunder indicated;

RATE WITH MEALS

<u>Distance In n.m.</u>	<u>Second Class</u>		
	<u>Minimum</u>	<u>Base</u>	<u>Maximum</u>
0-100	1.9201	2.2589	2.4848
101-300	1.7725	2.8053	2.2938
301 and above	1.5951	1.8766	2.0643

RATE WITHOUT MEALS

Distance In n.m.	Per Passenger Second Class		
	<u>Minimum</u>	<u>Base</u>	<u>Maximum</u>
0-100	1.8528	2.1798	2.3978
101-300	1.7105	2.0123	2.2135
301 and above	1.5393	1.8109	1.9920

- c. The passage rates to be prescribed for distance 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.	<u>Minimum</u>	<u>CLASS A</u>	
		<u>Base</u>	<u>Maximum</u>
0-100	89.8253 + (.6790)(dist.)	105.6768 + (.7988)(dist.)	116.2445 + (.8787)(dist.)
101-300	73.9839 + (.6336)(dist.)	87.0399 + (.7454)(dist.)	95.7439 + (.8199)(dist.)
301 and above	58.1427 + (.5884)(dist.)	68.4032 + (.6922)(dist.)	75.2435 + (.7614)(dist.)

Distance In n.m.	<u>Minimum</u>	<u>CLASS B</u>	
		<u>Base</u>	<u>Maximum</u>
0-100	71.8950 + (.5431)(dist.)	84.5823 + (.6389)(dist.)	93.0405 + (.7028)(dist.)
101-300	59.1872 + (.5067)(dist.)	69.6320 + (.5961)(dist.)	76.5952 + (.6557)(dist.)
301 and above	46.5320 + (.4700)(dist.)	54.7435 + (.5529)(dist.)	60.2178 + (.6082)(dist.)

<u>Distance In n.m.</u>	<u>Minimum</u>	<u>CLASS C Base</u>	<u>Maximum</u>
0-100	58.3982 + (.4421)(dist.)	68.7038 + (.5201)(dist.)	75.5742 + (.5721)(dist.)
101-300	48.1023 + (.4126)(dist.)	56.5909 + (.4854)(dist.)	62.2500 + (.5339)(dist.)
301 and above	37.8044 + (.3828)(dist.)	44.4758 + (.4504)(dist.)	48.9234 + (.4954)(dist.)

CONDITIONS

In the computation 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 may be, 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 required by the Government;
- 5.2 That companies/operators must have submitted their Audited 1994 Annual Reports on or before 30 June 1995;
- 5.3 That liner operators shall submit to this authority a certification showing a list of distance of all their authorized links by the National Mapping and Resources Information Authority(NAMRIA);

- 5.4 That any matrices of authorized limits of rates shall have to be certified by this Authority;
- 5.5 The operators shall post in conspicuous places at their terminals, booking stations, and other places of transaction 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.
01 December 1994

BY AUTHORITY OF THE BOARD:

PACIENCIO M. BALBON, JR.
Administrator

SECRETARY'S CERTIFICATE

This is to certify that the foregoing Memorandum Circular No. 92 has been approved during the 76th Quasi-Judicial Board Meeting of the Maritime Industry Board held on December 01, 1994.

PURITA C. CENTENO
Corporate Board Secretary

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