

MEMORANDUM CIRCULAR NO. 125

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

SUBJECT : ADOPTION OF THE PASSENGER SERVICE RATING SYSTEM (PSRS) AND GENERAL PROVISIONS FOR IMPLEMENTATION

Pursuant to Section 2 of Presidential Decree No. 474 which provides that the Maritime Industry Authority shall provide for the effective supervision, regulation and rationalization of the organizational management, ownership and operations of all water transport service and upon approval by the MARINA Board of Directors in its 137th Regular Meeting on 26 August 1997, a Passenger_Service Rating System (PSRS) is hereby adopted and to be implemented by this Authority, in accordance with the following provisions:

I. RATIONAL

The PSRS is basically a tool or a system of monitoring assessing and rating the standard of service being offered to passenger by liner and ferry vessels. It is a guide which identifies for the public, the MARINA and the operators how the services of various passenger shipping operators compare to each other and the relative quality of services they are providing. Where the public is made aware of the differences in service standards, the providers of good services are rewarded either with growing market share, or with being able to charge more while maintaining their with market shares. From MARINA perspective, PSRS is further a practical and ideal mechanism to foster effective and efficient implementation of the program of deregulation as enunciated and formalized in Executive Order Nos.185 and 213 and their Implementing Rules and Regulations. The system aims to enhance efficiency and foster competition, and is in consonance with MARINA 's mandate to provide effective supervision, regulation and rationalization of the organizational management ownership and operation of all water transportation in the Philippines.

II. COVERAGE. This Circular shall apply to all liner and ferry operator employing passenger vessels 100 GT and above operating in the domestic trade.

III. DEFINITION OF TERMS. For purposes of this Circular, the following terms shall mean:

1. Liner Service - is the operation of domestic water transportation which publicly offers their services without discrimination to any user, have regular port of call/destination and have fixed sailing schedule and frequency.

2. Liner Passenger Service - is a liner service which includes the transportation of passenger and where the vessels travel time is more than four (4) hours.
3. Ferry Passenger Service - is a liner service which includes the transportation of passenger and where the vessel's travel time is four (4) hours or less, including high-speed craft.
4. Service Elements - The major components to be rated/awarded with point under the Passenger Service Rating System. Each service element has a maximum derived points of 100.
5. Service Sub-elements - Are the basic parameters comprising the service elements. There are instances where service sub-elements are further broken down into finer details as sub-elements of an element. The basic sub-elements are awarded with points after evaluation by MARINA raters and consolidation of results from passenger surveys.
6. Standard of Service - is a measure of the quality of services being offered taking into consideration the absence or existence and nature of defined service elements and sub-elements.
7. Awarded Points - are assigned points to the basic service sub-elements as evaluated by the MARINA raters and consolidated from passenger survey/results.
8. Derived Point - is the summation of the awarded points of its basic sub-elements.
9. Assigned Weight - weight given to each service element, in consideration of its importance to passenger service.
10. Weighted Point - is the product of the derived points and the assigned weight of such a service element.
11. Grade Points - summation of the weighted points of the different service element corresponding to a specific passenger service rating.

IV. GENERAL CONSIDERATIONS

1. The PSRS takes into account all the characteristics of liner and ferry passenger services except the aspect of safety which is covered by a different evaluation/assessment tool.
2. Compliance with the service standard requirements prescribed in Memorandum Circular Nos. 65/65-A and determination by the MARINA inspectors that the vessels operations is satisfactory from

the considerations of safety shall first be required for all vessels covered by this Circular.

3. Vessels covered by this Circular which failed to meet the service and safety standard requirements mentioned above will be assigned a rating of "probationary" without the necessity of assessment/inspection under this system.

V. THE SERVICE ELEMENTS/SUB-ELEMENTS TO BE USED FOR THE PASSENGER SERVICE RATING SYSTEM.

1. Passenger Accommodation
 - 1.1 Seating/Sleeping Accommodation
 - 1.2 Toilet/Bath
 - 1.3 Eating/Drinking Accommodation
 - 1.4 Deck/Open Areas
 - 1.5 Recreational Facilities
 - 1.6 Medical Services
 - 1.7 Other Miscellaneous Services (excluding medical)
2. Service Adequacy
 - 2.1 Overcrowding/overloading
 - 2.2 Adherence to service schedule
3. Boarding System
 - 3.1 Passenger Waiting Area (only where applicable)
 - 3.2 Boarding Instructions/Guides/Tickets
 - 3.3 Baggage Assistance
 - 3.4 Boarding Process Control
 - 3.5 Disembarkation
4. **Baggage Stowage and Security**
 - 4.1 Pre-boarding security and weight control
 - 4.2 Stowage Area Location and Capacity
 - 4.3 Baggage Security Agreement
 - 4.4 Baggage Damage/Loss Record
 - 4.5 Claims Response
5. Reservation System
 - 5.1 Convenience of booking
 - 5.2 Ticketing System
 - 5.3 Reservation Record

6. Management & Staff

- 6.1 Land-based staff attitude & efficiency
- 6.2 Vessel crew attitude & efficiency
- 6.3 Management service standard attitude

VI. GRADING PROCEDURES, SCHEME, AND FREQUENCY

A GRADING PROCEDURES

- 1. There shall be identified and prescribed forms and instructions for grading to ensure uniformity and consistency of rating.
- 2. Four types survey inspection activities shall be undertaken in grading namely.
 - 2.1 Inspection prior to sailing - This effort will concern mainly inspection of cabin accommodations.
 - 2.2 Inspection during sailing - This will concentrate on observation of vessel maintenance in all areas as detailed in the PSRS Manual.
 - 2.3 Passenger survey during sailing - This will constitute the principal activity during the voyage. Survey Forms are to be provided for the interview of passengers relative to the liner shipping and ferry services.
 - 2.4 Post-sailing inspection and interview. This phase will address the disembarkation system and the responsiveness of management (both on-shore and ship) to the needs of the passengers.
- 3. Survey is to be conducted to a vessel up serving an advance notice to the shore-based officer of the shipping entity owning/operating the vessel. Such advance notice shall be served not less than 24 hours or one (1) day and not more than 120 hours or five (5) days. No survey shall be conducted during unusual situations, such as during periods of storms and heavy seas, nor even within three days following a typhoon in areas where vessels to be rated are operating.
- 4. No rating shall be given unless the rater has the opportunity to discuss identified passenger service shortcomings with the vessel captain or with a shore -

based officer of the shipping line owning/operating the vessel

5. On all matters involving judgement raters shall rely in part on passenger surveys, rather than relying strictly on their own judgment. Raters shall further take into account extenuating circumstances, or those which are beyond the control or fault of the operator/captain.

B. GRADING SCHEME

1. Points are obtained by conducting four (4) separate but related activities, that is, inspection prior to sailing, inspection during sailing, passenger survey during sailing and post-sailing inspection and interview. Each inspection/survey shall account for findings in the first, second and third class accommodations for both liner and ferry services. The awarded points for each of the accommodation shall be given a relative importance of 20%, 30% and 50% respectively. However where there are only two (2) available accommodations which a vessel could offer, the awarded points corresponding to lower-class accommodation shall be accorded a relative weight of 60% and that of the higher-class accommodation shall be accorded a relative weight of 40%.
2. All service elements of both liner and ferry services identified above are not directly graded but shall be given derived points.
3. Each service element can be awarded maximum derived points of 100. The derived points for each service element are to be multiplied by its corresponding weight. The sum of the product will be the grade point equivalent to the vessel's service rating classification. (Thus, the derived points of each element are not to be added, per se, since the different service elements have different weights).
4. Each class is graded relative to its own ideal and minimum standards. Thus, a higher score for second class services would not necessarily mean that its services is superior than those of the first class services although such a possibility is conceivable.

C. GRADING FREQUENCY

1. Vessels which have been given a "standard" rating for one or more classes of service shall be required to undergo another ratings after 6 month.
2. Vessels which have been rated "superior" and "above average" for all classes of their passenger services shall be subjected to another rating only after a period of 12 months.

VII. CLASSIFICATION OF SERVICE RATINGS

1. **Standard Services** - these services meet the minimum standards specified in MC 65/65A and the vessel's operations is satisfactory from the considerations of safety, and there is little or no evidence that operators are attempting to provide more than the minimum standards.
2. **Above Average Services** – these services are better than the minimum service standards in MC 65/65a and had passed the safety evaluation conducted by the MARINA.
3. **Superior Service** - the services being provided are well above the minimum specifications stipulated in MARINA MC 65/65A and the safety standards of the MARINA.

VIII. REQUIREMENTS AND SAFEGUARDS FOR IMPLEMENTATION

1. **PSRS Manual Procedures.** The Domestic Shipping Office of this Authority shall generate a PSRS Manual of Procedures providing detailed procedures and scoring systems to ensure uniformity of implementation. Thereafter, the Manual shall be updated/revised by the MARINA Management as may be deemed necessary.
2. **Pool of MARINA Surveyors.** For purposes of implementing the PSRS, a pool of Qualified and trained employees from the Maritime Regional Offices and the Central Office shall be created and maintained. They shall be responsible for administering the four (4) phases of survey/inspection activities and the consolidation of results.

3. **Training Program.** A training program to ensure competence of surveyors shall be instituted by the Domestic Shipping Office of this Authority.
4. **Systems of Consolidating the Result.** Vessel grades and ratings given shall be tabulated and consolidated by an established computer-based system.
5. **Validation of Results and Mechanism for Clarifications by Concerned Companies/Operators.** The concerned ship owner/operator of the vessel(s) subjected to the PSRS shall be officially advised of the ratings obtained and shall be given ten(10) days from receipt thereof to formally request for clarifications before such results are finally adopted by this Authority.
6. **Regional Coordination.** Coordination between and among the MRO's and that of the Central Office shall be further strengthen to ensure efficient implementation of the PSRS.

IX. FEES, PUBLICATION/POSTING OF SERVICE RATINGS

1. A nominal fee of P1.00/GT shall be charged by the MARINA to ship owners /operators whose vessels are to be surveyed.
2. In order to provide the riding public with useful information that will assist them in their choice of shipping services to be availed of, the rating of passenger services for each concerned vessel shall be posted in such a manner as to be easily noticed and can be read by travelers in every publicly-owned port, as well, as through other forms of dissemination to the public as will be deemed necessary.
3. The postings/publications shall be dated and changed as frequently as possible to appraise the public of new services and/or modified/amended ratings of continuing services.

- X. EFFECTIVITY AND IMPLEMENTATION.** This Memorandum Circular shall take effect fifteen (15) days after its publication once in a newspaper of general circulation.

From the effectivity of this Circular, a (1) one year period is hereby provided as transition in the implementation of the PSRS during which time, covered vessels shall be surveyed in accordance with the system's Manual of Procedures as has been initially formulated. The results of such PSRS survey conducted

during the initial year of implementation will only be deemed as provisional and will not yet be disseminated to the public nor treated officially by the MARINA. Instead the results will only be provided to the concerned operators and serve as bases from which proposals/recommendations will be generated to further improve on the system in terms of its elements, procedures, grading, and other aspects thereof.

- XI. REPEALING CLAUSE.** Any or all provisions of existing MARINA circulars, rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

Manila, Philippines,_____.

BY AUTHORITY OF THE BOARD:

(SGD.) RADM PIO H. GARRIDO JR AFP (Ret)
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. 125 was approved in the 137th Regular Meeting of the Maritime Industry Board held on 26 August 1997.

(SGD.) ATTY. GLORIA V. BANAS
Deputy Corporate Board Secretary

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