



2007 ANNUAL REPORT MARITIME INDUSTRY AUTHORITY

VISION STATEMENT

MARINA as a strong, dynamic, proactive, responsive, committed MARITIME ADMINISTRATION

MISSION STATEMENT

In support of our shared **VISION** as the **MARITIME ADMINISTRATION, WE**, the officials and employees of the **MARINA**, are committed to:

- **LEAD** in the adoption and implementation of a practicable and coordinated Maritime Industry Development Program that will provide an effective supervisory and regulatory regime for an integrated Philippine maritime industry;
- **FORMULATE** and **IMPLEMENT** responsive policies that seek to promote and develop a competitive investment climate for the modernization and expansion of the Philippine merchant fleet and the shipbuilding/ship repair industry;
- **DEVELOP** a human resource program that will match the maritime industry requirements;
- **PROJECT** the country as a responsible member of the international maritime community and **FOSTER** support and confidence of our multilateral/bilateral partners; and
- **PROMOTE** good governance and **ADHERE** to the highest standard of integrity in the delivery of quality and timely service to its clientele through a dynamic organization complemented by a pool of competent, values-oriented and highly motivated civil servants.

MARINA, in partnership with the private sector, the legislative and the executive branches of government, worked for the further development and promotion of the domestic shipping, overseas shipping, maritime manpower and shipbuilding/shiprepair sectors with the enactment/issuance of the following laws/orders:

EO 588 on “Strengthening the Philippine Shipbuilding and Ship Repair Sector and Instituting Measures to promote Its Growth and Development” was issued by PGMA on 08 December 2006 wherein MARINA shall take the lead in the preparation and implementation of the Comprehensive Development Plan for the Philippine Shipbuilding and Ship Repair Industry.

OP-Memorandum Order No. 244 was issued by PGMA on 22 March 2007 directing the DOTC through the MARINA and in coordination/consultation with the different government agencies to formulate and craft a law that shall address the needs and problems confronting the local maritime industry. The proposed bill shall, among others, encourage direct foreign investments in the maritime industry by coming up with rationalized rules and regulations on foreign direct investments and providing a schedule of incentives.

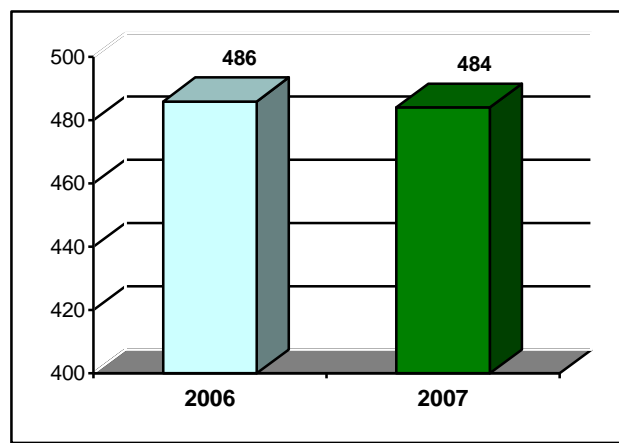
The year 2007 proved to be a tough one for the Agency with MARINA having to face the challenges of implementing its additional mandated functions under RA 9295, EO 588 and OP-MO 244 with only the GAA as the source of fund since the approval for the provision of the MARINA Trust Fund is still pending with the DBM. The situation was aggravated further when the MARINA Central Office at the PPL building was razed by fire on the crack of dawn on the 30th of May 2007. Needless to say, all records of clients /applicants and MARINA personnel were lost except for some MARINA documents which were recovered at the 4th floor as it was not consumed by fire. Despite all odds, the MARINA was able to continue to deliver its services to its stakeholders and came up with the following notable accomplishments:

I. OPERATIONAL HIGHLIGHTS

For CY 2007, the extent of MARINA's accomplishments were influenced by emerging opportunities, potentials and challenges for each sector, as the nation's economy achieved significant gains in terms of growth and development.

A. DOMESTIC SHIPPING SECTOR

Accreditation of Maritime Companies/Entities

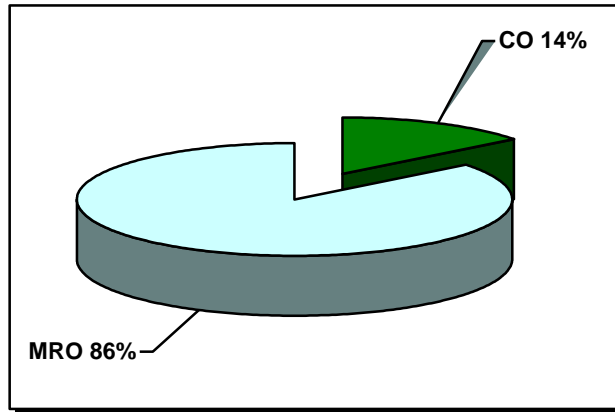


Source: MARINA-MISO

In order to foster standards for domestic shipping operations to protect public interest, effectively supervise, regulate and rationalize the organizational management, ownership and operation of all interisland water transport utilities and to prevent the proliferation of

incompetent, inefficient, unreliable and fly-by-night vessel operators, and to qualify for the grant of permits, licenses, authorities, financial assistance and incentives presently administered or to be administered by the MARINA, domestic shipping companies/entities has to be accredited by the MARINA.

For CY 2007, the actual number of companies registered was posted at 484, as against 486 in 2006, or a minimal decrease of less than 1%.

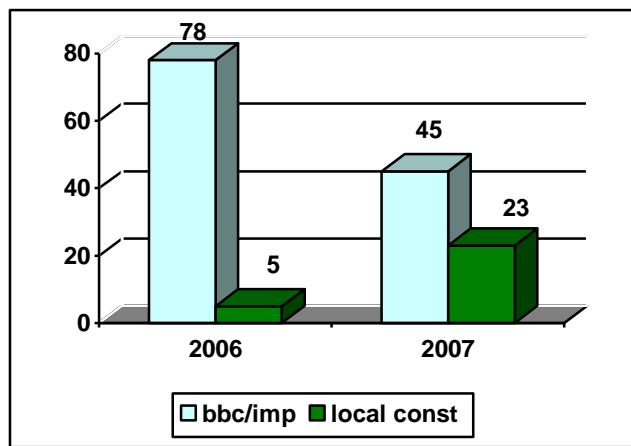


CO vs MRO

Source: MARINA-MISO

The MROs had processed/accredited 414 domestic maritime entities or 86% of the total transactions, and the remaining 14% or 70 companies were accredited by the Central Office.

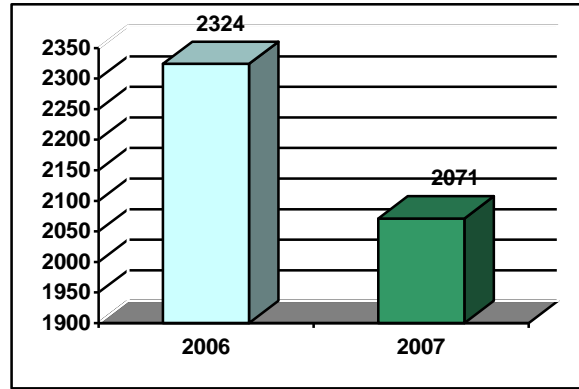
Vessels Approved for Acquisition



Source: MARINA-MISO

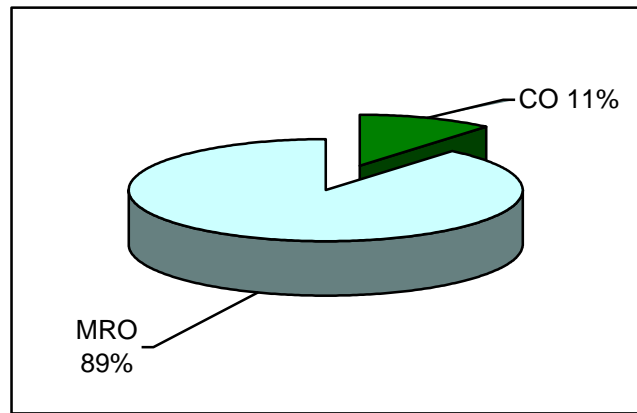
The total number of vessels acquired for the year was registered at 68, where 45 vessels or 66% was for bareboat charter/importation and the remaining 23 or 34% was for local construction. There was a decrease of 18% (83) for the same transaction in 2006.

Domestic Vessels Registered



Source: MARINA-MISO

An 11% decrease or 2,071 vessels was posted in 2007 than that exhibited, 2,324 in the previous year.

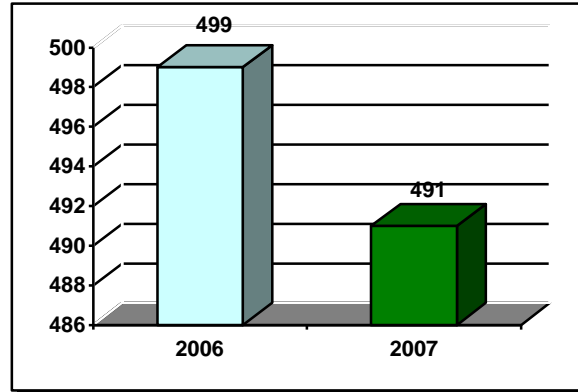


CO vs MRO

Source: MARINA-MISO

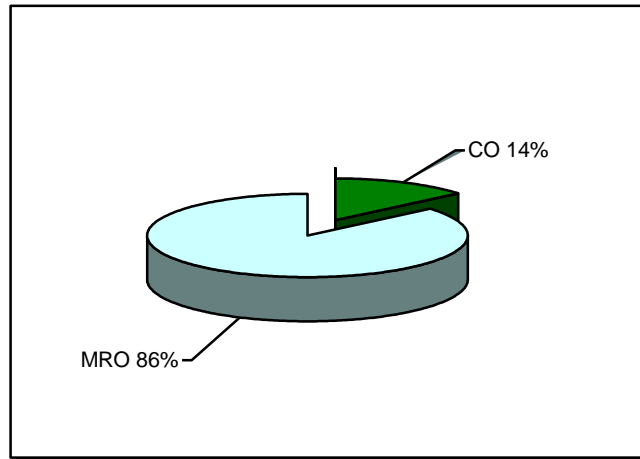
From the total output, the MROs contributed 89% (1,840) and the remaining 11% (231) was from the Central Office.

Certificate of Public Convenience (CPC) Issued



Source: MARINA-MISO

491 companies were issued CPC for the year 2007 or a 2% (499) decrease from those issued in 2006.

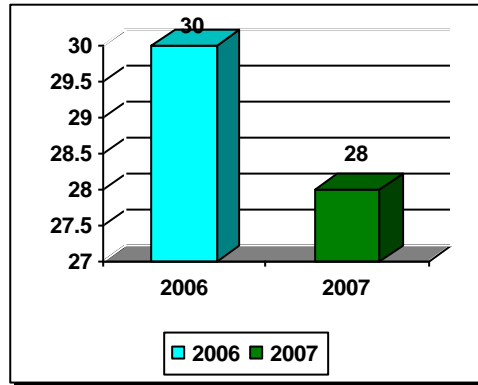


CO vs MRO

Source: MARINA-MISO

86% was contributed by the MROs for this transaction and the remaining 14% was from the Central Office.

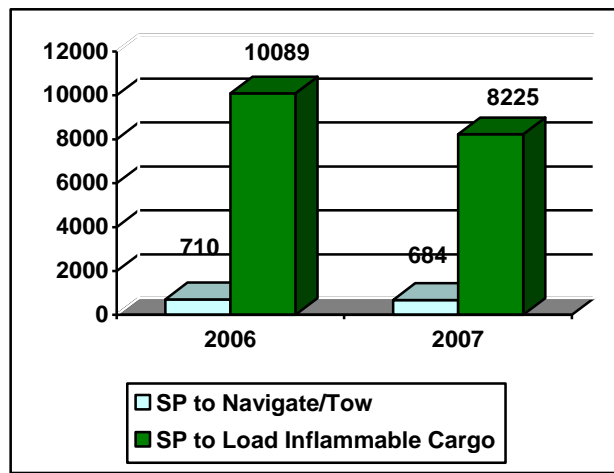
Special Permits Issued



Source: MARINA-MISO

For the year 2007, 28 overseas vessels were issued special permit to ply in the domestic trade, a decrease of 30 or 7% from 2006 issuance.

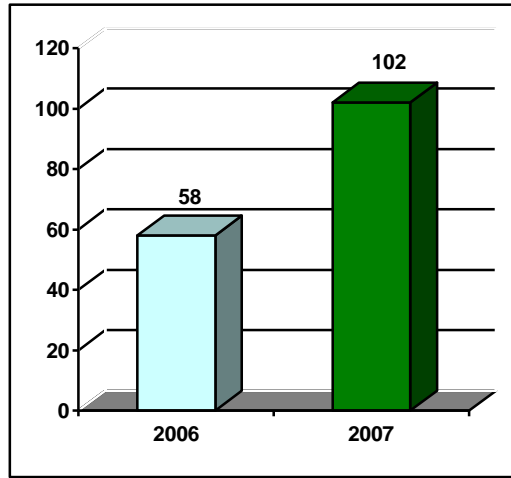
Special Permits Issued



Source: MARINA-MISO

Similarly, a total of 684 special permits to navigate/tow were issued which showed a decrease of 4% from the 2006 data. On the other hand, 8,225 special permits were issued to load inflammable cargoes or an 18% decrease from that issued in 2006.

Deletion Certificates Issued

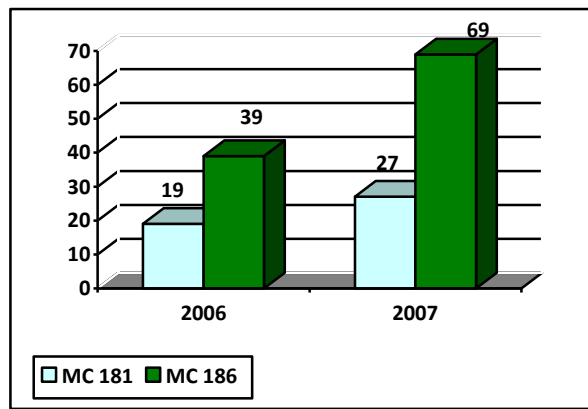


Source: MARINA-MISO

A total of 102 deletion certificates were issued for 2007 as against 58 in 2006 or an increase of 76%.

B. OVERSEAS SHIPPING SECTOR

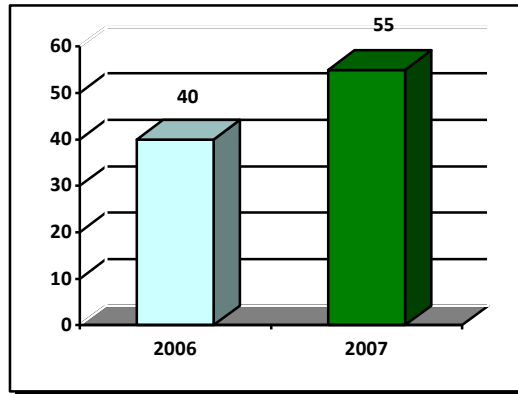
Overseas Shipping Companies Accredited under MC 181 and MC 186



Source: MARINA-MISO

Overseas shipping companies which intend to acquire and operate ships for international voyages must be accredited with MARINA pursuant to Memorandum Circular No. 181 issued on 23 July 2003. For the period under review, a total of 27 companies were accredited or 42% increase from those accredited in 2006. Meanwhile, to cover other shipping companies which intend to engage in ship management, shipping agency, ship chandling and multi-modal transport operations, MARINA issued Memorandum Circular No. 186 on 23 July 2003. There were 69 companies registered for 2007 as against 39 companies in 2006 or a 77% increase.

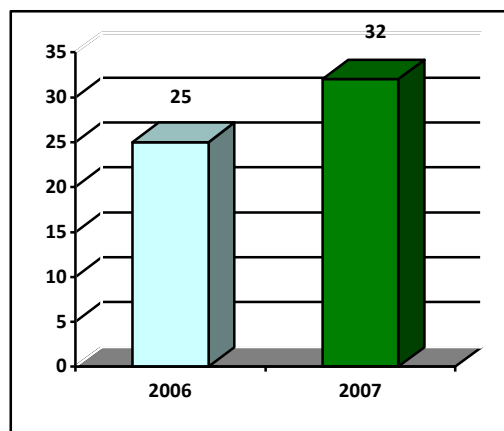
Vessels Approved for Acquisition



Source: MARINA-MISO

The number of vessels acquired went up by 38% to 55 in 2007 than the 40 vessels recorded in 2006.

Issuance of Special Permits



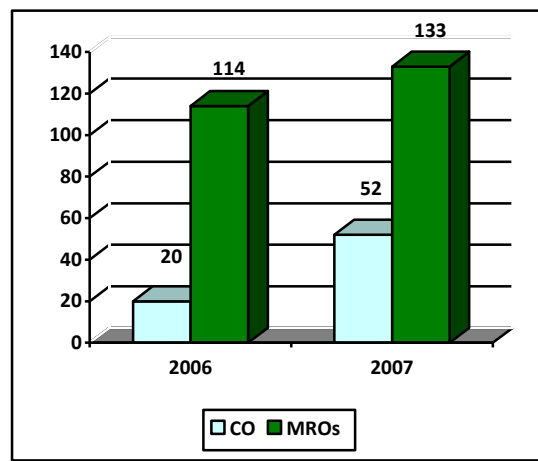
Source: MARINA-MISO

The number of Special Permits issued decreased by 42%, because domestic shipping companies apply only for a Special Permit if the market condition warrants additional tonnage.

For CY 2007, the BIR has collected P 82,699,085.83 from the payment of the 4.5% withholding taxes on the gross bareboat charter hire of the 154 Philippine overseas ships. The revenues derived from this final withholding tax constituted a substantial contribution to the economy.

C. SHIPBUILDING AND SHIP REPAIR SECTOR

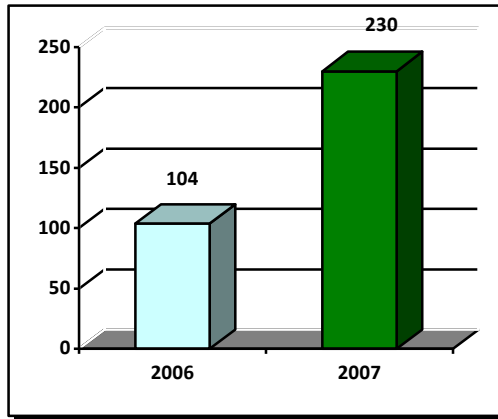
LICENSES ISSUED TO SBSR ENTERPRISES



Source: MARINA-MISO

Pursuant to P.D. No. 666, entities engaged in SBSR activities are required to be registered/licensed with the MARINA. For the period under review, a total of 185 entities were licensed or a 38% increase from that licensed in 2006. Licensed entities of this sector are presently dominated by Afloat Ship Repairers, Small Shipyards catering to limited shipbuilding and domestic ship repair requirements and Boat Builders. This serves to indicate that this sector is more oriented towards ship repair activities and small shipbuilding projects.

SBSR Entities Inspected

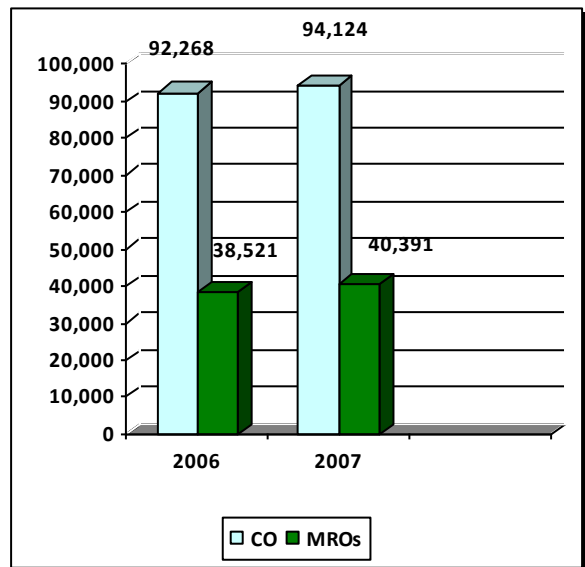
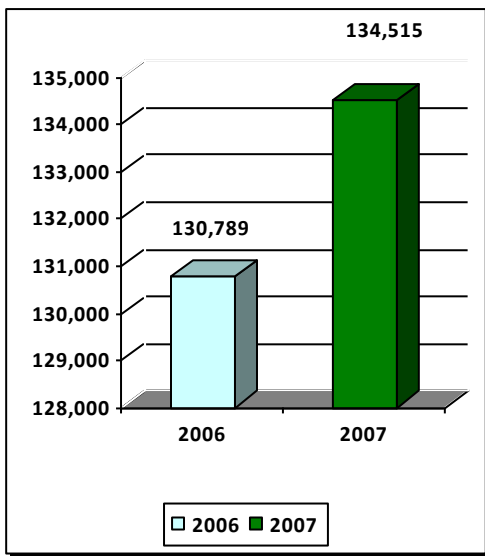


Source: MARINA-MISO

There are two (2) types of inspections to be undertaken prior to issuance of license and classification of shipyard facilities. Qualification inspection shall be undertaken for new entrants, while the annual inspection shall be undertaken for currently registered entities for purposes of monitoring/planning and enforcing of MARINA rules and regulations. For the year 2007, a remarkable increase of 121% was manifested.

D. MARITIME MANPOWER SECTOR

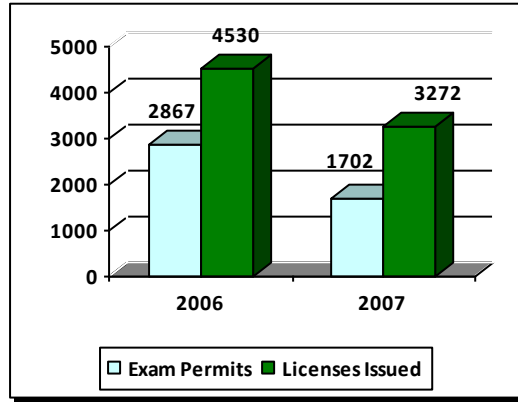
Issuance of Seafarer’s Identification and Record Book (SIRB) under MC 163



Source: MARINA-MISO

For the year 2007, a total of 134,515 SIRBs were issued, which is a slight increase of 3% from the total 130,789 issued in 2006. From the total number of SIRB issued in 2006, 29% were issued by the MROs while 71% by the CO. Almost the same percentage were contributed by the MROs and the COs in 2007.

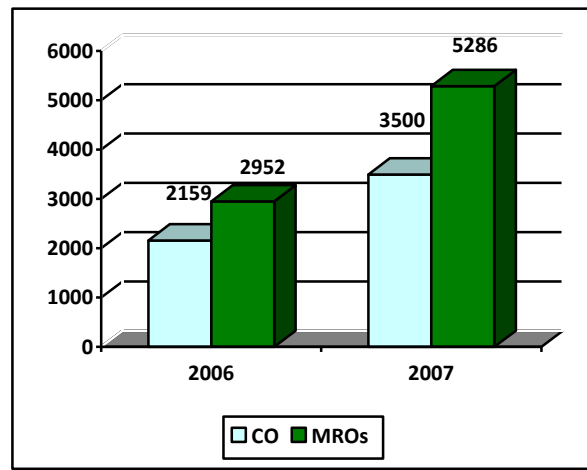
Examination Permits and Licenses Issued/Renewed



Source: MARINA-MISO

For 2007, a total of 1702 examination permits for the applicants of Harbor Pilot, Major Patron, Minor Patron, Boat Captain and Marine Diesel Mechanics were issued for the period under review as against 2867 in 2006 or a decrease of 41%. On the other hand, licenses issued/renewed for the year decreased by 28% from 2006.

Qualification Document Certificates (QDC) Issued under MC 164

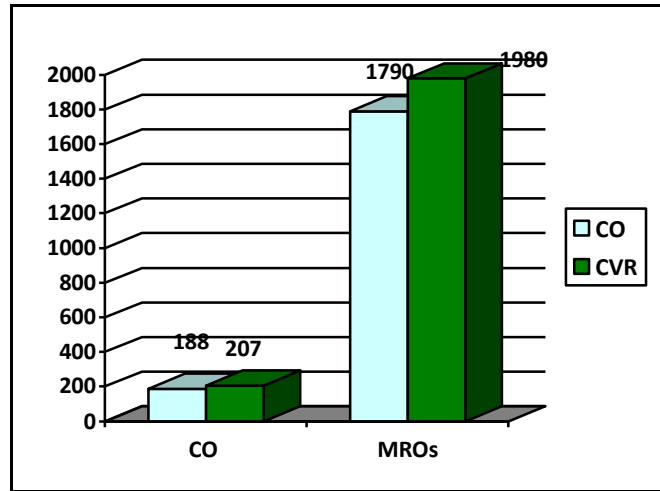


Source: MARINA-MISO

The issuance of Qualification Document Certificates (QDC) in 2007 posted a 72% increase against those issued in 2006. Likewise, for the period under review, only 40% of the QDC issued were from the CO while 60% were from the MROs.

E. MARITIME SAFETY SECTOR

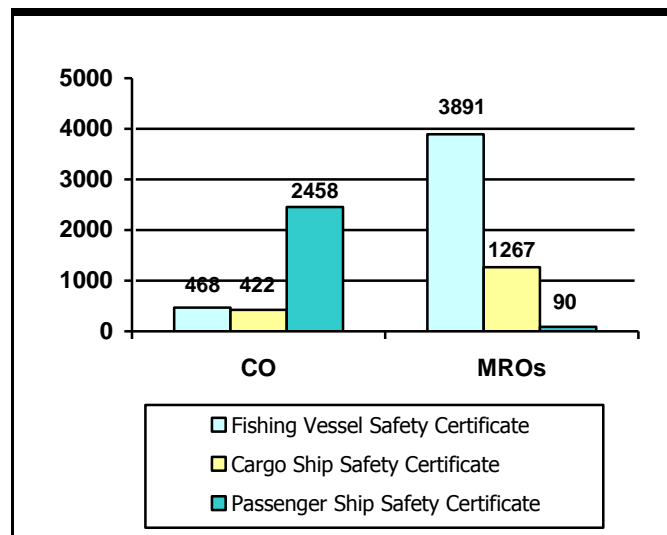
Certificate of Ownership (CO) and Certificate of Vessel Registry (CVR) Issued



Source: MARINA-MISO/MSO

Under MC 177 on the Regulations Amending Chapter XV of the 1997 PMMRR on the Registration and Licensing of Ships, the MROs issued/re-issued 1,790 Certificate of Ownership (CO) and 1,980 Certificate of Vessel Registry while for the Central Office, only 188 CO and 207 CVR were posted as report of issuances for the months of March, April and May were lost in the fire incident.

Safety Certificates Issuances



Source: MARINA-MISO/MSO

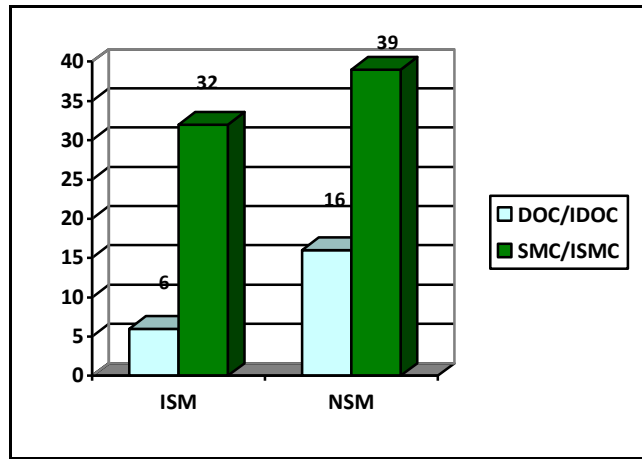
On the Rules Governing the Implementation of the Ship Safety Inspection System (SSIS) under MC 204, the MARINA CO had issued 468* fishing vessel safety certificate, 422* cargo ship safety certificate and 2,458* passenger ship safety certificate while the MROs were able to issue 3,891 fishing vessel safety certificates, 1,267 cargo ship safety certificate and 90 passenger ship safety certificates.



In compliance with MC 148 on the Amendments to Chapter XVIII of the PMMRR 1997 on Minimum Safe Manning for Ships in the Domestic Trade, 23% or 577* certificates were issued by the CO while 77% or 1,979 certificates were issued by the MROs.

(Note: * No report for the months of March, April and May as documents were lost in the fire incident)

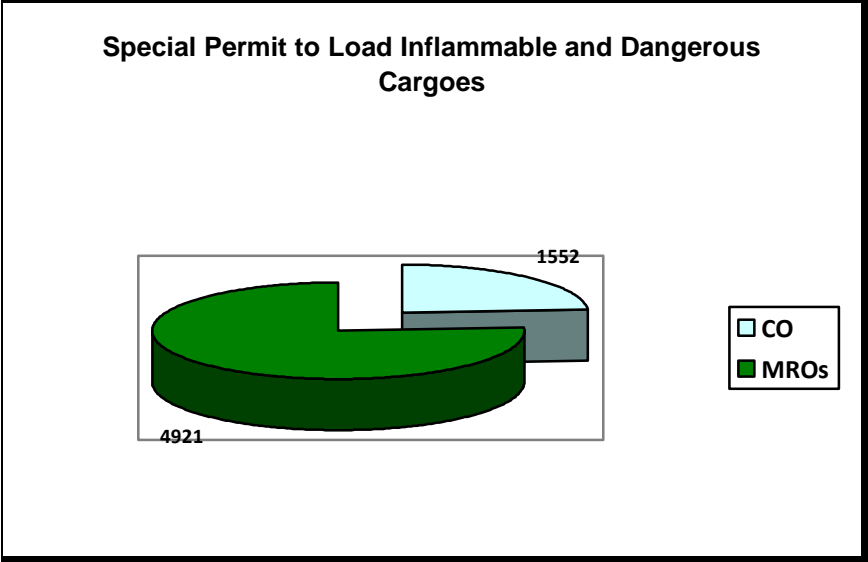
ISM/NSM Related Issuances



Source: MARINA-MISO/MSO

In compliance with MC 143 on the Rules and Regulations to Implement the International Safety Management (ISM) Code in the Domestic Shipping, MARINA Central Office (CO) had issued 6 Short/Full Term and Interim Document of Compliance (DOC) and 32 Short/Full Term and Interim Safety Management Certificate (SMC) for 2007.

To institutionalize the adoption, implementation and maintenance of a Safety Management System by shipping companies to ensure personnel competence in every aspect of ship operations, the MARINA had issued MC 159 on the Adoption of a National Safety Management Code (NSM) and providing Rules and Regulations for its implementation in the Domestic Shipping. In this regard, MARINA CO had issued 16 DOC/IDOC and 39 SMC/ISMC for the period under review.

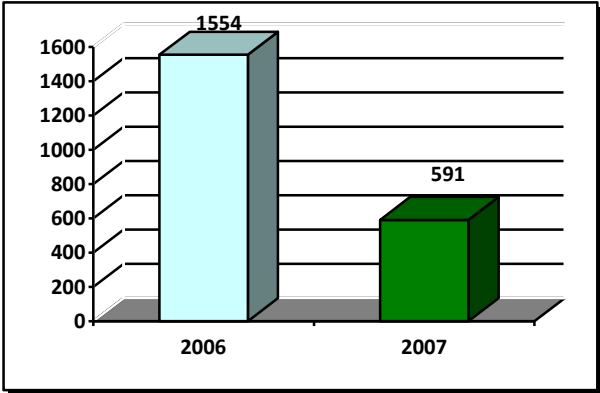


Source: MARINA-MISO/MSO

On the other hand, pursuant to MC 101 on the guidelines governing the carriage of dangerous/hazardous cargoes of vessels operating within the Philippines, MARINA for the period under review had issued special permits to 6,473 vessels of which 24% were issued in the CO while 76% were issued from the MROs.

F. ENFORCEMENT OF MARITIME LAWS, RULES AND REGULATIONS

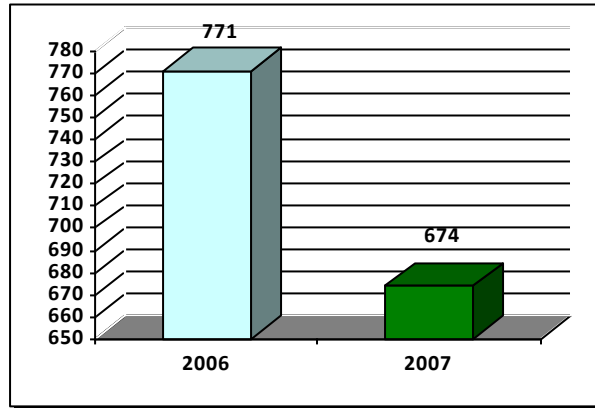
Vessels Monitored and Inspected



Source: MARINA-MISO

This activity is being conducted to check on vessels' compliance to MARINA MCs, rules and regulations and maritime laws. For 2007, there was a decrease of 62% on vessels monitored/inspected.

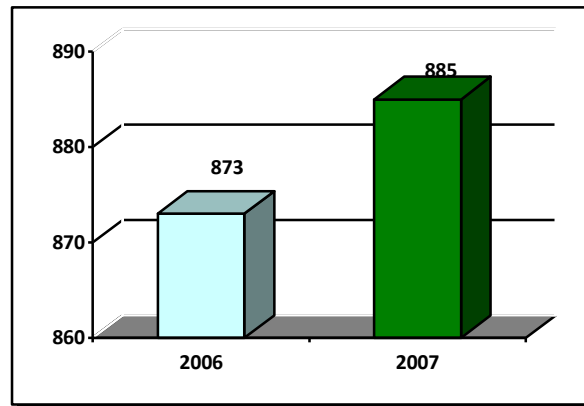
Decisions Issued



Source: MARINA-MISO

For the period under review, there was a total of 674 Show Cause Orders (SCOs) resolved, representing post-approval conditions, seafarers, manning agencies and other violations under MCs 120/143, 159/148, 163,164,109 and 120. This number, however, showed a 13% decrease from the 2006 cases resolved.

Certificate of Compliance Issued



Source: MARINA-MISO

This activity is being conducted to ensure compliance of shipping companies with service standards prescribed under MC Nos. 65/65A,121,134,150 and 196. For 2007, there was a slight increase of 1% on the number of COCs issued from the previous year.

II. PROMOTIONAL AND DEVELOPMENTAL ACTIVITIES

In line with the fresh mandates arising from the legislative/ executive issuances and in support of MARINA's Vision and Mission, the Authority streamlined and rationalized its Goals from eight (8) goals in 2005 to six (6) goals in 2007. More focus was given to the efficient and effective delivery of services to the public. The six goals are the following:

A. A well-developed merchant fleet providing logistic support for the movement of people and goods

With the goal of modernizing the domestic merchant fleet, MARINA, pursuant to Rule XVIII, Sec. 3 of RA 9295, has completed the conceptual framework of the Mandatory Vessel Retirement Program (MVRP) which will disallow the operation in the domestic trade of: 1) all unclassified ships that fail to meet the classification standards of a government-recognized/accredited classification society; 2) ships which do not carry a class certificate, as well as 3) ships which have attained the maximum ship age as stipulated under the Program. The draft MARINA Circular (MC) on the MVRP was subjected to public consultation in Manila, Cebu, Cagayan de Oro and Zamboanga on 05, 10, 12, & 13 December 2007 respectively. The draft MC is now being finalized based on the comment/s made during the public consultation.

To implement the domestic shipping vessel expansion policy and to address its requirement of financial support through a sustainable ship modernization scheme, the MARINA started coordinating with the National Development Corporation (NDC) - Maritime Leasing Corporation (MLC) or the NMLC on the adoption of standard ship design for different types and sizes of ships for purposes of formulating ship financing schemes that would provide funding assistance for those shipowners/operators who would like to replace/modernize their fleet. In this regard, MARINA in collaboration with the NMLC already developed a standard ship design for RORO ships of 200 and 400 GT.

In support of the above modernization plan of the Domestic shipping sector RA 9295 likewise provided companies engaged in domestic shipping exemption from value added tax (VAT) on the importation and local purchase of ships including engine and spare parts, to be used by the registered ship owner in its transport operations. In this regard, six (6) domestic shipping companies have availed of VAT exemption in the importation of various spare parts and equipment for 2007. The sector likewise has been continuously included in the list of priority areas under the BOI IPP. In the same year, seven (7) domestic shipping companies have been endorsed to BOI for availment of tax incentives in the importation of ten (10) ships for domestic trade.

Under Rule IV, Section 10 of the IRR of RA 9295, MARINA is mandated to identify and prescribe routes, zones or areas of operations to encourage, guide and advise shipowners/operators where shipping services are needed. In this regard, MARINA has identified three (3) missionary routes in addition to the 132 identified in 2005 per MARINA Advisory No. 2005-01. These are Ambulong, Romblon-Roxas, Oriental Mindoro; Banton, Romblon-Pinamalayan, Oriental Mindoro; and Looc, Romblon-Calatagan, Batangas. As of yearend 2007, there were approximately 79 ships serving in the identified missionary routes.

B. A well-developed shipbuilding, ship repair and shipbreaking industry catering to national and international requirements;

In compliance with EO 588 entitled, “Strengthening the Philippine Shipbuilding and Ship Repair Sector and Instituting Measures to Promote its Growth and Development” issued on 08 December 2006, MARINA, as the designated Lead Agency, drafted the Comprehensive Development Plan for the Philippine Shipbuilding and Ship Repair Industry aimed at strengthening the local shipbuilding capability and promoting the local shipbuilding and ship repair sector. This was completed by the Interagency Ad Hoc Committee and Technical Working Group (TWG) on 16 October 2007 and was endorsed to the Office of the President (OP) on 03 December 2007.

Under RA 9295, the SBSR sector is granted VAT exemption on the importation of capital equipment, machinery, spare parts, life-saving equipment, steel plates and other metal plates to be used in the construction, repair, renovation or alteration of any merchant marine vessel operated or to be operated in the domestic trade. In 2007, six (6) shipbuilding/ship repair companies were endorsed to the DOF for availment of these incentives. The sector has been continuously included in the list of priority areas under the 2007 BOI IPP.

C. Internationally-respected Flag Administration

With the continuous decline in the number of Philippine registered overseas fleet, MARINA began to formulate new policy measures which will promote and expand the registry of ships in the Philippines and provide a framework that will enable its overseas shipping companies to compete globally. In this regard, MARINA, in coordination with relevant government agencies/entities and private sector associations, drafted an Executive Order on the “Promotion and Expansion of the Philippine Ship Registry”. The proposed EO is designed to open the Philippine flag registry to foreign players in the global shipping industry and is expected to increase the number of Philippine registered ships engaged in international shipping. Foreign owned ships can be registered under the Philippine Flag provided that such ships are engaged only in foreign trade and managed by a ship management company duly incorporated under the Philippine Law. The draft Executive Order (EO) was re-transmitted to the DOTC in a communication dated 06 June 2007. MARINA is still awaiting feedback from the DOTC.

Likewise, EO 667, amending PD 760, and providing for an indefinite extension of the Bareboat Chartering Program, was issued on 11 October 2007.

In the enhancement of the competitiveness of Philippine flag vessels, the MARINA hosted the 8th RP- Netherlands JCMA Meeting on 22 May 2007 in Manila. At this Meeting, Addendum No.2 to the Memorandum of Understanding on Maritime Transport between the Republic of the Philippines and the Ministry of Transport, Public Works and Water Management of the Kingdom of Netherlands on the issuance of Certificate of Competency to the Officers-in-Charge of an engineering watch as Second Engineer Officer on ships between 750 kw and 3,000 kw in accordance with Regulations III/3, par. 2.1, 2.1.1 of the STCW Convention, was signed.

Pursuant to the BIMP-EAGA initiatives and agreements to implement measures towards promoting an efficient and integrated sea transportation system in BIMP-EAGA, a Memorandum of Understanding was forged on 02 November 2007 between the Governments of Brunei Darussalam, Indonesia, Malaysia and the Philippines. MARINA, on its part shall develop an action plan covering the areas of ship security, ISM for ships in the growth area and capacity building for MARINA personnel.

As of end of 2007, updates on the negotiations on Merchant Shipping Agreements being pursued by this Authority are as follows:

- RP – Germany – There is an ongoing negotiation with the Federal Republic of Germany on the proposed Merchant Shipping Agreement leading to possible agreement between the Parties.
- RP- Panama – The Philippine proposal for the RP-Panama Merchant Shipping Agreement was drafted and transmitted to the DFA-Office of American Affairs (OAA) for comments and possible negotiation.
- RP-Saudi Arabia – The proposed RP-Saudi Arabia Merchant Shipping Agreement is still being reviewed to ensure that necessary changes which may be beneficial to both Parties are duly incorporated in the proposed Agreement.
- RP- Iran – On 10-13 November 2007, the negotiation on the new Merchant Shipping Agreement between the Islamic Republic of Iran and the Philippines was held in Tehran, Iran.

Working towards becoming a strong and internationally-respected Maritime Administration, the Philippines, which was represented by the DOTC and MARINA during the IMO 25th Biennial Assembly in London, England last 23 November 2007, was re-elected as member of the IMO Council Category C.

In line with the Philippine Government's international commitment, pursuant to the DOTC-DO No. 2007-42 issued on 05 November 2007 relative to DOTC's hosting of the 30th APEC Transportation Working Group (TPT-WG) Meeting to be held in Manila on April 14-18, 2008, MARINA was designated as the lead on Maritime Sub-Committee and Program Sub-Committee to facilitate the preparation and provide consistency in the administrative and technical staff support for the duration of the Lead Shepherdship of the Philippines. Special Order No. 064-08 on the Constitution of Membership and Terms of Reference of the said Committees was issued for this purpose.

D. Prime employer/supplier of qualified seafarers

To sustain the image of the country as the premier supplier of globally competitive seafarers, MARINA, thru the coordinative efforts of maritime schools and shipping companies worked to improve the Shipboard Service Training Program to ensure a reservoir of trained and competent maritime manpower to address the growing requirements of marine and deck officers in both the domestic and international shipping industry. In this regard a Memorandum of Understanding, incorporating the provision for shipping companies to take in cadets for on board training was drafted and presented on 14 March 2007 to concerned shipping companies and PAMI To implement this, MC 3 on "Apprenticeship Training of Graduates of Philippine Nautical Schools and Marine Engineering Institutions", which will require domestic shipping companies to accommodate at least 2 cadets [one (1) deck and one (1) engine] per ship is

being revised. Also, a Memorandum of Agreement with NMP was concluded for the development of training programs for seafarers.

On the development of other maritime training programs, MARINA had formulated the Marine Engineman Course 1 and 2 and the Carriage of Dangerous Hazardous and Harmful Materials in Packaged Form in the Domestic Trade in 2007. Pilot testing on the Basic Training Program for the latter shall be conducted in January 2008.

Relative to the effective implementation of the STCW Convention, an Executive Order was drafted on “Institutionalizing the Maritime Industry Authority (MARINA) as the Maritime Administration, Abolishing the Maritime Training Council (MTC), repealing letter of Instructions No. 1404 dated 01 May 1984 and other Executive Order for this Purpose”. The draft Executive Order is now pending with the Office of the President (OP), for approval.

Pursuant to DOLE Administrative Order No. 56, MARINA actively participated as member of the TWG on the Tripartite Consultations on the extent of compliance of Philippine laws and regulations to the requirements of ILO-Maritime Labor Convention (MLC) 2006. The result of the Consultations will be presented for further study and recommendation of the ILO High Level Tripartite Mission (HLTM). This will serve as basis to help the Philippines move towards ratification of the Convention. The Maritime Labor Convention (MLC) 2006 is targeted for submission to the DFA for ratification on May 2009.

MARINA, as a member of the Maritime Training Council (MTC)-TWG, drafted a position paper on training standards for accreditation of maritime training centers. Likewise, MARINA joins the inspection, deliberation and accreditation of maritime institutions as TESDA Advisory Panel.

E. Excellent maritime safety records

To further improve maritime safety and protection of marine environment, MARINA continued to exert effort to assess, review and formulate policies, rules and regulations to conform to IMO Safety and Environment Protection Standards as well as to address the current needs of the country’s maritime industry. (Some of the safety related policies issued for the year are discussed under the next section on “Efficient and effective delivery of services”.)

On the enhancement of the capability and qualification of MARINA technical personnel on the discharge of maritime safety and marine environment protection-related functions various seminars/workshops were conducted for the year such as the following:

- Audit Based Inspection System and Procedures to enhance ship surveys and inspections held on 23-26 April 2007
- Orientation Seminar on Newly Approved MARINA Circulars for MARINA NAMARES and SBSR Technical Personnel held on 19, 20 and 21 September 2007

The 1997 PMMRR is currently being revised. As of end 2007, three (3) volumes out of ten (10) have been completed. These shall be subjected to public consultation.

F. Efficient and effective delivery of services

To efficiently and effectively deliver its frontline services to the public and other stakeholders, MARINA started implementing its Information Systems Plan (ISP) covering the period 2007-2011. One of the features of the Plan is the interconnectivity of the MARINA Central Office and Maritime Regional Offices thru the wide area network for the exchange of data and information between and among the MARINA Offices. Bidding of hardware and software acquisition for Year I had started.

MARINA in the implementation of its mandates, plans and programs and in compliance with International Maritime Conventions, Codes and Standards has updated its policy formulation and project development activities. For the period under review, MARINA issued the following policies:

MARINA Circulars

1. MARINA Circular No. 2007-001 - Rules to Implement Double Hull Requirement Under MARPOL 73/78, Annex I, As Amended, On Oil Tankers Operating in Philippine Domestic Waters
2. MARINA Circular No. 2007-002 - Amended Implementing Rules and Regulations on the Registration of Ship Builders, Ship Repairers, Afloat Ship Repairers / Service Contractors and Boat Builders / Repairers
3. MARINA Circular No. 2007-003 - Rules and Regulations on Load Line Survey, Assignment, Marking and Certification for Philippine Registered Domestic Ships
4. MARINA Circular No. 2007-004 - Rules and Regulations on the Admeasurement / Re-admeasurement of the Philippine-registered Domestic Ships
5. MARINA Circular No. 2007-005 - Rules and Regulations on Stability Requirement for Philippine-Registered Domestic Ships

MARINA Advisories

1. MARINA Advisory No. 2007-001 - Application for Authority to Allow Marine Surveyors, Supercargoes, Shipowner Representatives and Other Persons Onboard Ships in the Domestic Trade.
2. MARINA Advisory No. 2007-002 - Allowing Certain Personnel to Command Fishing Vessels Irrespective of the Limitation in their License
3. MARINA Advisory No. 2007-003 - Extension of the Implementation of MARINA Advisory Nos. 2006 – 004 and 2006 – 005.

MARINA Flag State Administration Advisories (FSAA)

1. FSAA No. 2007-001 - Reminder on the Submission of Financial Reports and Proof of Quarterly and Monthly Common Carrier's Tax Payments to the BIR

2. FSAA No. 2007-002 – Prohibition of the Registration of Newly Acquired / Built Wooden Hulled Ships
3. FSAA No. 2007-003 – Promulgation of DONGSHA ATOLLS as “NO CATCH ZONE”
4. FSAA No. 2007-004 – Regular Operations / Processing of the Seafarers’ Identification and Record Book (SIRB)
5. FSAA No. 2007-005 – Compulsory Passenger Insurance Coverage

MARINA Circulars Approved by the MARINA Board but still subject for Publication:

MARINA Board Meeting No. 178 held on 08 November 2007:

1. Revised Guidelines on the Issuance of Enhanced Seafarers Identification and Record Book (SIRB) – Amended MC No. 163
2. Rules and Regulation on the Requirement to Implement Master’s Oath of Safe Voyage (MOSV)
3. Rules Governing the Carriage of Dangerous and/or Hazardous Cargoes or Goods in Packaged Form in the Domestic Shipping
4. Rules and Regulations to Implement the Code of Safe Practice for Cargo Stowage and Securing in domestic Shipping

MARINA Board Meeting No. 176 held on 19 April 2007:

5. Rules on the Collection of Annual Tonnage Fee
6. New and Rationalized Fees and Charges

MARINA Administrative Orders

1. AO No. 01-07 – Guidelines on the Use of Shell Fleet Card
2. AO No. 02-07 – Omnibus Delegation of Signing Authority to Concerned MARINA CO Officials/Employees
3. AO No. 03-07 - Amendment of Administrative Order (AO) 18, series of 2006 re: Internal Guidelines on the Implementation of DTracks
4. AO No. 04-07 – Further Amendment to Administrative Order Nos. 05-2004, 08-05 and 06-2006 on the Revised Delegation of Authority/ Functions to MRO Directors
5. AO No. 05-07 – Further Restructuring / Redefinition of the MARINA Management Committee (MANCOM) and Institutionalization of Procedures in the Conduct of Public Consultation, MARINA Board Meetings and Orientation/Briefing

In-House/Ongoing Projects/Activities

For 2007, MARINA undertook the following in-house/ongoing projects/activities:

1. Codification of Existing MARINA Rules and Regulations

The Final Codified Rules covering Domestic, Overseas, Maritime Manpower and Shipbuilding and Shiprepair Sectors and Administrative Matters was submitted by the Codification Review Team on 28 March 2007 except for the Maritime Safety Sector which need not prepare the same in view of the review of the 1997 PMMRR. However, further amendment, improvement on style was recommended by the Administrator thus Special Order (SO) No. 098-07 was issued creating an Administrator's Review Group for this purpose.

2. Revision of the Philippine Merchant Marine Rules and Regulations (PMMRR) of 1997

A Special Order was issued reconstituting the composition of the MARINA Core Group to revisit the current approach in the review and format of the PMMRR.

Active Participation in the following Undertakings:

1. Pursuant to DOTC Special Order No. 2007-111, MARINA has completed the draft Implementing Rules and Regulations of RA 9483 known as "An Act Providing for the Implementation of the Provision of the 1992 International Convention on Civil Liability for Oil Pollution damage and the 1992 International Convention on the Establishment of an International Fund for Oil Pollution Damage, providing violations thereof, and for Other Purposes". The draft IRR was submitted to DOTC in the 4th quarter of 2007.
2. Pursuant to OP-Memorandum Order No. 244, MARINA conducted a series of workshops on the Drafting of the Philippine Maritime Industry Bill covering all Sectors for the period 10-18 September 2007 at the Bayview Park Hotel. The Bill aims to resolve and determine the needed legislative measures that will enhance the development of the Philippine maritime sector. The Report on the Workshop Output was already submitted to the DOTC-OUMT on 11 October 2007. In line with this, MARINA shall undertake a review/assessment of the policy-related recommendations/outputs of the said Workshops
3. Pursuant to OP Administrative Order No. 123 and OP EOs 170A/170B on the Strong Republic Nautical Highway (SRNH)/Road-Roll-on/Roll-off (RO-RO) Project, MARINA actively participated in interagency meetings and encouraged shipping operators/investors in the provision of shipping services in the identified SRNH routes. As of 10 October 2007, 41 ships were already serving/operating in the identified 2003/2006 SRNH routes.
4. In line with the Ten-Point Agenda of the Government under the MTPDP 2004-2010 on the development of the Roll-On Roll-Off/Multimodal Transport Systems and Logistics Services, the MARINA in coordination with the DOTC, conducted the ASEAN-Japan Transport Logistics Seminar in the Philippines on 20 March 2007 at the Diamond Hotel in collaboration with the Ministry of Land, Infrastructure and Transport (MLIT) of Japan, Japan International Cooperation Agency (JICA) and Japan Transport Cooperation Association (JTCA).

5. Pursuant to DOTC DO 2006-10, MARINA actively participated as member of the DOTC Committee on the Master Plan of the Integrated Transport Network for Manila Bay, Pasig River and Laguna Lake

III. INSTITUTIONAL DEVELOPMENTS

A. Manpower Complement

The total work force of the MARINA as of December 2007 is 444, 242 or 55% are in the Central Office while 45% or 202 employees are in the MROs. As of the 3rd Quarter of 2007, 40 TELOF personnel were detailed in MARINA to augment the manpower complement and in anticipation for the Rationalization Plan/Streamlining of personnel of the former agency. Out of the forty (40) detailed personnel, 68% or 27 have been assigned at the Central Office while 32% or 13 with the MROs. To further augment the Agency's manpower complement, the contract of the eleven (11) personnel hired on a job contract basis were renewed for the period under review.

B. Continuing Human Resource Capability Development

On the enhancement of the image of the Philippines as a responsible member of the international maritime community and as a committed Maritime Administration, for CY 2007, a total of eight (8) MARINA officials attended/participated in foreign/international seminars/conferences/meetings such as in IMO, STCW, BIMP-EAGA, ASEAN, APEC, WTO and negotiations for bilateral agreements.

In the same period, two (2) MARINA employees attended the Course on Maritime Law Enforcement for East Asian Countries in Japan. Another employee attended a Masteral Program in Maritime Administration in WMU, Sweden.

Eighty three (83) MARINA officials and employees have attended/participated in local training programs/seminars/workshops/conferences sponsored by different government and private entities for the continued capability development of MARINA employees.

C. MARINA Proposed Rationalization Plan

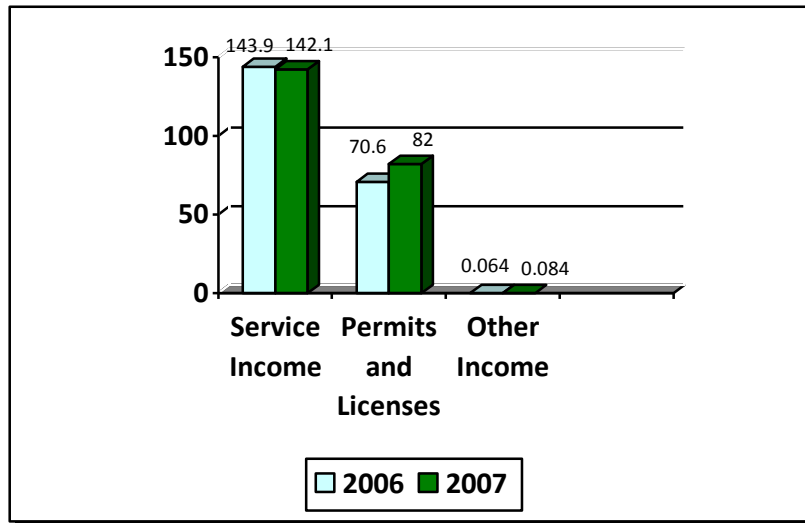
The draft MARINA Rationalization Plan was submitted to DOTC and was returned for further revision by the Office of the Under Secretary for Maritime Transport (OUMT) to MARINA in a Memorandum dated 26 December 2007.

D. Financial Performance

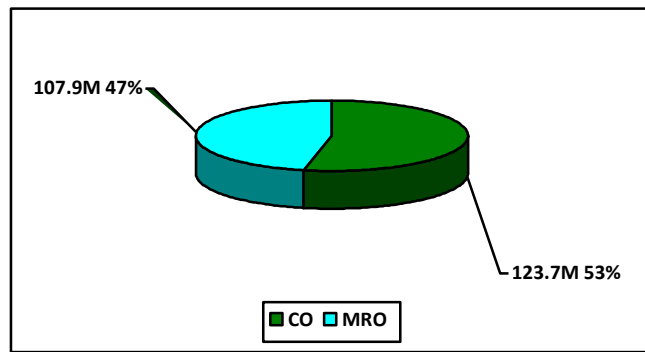
The total revenue generated for the year 2007 was posted at Php 231.5M or 8% higher than the Php 214.5M generated in 2006. Getting the biggest share at 61% was from the collection of Service Income¹ while collection from Permits and Licenses² was posted at 35%.

¹ Includes Clearance and Certification Fees, Inspection Fees, Processing Fees, Other Service Income, Fines and Penalties

Revenue collection at the Central Office was posted at Php 123.7M or 53% of the total MARINA revenue generated. Operations from the regional level shared a total of Php 107.9M or 47% of the total revenue. Region VII (CMRO) posted the highest collection at Php 35.7M (15%), followed by Region IV (BMRO) at Php 16M (7%) and not far behind is Region VI (IMRO) with Php 13.2M (6%).



Source: MARINA-AFO



Source: MARINA-AFO

With respect to source, Permits and Licenses and Other Income exhibited an increase of 16% and 33% respectively from last year's figure, while Service Income showed a minimal decrease of less than 1%.

² Includes Franchising and Licenses Fees, Permits Fees, Registration Fees, Other Permits and Licenses, Fines and Penalties

IV. MARINA MAJOR THRUSTS AND PROGRAMS (Under the Reformulated MARINA Integrated Plan for the Period 2008-2010)

Consistent with its mandates arising from the legislative/executive issuances, and in pursuance of the Medium Term Philippine Development Plan (MTPDP), PGMA-SONA Directives, and PGMA 10-Point Agenda, MARINA, as the Maritime Administration, shall continue to pursue vigorously the following goals and strategies through the implementation of programs, projects and activities as embodied under the Reformulated MARINA Integrated Plan (R-MIP) for the period 2008-2010 towards the furtherance and global competitiveness of the Philippine maritime industry:

1. A well-developed merchant fleet providing logistics support for the movement of people and goods

To achieve this goal, MARINA has identified four (4) strategies complemented by a number of programs, projects and activities: (a) Modernization and expansion of the Philippine domestic fleet; (b) Increase shipping competition and ensure sustained quality of shipping services; (c) Development of routes, zones and areas of operation, and (d) Compliance with/implementation of BIMP-EAGA initiatives/agreements.

The modernization and expansion of the Philippine domestic fleet shall be pursued through the continuing formulation/review/assessment of laws, policies, rules and regulations for the domestic shipping industry and review/assessment of existing financing schemes and incentives to attract investments in the domestic shipping industry. For 2008, MARINA shall assess and review the Domestic Shipping Development Plan (DSDP) findings and recommendations under the JICA-ALMEC Project for possible adoption and implementation. Pursuant to Chapter IX, Sec. 23 of RA 9295, MARINA, in consultation with the private sector associations, is expected to prepare and implement a mandatory vessel retirement program for all unclassed ships that fail to meet the classification standards of a government-recognized/accredited classification society and that ships which have attained the maximum ship age stipulated under the program and do not carry a class certificate shall not be allowed to operate and automatically de-listed from the Philippine Registry. Complementing this program, MARINA, in collaboration with the National Development Corporation (NDC)-Maritime Leasing Corporation (MLC) or the NMLC, shall continue to work for the adoption of standard ship design for different types and sizes of domestic ships for purposes of formulating ship financing schemes that would provide fund assistance for those ship owners/operators who would like to replace their fleet under the mandatory vessel retirement program/policy. Another complementary action plan to the mandatory vessel retirement program required under RA 9295 is the formulation and implementation of progressive restriction of vessel importations. This will provide greater opportunities for local shipyards to construct new ships needed by the country's domestic fleet. Existing incentives for the sector shall likewise be revisited and reviewed and the possibility of identifying other local and foreign financing institutions/options to increase the loan portfolio for the domestic shipping industry shall be explored.

In order to increase shipping competition and sustain the quality of shipping services in the domestic trade, MARINA shall continue to support and promote the RORO Ferry Nautical System pursuant to PGMA's SONA Directives, EO 170/170A/170B and OP/AO 123. The system envisions the continuing participation of private investors relative to the construction of RORO terminals and acquisition of RORO vessels. Local government units, on the other hand, may invest in the construction and operation of RORO terminals, or may provide land as site for the terminal. Specifically, MARINA shall assist in the preparation of investment manual and continue to encourage existing RORO operators or prospective RORO operators to operate in the existing and/or newly identified SRNH routes. The investment manual shall serve as an information guide and provide policies that will address the protection of investments and incentives to qualified RORO operators.

To strengthen/enhance monitoring activities, encourage competition and improve domestic shipping services, MARINA shall develop and implement a regulatory intervention mechanism as required under Chapter III, Sec. 8 of RA 9295 where it is established after due process that public interest needs to be protected and safeguarded. Likewise, studies on Route Rationalization and Route Capacity Measurement shall be pursued under the Technical Cooperation of the Japan International Cooperation Agency (JICA) of the Government of Japan to further improve/rationalize domestic shipping services and route standards. Financial capability of CPC holders shall be regularly assessed through the conduct of regular/random audits to ensure their continued compliance with the financial capability requirements under existing regulations. MARINA shall also research, evaluate and compare the existing policies, rules and regulations of other flag registries such as Hongkong, Panama, Singapore, Liberia, Norway, Netherlands, etc., vis-à-vis the Philippines relative to financial cost, crew cost, tonnage dues, equity requirements, taxes and incentives, procedures in registration, ship acquisition, among others.

MARINA shall play a proactive role in identifying and prescribing routes, zones or areas of operation to domestic ship owners/operators where shipping services are necessary to stimulate economic activity.

To operationalize/implement the BIMP-EAGA initiatives and agreements under the Memorandum of Understanding (MOU) forged on 02 November 2007, MARINA shall develop an action plan covering the areas of ship security, ISM for ships in the growth area and capacity building for MARINA personnel on the objectives and activities under the BIMP-EAGA, among others.

2. A strengthened Philippine Shipbuilding and Ship Repair Sector (and instituted measures for its accelerated growth and development)

Pursuant to EO 588 on "Strengthening the Philippine Shipbuilding and Ship Repair Sector and Instituting Measures to Promote Its Growth and Development" issued on 08 December 2006 and cognizant of the potentials and significant contributions of the SBSR Sector to the country's economy, MARINA, shall take the lead in the preparation and implementation of the

Comprehensive Development Plan for the Philippine Shipbuilding and Ship Repair Industry for the period 2007-2010. On 16 October 2007, MARINA together with the members of the Interagency Ad Hoc Committee and the Technical Working Group (TWG) completed the Draft Comprehensive Development Plan for the Philippine Shipbuilding and Ship Repair Industry and submitted the same to the Office of the President on 03 December 2007.

The goal of strengthening the SBSR sector up to 2010 revolves around three (3) complementary objectives to be pursued and attained:

- To have more local shipyards that can competitively service the emerging requirements/opportunities for construction of new ships in the domestic fleet and drydocking/repairs of oceangoing ships;
- To have more ships locally constructed, and oceangoing ships drydocked/repared in Philippine shipyards;
- To have a sustained pool of skilled and technical manpower to be readily employed in shipbuilding and ship repair activities.

For each of the objective under the Comprehensive Development Plan, MARINA has adopted under the R-MIP strategies and target activities to support the attainment thereof.

With the objective of having more local shipyards that can competitively service the emerging requirements/opportunities for construction of new ships in the domestic fleet and drydocking/repairs of ocean going ships, the following strategies have been formulated and activities enumerated:

- Provide support and incentives for the upgrading/modernization of shipyard facilities, equipment and capabilities, as well as improving their competitiveness through:
 - ✓ Conduct of more aggressive information campaigns to shipbuilding and ship repair entities on financing and incentives available to the sector under existing laws on a continuing basis – Smaller shipyards especially in the regions have yet to become fully aware of the existing incentives that they can avail of for their operations. Aggressive information campaigns shall be conducted jointly by MARINA and the concerned government agencies (BOI, DOF, PEZA) administering such incentives in the form of seminars held in various regional centers where shipyards are in operation, investment assistance desk created and promotional materials prepared for the purpose. It is expected that such initiative shall enhance the operational viability and profitability of shipyard operators resulting to possible expansion in operations.
 - ✓ Advocacy for the continued inclusion of the SBSR sector in the annual BOI-IPP shall be pursued by MARINA through preparation and submission of position paper/s to effect such inclusion.
- Actively pursue greater exposures in the international arena in order to promote joint ventures/tie-ups, and/or investment from modern shipyards in other countries with Philippine shipyards, to enhance investments and technology transfers, as well as keep up with global trends, developments and best practices on a continuing basis through:
 - ✓ Aggressive marketing of Philippine shipyards in other countries as an investment destination for SBSR business – MARINA shall support DTI and DFA in this endeavor by

preparing promotional materials and joining promotion and trade visits/missions aimed at attracting foreign investments into the sector.

- ✓ Arrangements for foreign shipyard visits by key officials and technical personnel of local shipyards;
- ✓ Conduct of seminars on modern shipyard operations;
- ✓ Participation in SBSR-related trade fairs abroad.

With these three (3) inter-related action plans, MARINA shall foster greater exposures of local shipyards to global trends, developments and best practices in shipbuilding and ship repair. The insights, knowledge and ideas gained from such exposures shall enable the local shipyard operators to upgrade/modernize their existing facilities and equipment to become globally competitive.

- With the second objective of having more ships locally-constructed and oceangoing-ships drydocked/repared in Philippine shipyards, MARINA shall endeavor to foster improvements in the efficiency and economy of operations of local shipyards in the country through the following activities:
 - ✓ Designation/identification of priority areas where shipyards can be located and concentrated to foster more efficient operations and avail of fiscal incentives from government shall be undertaken by MARINA in coordination with PEZA, BOI and shipyard associations. More economical and efficient operations can be achieved if existing local shipyards are to be located together in one place for purposes of sharing in resources and equipment and allocating works based on strengths/expertise to do modular/serial shipbuilding arrangements. Such areas maybe declared as ecozones wherein operations of the shipyards shall be registered with the BOI in order to reduce operating costs through incentives provided.
 - ✓ Adoption of standard ship designs for each type of domestic ship – Standard ship design for each type of domestic ship and its possible adoption shall be continuously undertaken by MARINA up to 2010 in coordination with NMLC, ship owners, shipyards and PPA. Standard ship design for RORO, oil tanker and FRP boat have initially targeted for completion within 2008.
 - ✓ Institution of government importation scheme for SBSR materials and parts to ensure steady and readily available supply at competitive prices shall be supported by MARINA and NMLC by jointly conducting surveys among shipyard operators for purposes of identifying their annual/projected requirements for commonly-used and critical shipbuilding/ship repair parts and materials for their operations.
 - ✓ Operationalization of Maritime Industrial Parks and Logistics Centers that would cater not only to SBSR but also to other shipping requirements such as bunkering, servicing of engines, appliances and equipment and regulatory /safety services has been targeted to be jointly undertaken by MARINA in coordination with SBMA and PHIVIDEC. SBMA has already initiated moves for the establishment of a Logistics Center in the area while the PHIVIDEC-MIP shall be operationalized pending a more aggressive marketing of the site for locators of shipping-related services.
 - ✓ Ancillary industries and other servicing entities related to SBSR shall be continuously encouraged and supported by MARINA in coordination with DTI-BOI and private sector entities.

With the third objective of having a sustained pool of skilled and technical manpower to be readily employed in SBSR activities, MARINA shall continue to implement and provide support/incentives for training programs on shipyard trade areas, as well as education for technical professionals through negotiation/arrangement for OJTs/jobs of trained skilled manpower and technical professionals in local shipyards based on Memoranda of Agreement forged between and among MARINA, TESDA and shipyard operators. Such will not only ensure continued maintenance of a pool of shipyard manpower but will also guarantee the quality and competence of the country's shipyard skilled manpower and technical professionals.

3. Internationally- respected Flag Registry and Maritime Administration

MARINA has adopted two (2) strategies to achieve this goal: (a) Institution of the MARINA as a strong Maritime Administration and (b) Establishment of a strong presence in international fora.

Translating each of the strategies in terms of target activities for the period, MARINA shall undertake continuing formulation/review and assessment of laws, policies, rules and regulations on the promotion/expansion of the Philippine Ship Registry to enable the agency to preserve the integrity of the Philippine flag, maintain genuine link between the ship and registered owners, protect Philippine flag ships from interdictions and unwarranted interferences of ship operations, among others. Geared towards promotion of the Philippine Ship Registry, MARINA shall lobby with the Office of the President the approval of the draft Executive Order entitled "Promotion and Expansion of the Philippine Ship Registry", the passage of which is expected to bring about increase in government revenues in the form of registration fees and annual tonnage dues, additional employment for Filipino seafarers and other land based workers, enhanced trade and improved investment climate in the country, increase in foreign exchange earnings and savings, among others.

Pursuant to the objectives of OP-Memorandum Order No. 244 issued on 22 March 2007, MARINA conducted a series of workshops on the Drafting of the Philippine Maritime Industry Bill covering the major maritime sectors for the period 10-18 September 2007 at the Bayview Park Hotel, Manila. The Bill, expected to be drafted within this year, shall attempt to resolve and determine the needed legislative measures that will further enhance the development of the Philippine maritime industry by encouraging direct foreign investments in the maritime industry. Preparatory to the actual drafting of the Bill, MARINA shall research on the best practices of other maritime countries on ship registration, mortgages, incentives and taxes, evaluate the applicability of such and introduce revisions to existing national laws that will make the Philippine ship registry globally competitive. In the meantime, MARINA shall advocate for the continued inclusion of the overseas shipping sector in the annual BOI-IPP in partnership with the overseas shipping sector players.

Additionally, MARINA shall strengthen its coordination with the Internationally Accredited Classification Societies (IACS) through conduct of review/assessment of the existing Memoranda of Agreement (MOAs) with the IACS members pursuant to IMO Resolution No. A. 739 (18).

Parallel to fulfilling the country's commitments to the international community, specifically the International Maritime Organization (IMO), and given the number of IMO Conventions now enforced and implemented, MARINA has committed to initiate/accelerate accession/ratification of IMO Conventions based on a prioritized list, as follows:

- SOLAS Protocol 1988
- Load Line Protocol 1988
- MARPOL 73/78, Annex VI
- London Convention Protocol 1996
- Anti Fouling 01
- Ballast Water 2004
- Bunkers Convention 01

To further support the envisioned institution of the MARINA as a strong Maritime Administration, MARINA shall continuously undertake activities for the negotiation, conclusion and implementation of bilateral merchant shipping agreements following the RP Model Agreement. Negotiations with bilateral partners such as Germany, Iran, Panama, Saudi Arabia, among others, shall be undertaken and possibly concluded by the Philippines through MARINA up to 2010. Hosting of Joint Committee on Maritime Affairs (JCMA) meetings with bilateral partners like Netherlands has become an annual activity of the MARINA.

To operationalize the second strategy for the sector of establishing a strong presence in international fora, MARINA shall strengthen its institutional capability to perform functions/roles/responsibilities as the Maritime Administration by conducting trainings/seminars on current information on international trade policies and practices, and continued participation in various national/international/regional conferences/fora/meetings. Likewise, MARINA shall continuously implement/assess/adjust existing commitments/initiatives under multilateral/plurilateral agreements such as World Trade Organization-General Agreement on Trades (WTO-GATS), ASEAN, APEC, BIMP-EAGA, APSEM, ESCAP, IMO, etc. through submission of pertinent agency position papers.

Recently, the Philippine Government, through the Department of Transportation and Communications (DOTC), during the 30th APEC Transportation Working Group (TPT-WG) Meeting held in Manila on April 14-18, 2008, was nominated as Lead Shepherd of the TPT-WG for a period of two (2) years and MARINA has committed to provide support to the DOTC on APEC-related matters for the duration of the Lead Shepherdsip of the Philippines.

4. Prime employer/supplier of qualified maritime manpower

Geared towards sustaining the position of the Philippines as the prime maritime manpower supplier of the world, MARINA has adopted three (3) strategies to attain this goal in close coordination with relevant government agencies regulating the maritime manpower sector, the private sector associations and international organizations: (a) Development/implementation and monitoring of the programs on education, certification, training/upgrading of seafarers and shipyard workers to conform with international standards, (b) Compliance/implementation of

international maritime manpower-related conventions, and (c) Adoption of an aggressive promotion campaign.

To ensure that a reservoir of qualified and competent maritime manpower shall have been further developed and maintained, the identified strategies have been translated into target activities for the period 2008-2010.

To operationalize the first sectoral strategy, MARINA shall undertake the following activities in coordination with concerned government agencies, private sector associations and international organizations and the like:

- Initiate/enhance/implement cadetship programs with ship owners/operators by revising MARINA Memorandum Circular No. 3 and developing alternative cadetship programs - Cognizant of the seeming lack of shipboard training opportunities both here and abroad, MARINA shall review its Memorandum Circular No. 3 in order to compel domestic ship owners/operators to accommodate apprentices onboard, while exploring the possibility of technical cooperation or alternative cadetship programs with other countries. It is envisioned that this move shall partly address the current shortage of Filipino officers and crew.
- Develop/formulate/implement training/skills upgrading programs for seafarers in coordination with other government agencies;
- Develop/implement non-technical training programs for all seafarers;
- Coordinate with other government agencies for qualification of seafarers/shipyard workers through MOUs with NMP, PRC, TESDA;
- Develop/implement other maritime manpower training programs to qualify seafarers/maritime personnel as ship managers, adjusters, surveyors, etc.
- Implement capability enhancement programs for SBSR and shipping executives;
- Prepare concept paper to implement the ‘Study Now, Pay Later Program’ for shipping/shipyard manpower;
- Prepare concept paper on the bridging program/equivalency (shipping/shipyard manpower) similar to ITIAP.

To complement the second strategy on the compliance/implementation with international maritime manpower-related conventions, the following activities shall be pursued by MARINA:

- On compliance with ILO Convention Nos. 108/185 - MARINA shall pursue the issuance of the Enhanced Seafarer’s Identification and Record Book (SIRB) which is compliant with the Seafarer;s Identity Document (SID) requirements within 2008, while awaiting resolution of the institutional conflict on the issuing agency.
- On compliance with ILO-Maritime Labor Convention 2006 - Pursuant to DOLE Administrative Order No. 56, MARINA shall continue to actively participate as member of the TWG on the Tripartite Consultations on the extent of compliance of Philippine laws and regulations to the requirements of ILO-Maritime Labor Convention (MLC) 2006. The result of the consultations will be presented for further study and recommendation of the ILO High Level Tripartite Mission (HLTM). This will serve as basis to help the Philippines move towards ratification of the Convention. The MLC 2006 is targeted for submission to the DFA for ratification in May 2009.
- On compliance with the 1978 STCW Convention, as amended – MARINA, as part of the Philippine Delegation to the IMO-STW meeting, and member of the TWG created by the

DOTC to undertake comprehensive review of the 1995 STCW Convention and Code (Chapters I-VIII), shall complete the review of assigned Chapters within the year.

- On the preparation/implementation of an action plan on the assumption of the STCW-related functions – MARINA, in anticipation of the passage/approval of the draft Executive Order on “Institutionalizing the Maritime Industry Authority (MARINA) as the Maritime Administration, Abolishing the Maritime Training Council (MTC), repealing letter of Instructions No. 1404 dated 01 May 1984 and other Executive Order for this Purpose”, shall prepare an action plan for the effective assumption of the cited functions notwithstanding receipt of the Memorandum by the Acting Secretary Bunye of the Office of the President dated 10 April 2008 maintaining the status quo of the MTC.
- On compliance with STCW-F – MARINA shall develop/establish a qualification and certification system for officers onboard fishing vessels above 100 GRT in coordination with BFAR.
- On the development and maintenance of a pool of qualified MARINA Trainers/Assessors, MARINA shall conduct IMO Model Courses 6.09 and 3.12 for interested MARINA personnel.

To complement the sector’s third strategy that will maintain/sustain the position of the Philippines as the prime supplier of qualified maritime manpower, MARINA shall continuously develop and adopt aggressive promotion campaigns/marketing strategies, both internal and external, to maintain the good image of Filipino seafarers in coordination with the private sector associations and other government entities such as the Public Information Agency (PIA) and the Office of the President.

5. Excellent Maritime Safety Records

To achieve this goal, MARINA, under its R-MIP for 2008-2010, in collaboration with the private sector associations and international organizations, has adopted three (3) strategies: (a) Review/updating of the Comprehensive National Maritime Safety Plan, (b) Enhancement of the capability, qualification, skills, competency of MARINA technical personnel in the discharge of Maritime Safety and Marine Environment Protection-related functions, and (c) Institutionalization of a reporting system and analysis of maritime accidents/incidents.

The review/updating of the Comprehensive National Maritime Safety Plan, prepared pursuant to OP-EO 314 in 1996, shall be undertaken and implemented by MARINA by 2009 in coordination and consultation with concerned government agencies, the maritime industry associations and relevant international organizations.

To ensure that maritime safety plans, programs, policies, rules and regulations are appropriately implemented and enforced, it is incumbent upon MARINA to embark on activities that will continuously enhance and upgrade the capability, qualifications, skills and competency of MARINA technical personnel involved in the discharge/enforcement of maritime safety and marine environment-related functions. These activities consist of technical personnel profiling, conduct of training needs analysis, training and qualification of technical personnel, both in Central Office and Regional Offices, in the implementation of the amended National Safety Management (NSM) Code, International Safety Management (ISM) Code, enhanced Ship

Safety Inspection System (SSIS), revised Philippine Merchant Marine Rules and Regulations (PMMRR), Philippine Government Classification rules, among others. These technical personnel shall likewise be orientated on the IMO-ASEAN developed audit-based ship inspection procedures and guidelines, scheduled for pilot-testing within the year.

To further complement ongoing efforts to enhance maritime safety and enforcement, MARINA has recently established a Committee that would institutionalize a reporting system and analysis of maritime accidents/incidents in the country. The Committee has been tasked to formulate guidelines and procedures relative to the conduct of the Committee's activities specifically on how it can recommend revisions to and formulation of policies, rules and regulations that will further improve maritime safety and maritime enforcement based on reports of the Board of Marine Inquiry (BMI) and other investigating bodies.

6. Superior Customer Service (Effective Delivery of Frontline Services)

This goal highlights strategies and target activities that will directly support the agency's Vision of a strong, dynamic, pro-active, responsive and committed Maritime Administration. Under the R-MIP, MARINA has adopted nine (9) strategies and the corresponding target activities to achieve this goal:

- Enhancement of the image of the Philippines as a responsible member of the international maritime community – MARINA, in coordination with DFA, shall pursue ratification of IMO instruments that will be part of the coverage of the IMO Voluntary Audit Scheme⁰. The Philippines, as a member-state of the IMO shall be subjected to the IMO Voluntary Audit in the following areas: (a) Implementation and enforcement of applicable mandatory instruments in its legislations; (b) Effective control and monitoring mechanism; (c) Effectiveness in promulgating IMO rules and regulations; (d) Enforcement action for the contravention of its laws and regulations; and (e) Other obligations and responsibilities under the applicable instruments.
 - Strengthening/enhancement of institutional linkages – MARINA shall institutionalize its Public Information Campaign Program, to be implemented both in the Central Office and its Regional Offices. In the meantime, the agency has designated its Public Information Officer to respond to queries about MARINA and regularly prepare press releases and news items for the media.
 - Enhancement of existing administrative and finance systems and procedures – MARINA has embarked on preparatory activities to implement the new government accounting system electronically by end of 2008. It has likewise tapped the Commission on Audit (COA) to give an orientation-seminar on the establishment/adoption of an agency risk management system in MARINA as required under existing COA rules.
 - Institutionalization and continuing implementation/assessment of the MARINA human resource development program
- ✓ MARINA, in pursuance of CSC Resolution No. 070733 dated 11 April 2007 and CSC MC 7 dated 18 April 2007 relative to the installation of the Performance Management System (PMS) in the Civil Service, MARINA has issued Administrative Order No. 06 dated 08 February 2008 covering the guidelines on the implementation of the PMS in MARINA and development of the Office Performance Evaluation System (OPES) that

- will measure the collective performance of an office/division in the agency. The OPES shall be implemented in the MARINA Central Office starting the 2nd Semester 2008.
- ✓ The revision of three (3) CSC-prescribed human resource-related systems has been programmed to be completed by MARINA within 2008, namely: Merit Promotion Plan, Scholarship and Training Guidelines and Program on Recognition, Awards, and Incentives System for Employees.
 - ✓ For the continuous upgrading of the qualification, skills and competence of the MARINA employees in the discharge of their assigned functions, an Annual Training Plan covering local and foreign training/scholarship programs shall be prepared.
 - ✓ MARINA shall also update its Employee Handbook that will serve as guide to new/existing employees on the different laws, policies, rules and regulations for public servants.
- Enhancement of information and communication technology
 - ✓ For the effective delivery of frontline services, continuous enhancement of existing and development of new application systems covering the different maritime sectors/line Offices in MARINA under the MARINA Information Systems Plan/Computerization Program shall be undertaken, which shall initially include the implementation of the following: (a) Interconnectivity of the MARINA Central office and Regional offices through Wide Area network (WAN), (b) Acquisition of computers to replace old/obsolete ones, (c) Web-enabling developed information and operational systems of the agency, viz: VIS, enhanced SIRBAS, etc., (d) Mobile computing through the use of PDA-type cellular phones for Management and Technical staff for purposes of reporting and database access, (e) Outsourcing, in-house development/system integration and implementation and maintenance of new/existing application systems, among others.
 - ✓ MARINA shall conduct review/assessment of the Revised Service Guide Manual (RSGM) and Document Tracking System (DTRACKS) which will further streamline documentary requirements, simplify the systems and procedures and rationalize/reduce the processing time of applications filed with MARINA. The DTRACKS shall be implemented in the Regional Offices to facilitate processing of applications and for purposes of transparency.
 - Compliance with OP-EO 605 dated 23 February 2007 directing all departments and agencies of the Executive Branch to adopt ISO 9001:2000 Quality Management Systems and the applicable Government Quality Management Systems Standards as part of the government-wide Quality Management Program – MARINA has already designated the MARINA QMS Core Group that will establish the QMS in the agency.
 - Compliance with OP-MC 133 dated 21 June 2007 on the need to strengthen implementation of the directive for the publication of agency Service Guide/Handbook, Posting of Workflow Chart and Service Pledge by all government agencies – MARINA shall complete the development of the MARINA Service Pledge and updating of the MARINA Service Guide Handbook within 2008.
 - Compliance with DBM Circular No. 2004-04 on the institutionalization/establishment of internal audit service in all government agencies – MARINA has internally established the MARINA Internal Audit Service Unit and conduct of actual audits shall be undertaken within 2008 provided all attendant requirements to such activity shall have been in place.
 - Compliance with OP-EO 366 dated 04 October 2004 directing a strategic review of the operations and organizations of the Executive Branch and the provision of options and

incentives for government employees who may be affected by the rationalization of the functions and agencies of the Executive Branch – MARINA has yet to finalize its proposed Rationalization Plan.

- Continuing formulation, review/assessment and revision of laws, policies, rules and regulations
 - ✓ MARINA has prepared the list of policies, rules and regulations that need to be formulated and reviewed/revise per sector basis, viz, domestic shipping, shipbuilding and ship repair, maritime manpower, maritime safety, and administrative and support
 - ✓ On the Codification of Existing MARINA Rules and Regulations (Phase I), the MARINA Codification Review Committee has already completed and submitted to the MARINA Administrator the Codified MARINA Rules and Regulations covering the domestic shipping sector, overseas shipping sector, SBSR sector, maritime manpower sector and administrative matters except for the maritime safety which need not prepare the same in the light of the ongoing review of the 1997 PMMRR.
 - ✓ Phase II of the Codification shall be pursued to cover the following activities: (a) formulation of new policies, rules and regulation to address the gaps in existing ones and to consider developments in the maritime industry, both national and international and (b) review/revision of existing policies, rules and regulations to address conflicts.
 - ✓ MARINA as the Flag Administration, in collaboration with the private sector, shall pursue the completion of the review/revision of the 1997 PMMRR. The objective of the review/revision is to identify existing requirements/standards in the 1997 PMMRR that need to be rationalized, as they apply to given conditions of domestic shipping operations in the country. Alternatives/equivalents after having passed the evaluation/consideration of the PMMRR-Technical Working Committee shall be adopted in the revised PMMRR. The review/revision/enhancement/formulation of other significant maritime-safety policies, rules and regulations such as the SSIS, establishment of PG Classification, NSM, ISM shall be completed and implemented by MARINA in accordance with the set timelines under the R-MIP.