

## **EXECUTIVE SUMMARY**

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Amidst the prevailing uncertainties in the economic environment, the MARINA for CY 2002 continued with firm resolve to perform its mandated tasks. Key reforms were put in place in priority areas. Government initiatives and programs were adopted and instituted to sustain economic growth, promote safety of life and property at sea and make our seafarers more competitive globally.

Topping our achievement for CY 2002 was the successful hosting of the 20<sup>th</sup> APEC Transportation Working Group (TPT-WG) in Manila last 4-6 March 2002. Upon the assumption of the Philippines in January 2002 as Lead Shepherd (Chair) Economy of the Asia-Pacific Economic Cooperation the MARINA was designated as the Agency to perform the role as Lead Shepherd. The Authority received positive feedbacks/superlative comments from the participants from various economies on the efficient handling of the administrative and substantive issues raised during the meeting.

In response to the ever-changing demands of our partners in the industry and to serve better the riding public, the Authority effectually reviewed various existing policies on shipping operations resulting in the issuance of several Memorandum Circulars, Administrative Orders and Flag State Administration Advisories, clarifying and/or amending existing rules and regulations.

### **Provide Assistance to Small Vessel Operators**

In line with the pro-poor program of the government, Memorandum Circular No. 172 was approved for the permanent

implementation of pro-poor vessel fees

and simplified procedures in the submission of required documents. Previously, the validity of this program has been extended to cover the remaining unregistered motorboat/banca operators and boatbuilders.

### **Improve Competence of Filipino Seafarers**

Further strengthening maritime safety, Memorandum Circular No. 171 was amended with the issuance of Memorandum Circular No. 173 to include deck officers and ratings onboard domestic vessels except those holders of valid 1995 STCW Certificates.

The Memorandum of Agreement Between SECOJ and MARINA was signed on 20 February 2002 to implement the 13<sup>th</sup> batch of the training program. A total of 25 cadets, 13 deck and 12 engine, were sent to Japan to undergo the 14 - month training program.

To determine the technical adequacy and capability of training centers in the conduct of training programs required by the MARINA for officers and crew on board Philippine-registered ships operating in Philippine waters, Memorandum Circular No. 174 was approved.

### **Promote Maritime Safety**

The mandatory display of the maximum authorized passenger capacity for passenger-carrying motor bancas with open-deck accommodations and similar watercrafts is required thru the issuance of Memorandum Circular 175.

The wearing or holding of lifejackets by passengers of motorized bancas and similar transport carrying passengers from boarding and/or prior to departure until disembarkation at the designated port was made mandatory under Memorandum Circular No. 176.

Memorandum Circular No. 177 ensures the proper recording of any transactions or events that may affect the right or interest of persons who may have taken charge of or acquired beneficial interest over a Philippine-registered ship so that responsibilities for liabilities that may be incurred in the operation of such ships can be pinpointed.

Memorandum Circular No. 152 on the mandatory drydocking of ships was amended with the issuance of Memorandum Circular No. 178 to cover all Philippine-registered domestic ships except motorized bancas with outriggers.

All Philippine-registered ship/fishing vessels operating in Philippine waters, or temporarily utilized in overseas trade/international waters, are now required to secure a minimum safe manning certificate with the issuance of Memorandum Circular No. 179 which shall serve as the basis to determine whether a ship is safely manned or not when proceeding to sea.

To ensure the protection and convenience of the riding public, guidelines governing the counting and manifesting and the proper recording of all persons carried on board passenger ships, are spelled out in Memorandum Circular No. 180.

Under the project, Promotion of Ship Inspection Systems and Technique in the Philippines, JICA experts conducted seminars/lectures on ship design, safety

management system, ship stability, ship inspection procedures and other related ship inspection systems and technique.

### **Pursue Bilateral Agreements**

In line with the country's promotion and facilitation of bilateral trade, linkages were established in the form of fora, trade missions, conferences and cooperation visits to strengthen maritime/shipping ties with our Asian bilateral partners and those of other countries.

### **Financial Performance**

The Authority's revenue for CY 2002 amounted to Ph136,920,071.71 which is 23% lower than the Ph178,429,167.92 posted in CY 2001. The downtrend was the result of the uncertainties in the economic environment earlier cited.

### **Human Resource**

The Authority performed its mandated functions with a total personnel complement of 462 during the year. Contractual workers were hired to augment the workforce, specifically at the Regional Office. While key officials in the regions are predominantly male, their female counterparts dominated the population of the organization as a whole. Trainings were undertaken for career development and growth.

For the past 28 years, the MARINA has weathered every storm it has encountered, whether it be internal or external. Overcoming these challenges gave the Authority the strength and the resolve to continuously face the challenges that may still come in the days ahead.

## **PROMOTIONAL AND DEVELOPMENTAL ACTIVITIES**

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To address the needs and problems besetting the industry specifically on maritime safety and to make our seafarers competitive globally, the MARINA Board approved the following Memorandum Circulars:

1. **Memorandum Circular No. 172 – Permanent Implementation of the Pro-poor Vessel Fees.**

This MC provides the permanent implementation of pro-poor vessel fees and simplified procedures in the submission of required documents.

2. **Memorandum Circular No. 173 – Amendments to Memorandum Circular No. 171 on Recurrency Training**

By January 2003, only deck officers and ratings who have undergone the required recurrency training shall be allowed onboard ships plying domestic voyages. This regulation is envisioned to enhance competence of crew on board domestic vessels.

3. **Memorandum Circular No. 174 – Rules on the Accreditation of Maritime Training Centers in the Conduct of Training Programs for Domestic Seafarers**

The MARINA shall conduct an inspection prior to accreditation/re-accreditation of the applicant training center to determine its technical adequacy and capability to carry out the training. The MARINA may likewise conduct unannounced inspection whenever necessary. Results of the inspection shall be given to the applicant within five (5) days after termination of the inspection.

4. **Memorandum Circular No. 175 – Mandatory Display of the Maximum Authorized Passenger Capacity for Passenger-Carrying Bancas with Open-Deck Accommodation and Similar Watercrafts.**

All motor bancas with open-deck accommodation and/or similar watercrafts carrying passengers, including those used in tourism-related activities shall display their maximum authorized passenger capacity on the freeboard side of the watercraft which can be seen and read by boarding passengers and in a conspicuous place onboard the watercraft which can be seen and read by passengers while on board.

5. **Memorandum Circular No. 176 – Wearing or Holding of Lifejackets by Passengers of Motorized Bancas and Similar Water Transport Carrying Passengers**

This MC requires all passengers to wear or hold their lifejackets as a compulsory/mandatory procedure at all times from boarding and/or prior to departure until disembarkation at the designated port, or when transferring to/boarding another ship to enable them to reach the shore or port or other ships and during the voyage to the designated port of disembarkation.

6. **Memorandum Circular No. 177 – Regulations Amending Chapter XV of the 1997 PMMR on the Registration, Documentation and Licensing of Ships.**

This MC prescribes the requirements for the registration/documentation and licensing

of all types of motorized ships of more than 3.0 ton gross, including fishing vessels, ships, regardless of size operating as a public carrier pursuant to the Public Service Act, as amended.

**7. Memorandum Circular No. 178 – Amendments to Memorandum Circular No. 152 on the Mandatory Drydocking of Ships.**

Only shipyards licensed by the Administration shall be authorized to undertake or carry out drydocking activities. The Administration shall adopt systems and procedures that will be implemented in monitoring the drydocking activities undertaken by the shipyards.

**8. Memorandum Circular No. 179 – Issuance of the Minimum Safe Manning Certificate for Philippine-Registered Ships / Fishing Vessels Operating in Philippine Waters or Temporarily Utilized in Overseas Trade/International Waters.**

All Philippine-registered ships/fishing vessels operating in Philippine waters, or temporarily utilized in overseas trade/international waters, shall be required to secure a Minimum Safe Manning Certificate which shall be the basis for determining whether a ship is safely manned when proceeding to seas.

**9. Memorandum Circular No. 180 – Rules to Govern Passenger Manifests on Board Philippine Registered Passenger Ships.**

This MC provides guidelines governing the counting and manifesting of all persons carried on board passenger ships, to ensure that all persons on board are duly and properly recorded in the Passenger Manifest.

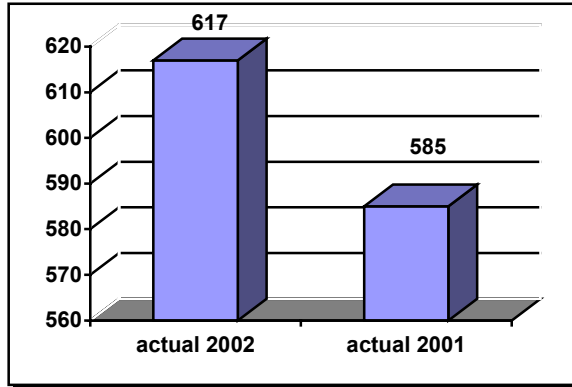
**Flag State Administration Advisories Issued**

1. Advisory No. 22-02 – Implementation and Enforcement of the Exclusion and Safety Zones Established under Proclamation No. 72
2. Advisory No. 23-02 – Implementation of the Code of Safe Practice for Cargo Stowage and Securing in Domestic Shipping
3. Advisory No. 24-02 – Special Authority to Operate Passenger and/or Cargo Liner Vessels During Lenten Season from 22 March to 01 April 2002
4. Advisory No. 25-02 – Compulsory/Mandatory Wearing/Holding of Lifejackets for Passengers
5. Advisory No. 26-02 – Effectivity of the 2000 Amendments to the International Convention for the Safety of Life at Sea (SOLAS) 1974, as amended
6. Advisory No. 27-02 – Additional Measures to Ensure Safety and Security
7. Advisory No. 28-02 – Special Authority to Operate Passenger and/or Cargo Liner Ships During Holiday Season
8. Advisory No. 29-02 – Amendment to MARINA MC 159 on Coverage
9. Advisory No. 30-02 – Crowd/Crisis Management and Human Behavior Training on Passenger and Ro-Ro Passenger Ships and Training on Deck and Engine Watchkeeping
10. Advisory No. 31-02 – Addendum to MARINA MC 143 on Coverage
11. Advisory No. 32-02 – MARINA-PCG-PPA Joint Ship Safety Inspection

## SUPERVISORY AND REGULATORY ACTIVITIES

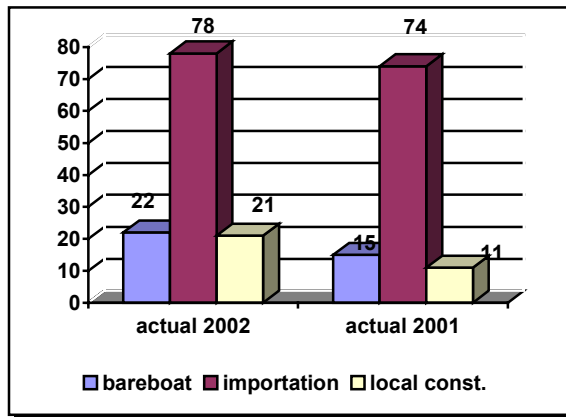
- **DOMESTIC SHIPPING SECTOR**

No. of Domestic Shipping Companies Accredited under MC No. 79



A 6% increase was registered for the year 2002. New players were encouraged to venture into shipping business due to the abundance of cheaper second hand vessels which are for sale in the market.

No. of Domestic Vessels Approved for Acquisition (including Fishing Vessels)



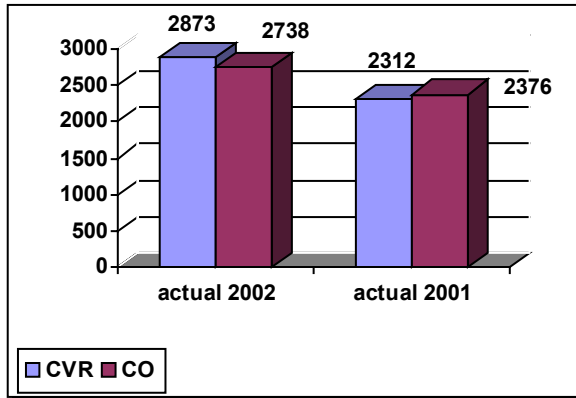
A total of 121 vessels were acquired for this year as against 100 last year or an increase of 21%. Bareboat Chartering went up by 47%, Importation showed a slight increase of 5%. Meanwhile, Local Construction almost doubled, increasing by 91%.

Shipowning is a very expensive business option. The capital cost involved in acquiring a vessel is so high that most

operators opt to acquire vessels thru boat chartering. Government support in terms of incentives, or affordable financing to Filipino shipowners is lacking. While the overseas shipping sector enjoys a relatively tax-free environment, the domestic shipping is being taxed heavily. Aside from leveling the playing field with respect to incentives, the domestic shipping sector must be properly deregulated, government regulatory requirements streamlined, trading practice improved to make the sector globally competitive. Further, access to affordable financing be given. Our local shipowners do not have access to alternative sourcing of funding like foreign loans which offer lower interest rate than commercial banks because of our antiquated legal regime.

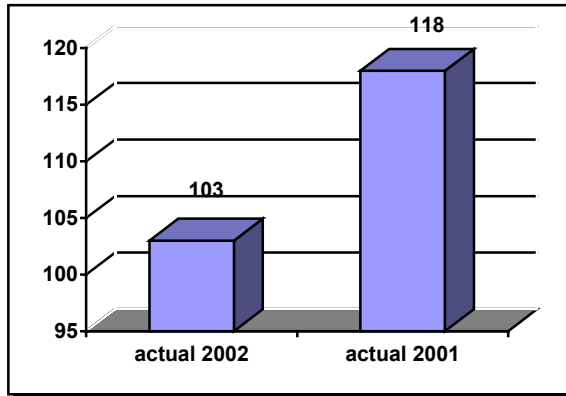
Local construction registered a remarkable increase due mainly to the Tsuneishi Heavy Industries which produced a number of vessels for export.

### No. of Vessels Registered



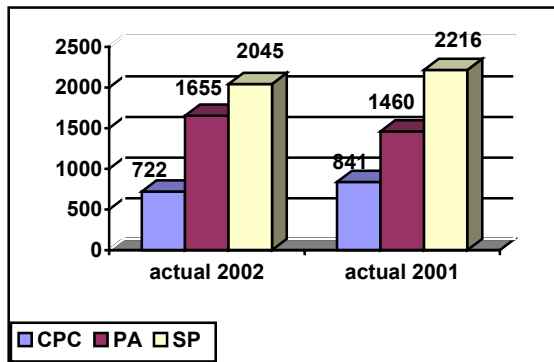
With the permanent implementation of the pro-poor fees and the simplified procedures in the submission of required documents under MC No. 172, this year's data on the number of vessels registered noted an overall increase of 20% or 5611 as against the 4688 vessels of last year.

### No. of Special Permits/Exemption Permits Issued for Overseas Vessels Deployed in the Domestic Trade



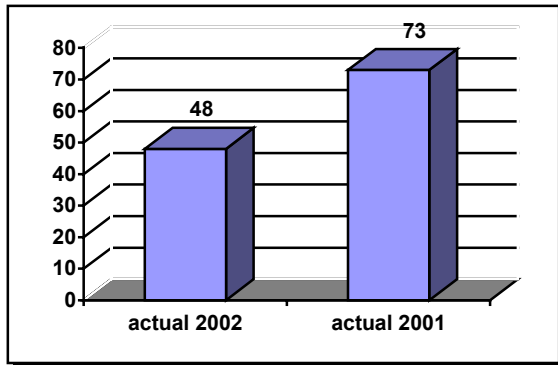
A 13% decrease was noted which can be attributed to a decrease in issuance of Exemption Permit due to the termination of contract for government projects where such vessels are being utilized.

### Quasi-Judicial Issuances



Overall issuances for this year showed a minimal decrease of 2% over those issued last year due mainly to the targeted policy of the Authority to issue more PAs rather than SPs. Records would show that this was achieved as there was an increase of 13% in the issuance of PAs.

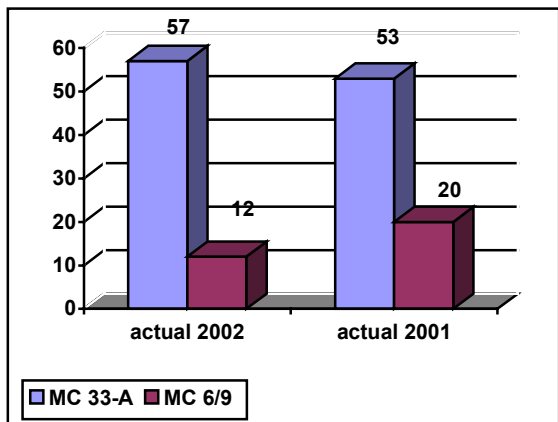
### No. of Deletion Certificates Issued



There was a decrease of 34% over that of last year's data as there were fewer vessels deleted from the Philippine registry.

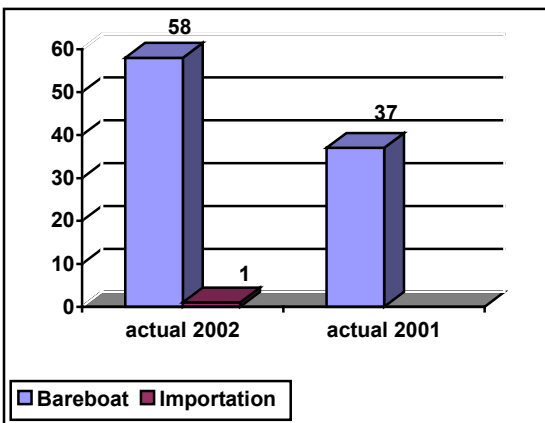
- OVERSEAS SHIPPING SECTOR**

### No. of Overseas Shipping Companies Accredited under MC 33-A



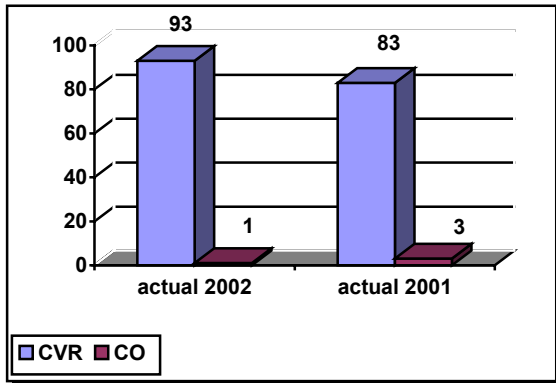
The accreditation of overseas shipping companies under MC 33-A increased by 8%, 57 as against 53 due in part to the mandatory renewal of company's accreditation every after three (3) years. Accreditation of other maritime-related companies under MC 6/9 however, decreased by 40%.

### No. of Overseas Vessels Approved for Acquisition



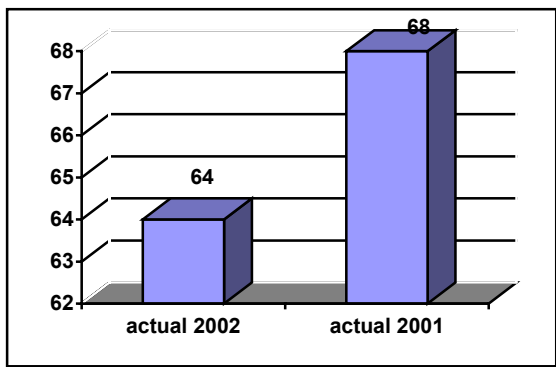
Vessel acquisition thru bareboat chartering grew by 57%, 58 as against 37, while only 1 vessel was acquired thru importation as against none last year. More shipowners were encouraged to bareboat charter vessels due to a relatively tax-free environment, obviously because shipowning is a more expensive option because of the huge capital outlay requirement.

### No. of Overseas Vessels Registered



With the increase in vessel acquisition thru bareboat chartering for 2002, more CVRs were issued/re-issued/extended which resulted to an increase of 12%. Only one (1) CO was issued this year as only one (1) vessel was acquired thru importation.

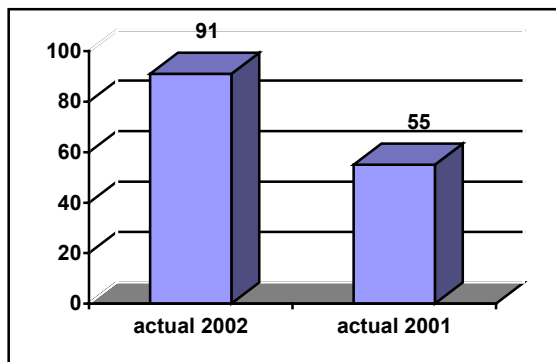
### No. of Special Permits Issued for Domestic Vessels Deployed in the International Trade



Overall issuances decreased by 6% which can be attributed to the decline in the issuance of Special Permit in the BIMP-EAGA route specifically in the Zamboanga City-Labuan, Malaysia-Zamboanga City trading due to the following reasons:

- Continuous devaluation of the peso;
- Economic recession hitting the Asian countries;
- Present utilization of steel-hulled vessels which has more cargo capacity than the wooden-hulled vessels;
- Most operators use the regular and weekly operations of the Zamboanga City-Sandakan, Malaysia-Zamboanga City for the transshipment of their cargoes; and,
- Some traders ventured into the lucrative but illegal business of rice importation

### No. of Deletion Certificates Issued

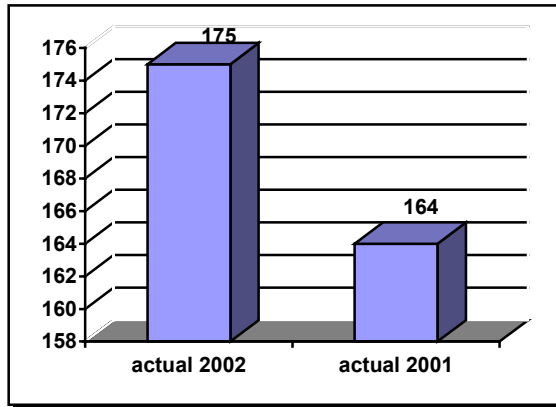


With the re-flagging of vessels to its original registry, more deletion certificates were issued manifesting an increase of 66% over those issued last year.



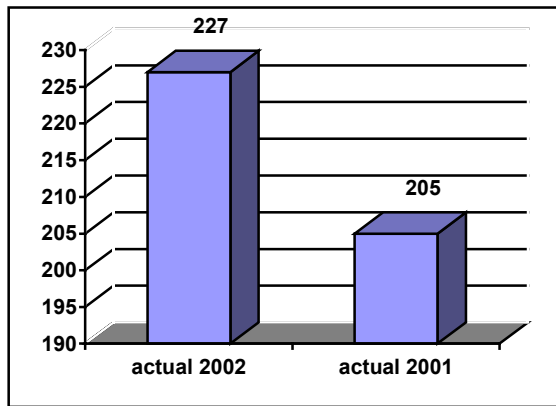
- SHIPBUILDING & SHIP REPAIR SECTOR**

No. of Licenses Issued/Renewed



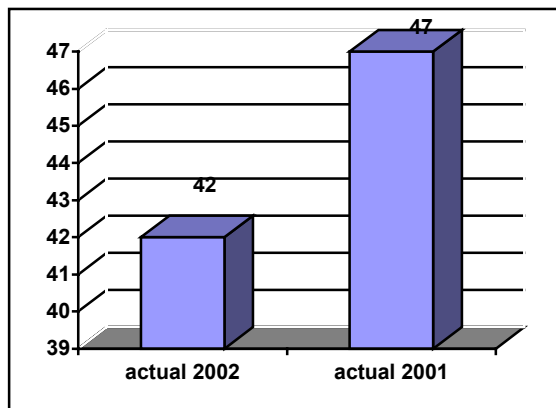
A 7% increase was registered in the licensing of SBSR entities due in part to the permanent implementation of the pro-poor fees and the simplified procedures in the submission of the required documents. The boatbuilding sector accounted for 24%, afloat ship repair, 39% and SBSR, 25%.

No. of Companies Inspected



This activity is dependent on the number of licenses issued to SBSR entities. Since there were more entities licensed this year, it follows that more inspection activities were undertaken which registered an 11% increase.

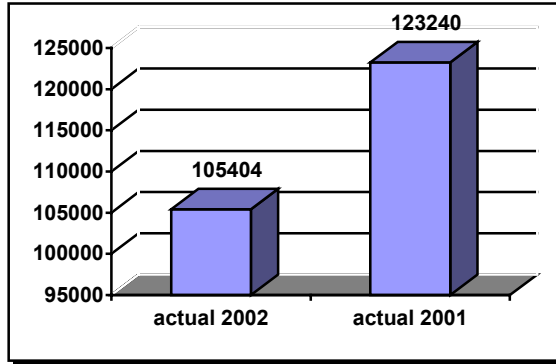
No. of Permits Issued



More vessels were deleted from the Philippine registry, and were flagged out to its original registry. Thus, the surveillance/monitoring activities conducted on vessels for this year posted an 11% decrease.

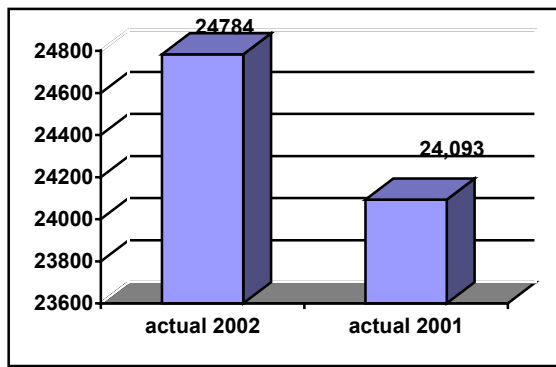
- MARITIME MANPOWER SECTOR**

No. of SIRBs Issued



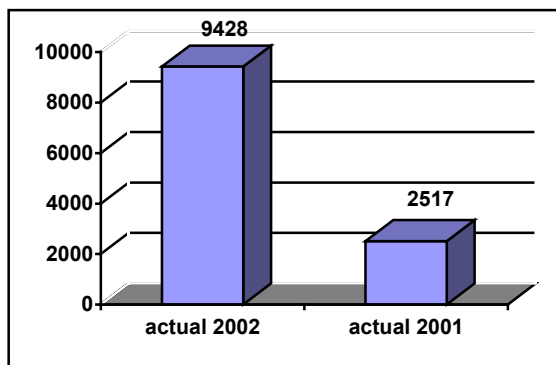
There was a decrease of 14% in the issuance of SIRB, which can be attributed to the reduction in the number of accredited maritime schools from 118 to 76 as of 03 June 2002.

No. of Harbor Pilot/MAP/MIP/BC/MDM Licenses Issued



There was an increase of 3% for the issuance of licenses this year. The biggest contribution was from the issuance of SPUO at 51% closely followed by MBOL at 43%.

No. of Qualification Documents Certificates (QDC) Issued



The Authority started issuing QDC certificates only in August 2001. As a consequence, the issuance of QDC certificates for this year registered a 275% increase.

## **REGIONAL OPERATIONS**

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### **Region 1 –Northern Luzon Regional Office (NORLUMRO)**

Despite budget and logistical constraints, the NORLUMRO was able to establish the Agency's presence in its area of jurisdiction, which covers the whole of Northern Luzon. Mobile registrations were conducted in coastal areas of Region I and in the inland waterways of Region II, particularly in Cagayan Valley and Isabela. Also, operators were enjoined to have their operations franchised. As a result of these mobile activities, 49 CPC and 61 PA applications were received by this office as of November 2002. The most notable application received which was eventually issued a PA was for the 198.26 GRT passenger cargo vessel, MV IVATAN PRINCESS operated by the Batanes Multi-Purpose Cooperative, Inc. in the developmental route Currimaog, Ilocos Norte – Calayan, Cagayan – Basco, Batanes – Itbayat, Batanes. This is the first medium-scale operation in the region.

In close coordination with the Northern Luzon Coast Guard District and Local Government Units Officials, the Agency's Memorandum Circulars covering safety were implemented with due consideration to the operating conditions and requirements peculiar to the region.

As a member of the DOTC's Regional Management Council (RMC), NORLUMRO participated actively in all of the council's undertakings, particularly in "Oplan Kalakbay 2002" and in the enforcement on land transport rules and regulations. In view of the success of the latter inter-agency activity, a resolution was adopted to make every 3<sup>rd</sup> Wednesday of every month as a law enforcement monitoring day. This joint activity will be beneficial to NORLUMRO when it implements the Joint Inspection Program of the DOTC (MARINA-PPA-PCG) in terms of experience gained and improved interagency coordination.

### **Region 4 – Batangas Maritime Regional Office (BMRO)**

Towards the 2<sup>nd</sup> quarter of 2002 a new Director was assigned at the BMRO. First activity undertaken under the new leadership was the celebration of the National Maritime Week which was on 22-29 September 2002. Coordination with the different government agencies to support this undertaking was made.

In line with the implementation of MC170, 171 and 175, the licensure examination for MIP, MAP, BC and MDM

was conducted which generated a total of 100 examinees. Similarly, the NMD-funded Shipboard Training Program was also conducted with 26 Deck and 9 Engine cadets as candidates.

A meeting was held last 18 December 2002 with concerned agencies in connection with the implementation of the MARINA-PCG-PPA Joint Inspection Program pursuant to DOTC Order No. 2002-46.

### **Region 5 – Legaspi Maritime Regional Office (LMRO)**

In the light of the issuance of Memorandum Circular No. 172 or the permanent implementation of the pro-poor reduced fees as a contribution of the shipbuilding/shiprepair sector, all builders of motor vessels of 3 GRT and above shall be issued a Shipbuilders License and shall be charged a corresponding fee of five hundred pesos (P500.00).

Relative to the attendance of the technical staff in the Program for the Completion of the NSM Code Auditor's Training Course last 17 July 2002 held at the Central Office, LMRO personnel had

been tasked to ensure that shipping companies shall follow the specific requirements of the Code with reference to the applicable rules and regulations.

A public dissemination program on the recently approved MC Nos. 175-180 geared towards the local shipowners was conducted on 25 November 2002 at Rawis, Legaspi City to make the local shipowners aware of their safety responsibilities.

### **Region 6 – Iloilo Maritime Regional Office (IMRO)**

The Iloilo Maritime Regional Office (IMRO) was among the government agencies tapped by the Provincial government of Iloilo to help curb if not eliminate illegal fishing activities in the region. The Office intensified its campaign in coordination with BFAR, PNP, PCG and MARICOM. Similarly, the legalization of the Alubijod Motor Banca Association in the province of Guimaras was undertaken with 25 vessels having been registered.

As the lead Agency in the celebration of the National Maritime Week last 22-29 September 2002, IMRO coordinated with such agencies as PCG, PPA, DAR, DENR and PNP Maricom, the maritime schools and training centers, the

shipping companies and other maritime-related private agencies for this undertaking.

A series of licensure examinations for Major Patron, Marine Diesel Mechanic and Boat Captain were conducted by this Office pursuant to MC 170, 171 and 175. Two (2) maritime training centers were inspected relative to their application for permit to offer MARINA Recurrency Training for Safe Navigation and Collision Regulation, Crowd Management and Engine Watchkeeping. A seminar on Alternative Technology in Boatbuilding was conducted with the attendees to the seminar forming an association to maximize funding support from other government agencies.

### **Region 7 – Cebu Maritime Regional Office (CMRO)**

The CMRO is the highest revenue generating regional office with the biggest number of manpower discharging the

functions of the Agency at the regional level.

To enhance the capability of MARINA personnel for ship inspection and safety management, the CMRO twice hosted the training on Promotion of Ship Inspection and Technique Project in the Republic of the Philippines attended by personnel from other regional offices. The topics covered are database management system of ship inspection and stability, IMO, HSC Code, MARPOL 73/78 and life-saving and fire-fighting equipment with practical exercises conducted at the Tsuneishi Heavy Industries in Balamban, Cebu.

In line with the implementation of the 13<sup>th</sup> Batch of the MARINA-SECOJ Training Program, the Office facilitated the conduct of the written examination and interview of applicants. Out of the 25

examinees, 3 passed the preliminary screening but only 2 were actually sent to Japan for the 1-year apprenticeship training onboard Japanese vessels.

Pursuant to Memorandum Circular No. 170, the Office conducted the licensure examination for Major Patrons, Boat Captain and Marine Diesel Mechanics. One hundred twenty-six (126) applicants took the examination.

To enhance maritime safety, JICA short-term experts conducted a seminar on Ship Stability and Safety at Sea which was attended by 150 participants. On the last day of the seminar, the participants were brought to the port area for an actual demonstration on ship stability on board a local vessel.

### **Region 8 – Tacloban Maritime Regional Office (TMRO)**

For this year, this Office conducted an intensive monitoring/apprehension and franchising campaign between the months of May – June and October – November among shipowners/operators calling in the port of Tacloban City and Naval, Biliran. These areas were found teeming with “colorum” operators. Since said months are considered passenger peak season, it is therefore the best time of the year to promote and enforce MARINA rules and regulations. During these months MARINA enforcers are likewise directed to conduct monitoring on passenger overloading and the like. The goal, of course, is to capture the scores of and/or legalize the operation of shipowners/operators of “colorum” water transportation through monitoring, apprehension and franchising campaign.

The aforementioned campaign resulted in the considerable increase on the following:

- (a) number of applicants for the months of June and November;
- (b) number of authorized operators/vessels in the islands of Leyte and Biliran; and,
- (c) collection of fees and charges in terms of applications for registration of vessels, CPC/PA/SP, and penalties resulting from apprehensions and/or Show Cause Orders.

For other government offices, such as the Department of Trade and Industry (DTI) and Bureau of Internal Revenue (BIR), the said campaign benefited them as well with the applicants having to secure Certificate of Business Name Registration (CBNR) and Tax Identification Number (TIN) from such offices.

Cognizant of the need for a data-based information system that is timely, relevant and workable, this Office has

started preparing and conceptualizing in mid-1998 what is now called a Domestic Shipping Information System (DOSIS). The onset of the year witnessed the formal launching of the said system.

DOSIS is mostly based on TMRO's available data and resources. It provides and helps facilitate the recording and gathering of information relative to

the domestic shipping industry in the region. It basically covers all applications, issuances and other relevant information gathered from the Registration and Licensing Sector (RLS) and the Domestic Shipping and Franchising Sector (DSFS).

Shown below are the system's scope and capabilities:

DOSIS	
Scope	Capabilities
Vessel Documentation	Issuance of CO/CVR
Owner Accreditation	Issuance of Certificate of Accreditation
Show Cause	Recording of SCO issuances
Franchise Tracking	Issuance of CPC/PA/SP including Rider
	Any data gathering regarding the above issuances

of Accreditation and Business Name

To make the system efficient and effective, the concerned Offices have to religiously observe the encoding of the required information based on the documents such as the CI/ICI/PO, CO/CVR, BRL/CWL, SPUO, CPC/PA/SP applications and issuances, Passenger Insurance Policy, SSI, Certificates

Registration among others. With the absence of networking, this Office resorts to a weekly synchronization of the system in order to maintain the timeliness of information and facilitate the encoding of data.

### **Region 9 – Zamboanga Maritime Regional Office (ZMRO)**

The role of the local shipping industry in the region as a potent economic force cannot be ignored. Behind this force is the implementing arm of MARINA, the Zamboanga Maritime Regional Office. For nineteen years since its establishment in Region 9, ZMRO has staunchly supported all maritime-related programs and projects contributing to the growth of the shipping industry in this part of the country.

FORCE BARKO – Kalinisan. This was initially implemented on 02 May 2002. The Task Force is chaired by the ZMRO and has the following member agencies: PPA-ZC, PCG-ZC and the Bureau of Quarantine and International Health Surveillance (BQIHS-ZC). Already, a total of 21 passenger vessels homeported in Zamboanga have been covered by the inspection and evaluation on sanitation and services. Further inspection will resume in January 2003.

One project which was organized to address the complaints of the riding public on the services of vessels is TASK

The ZMRO has also scheduled an "Outreach Program" on the issuance of

SIRB in Pagadian City this year. Graduates from Maritime Schools in Pagadian City are target of this activity. Support to the SECOJ has also been significant. This year, the ZMRO has endorsed three (3) deck cadets to the said scholarship.

The introduction of High Speed Craft (HSC) in Region 9 has also been a big factor that led to economic upsurge in

the region. There is now a faster means of transport of people and goods in so short a time at reasonable rates. To date, six (6) High-Speed Crafts are registered in the ZMRO. One HSC, MV WEESAM EXPRESS NO. 05 of 230.62 gross tonnage has been granted operation in the Zamboanga City – Sandakan, Malaysia route via Bongao, Tawi-Tawi. Said route takes less than 8 hours of travel.

### **Region 10 – Cagayan de Oro Maritime Regional Office (CDOMRO)**

As the saying goes: “If the mountain cannot go to Mohammed, then, let Mohammed go to the mountain”. This in effect was what CDOMRO did when MARINA Memorandum Circular No. 164 on the “Rules Governing the Adoption and Implementation of a Qualification Document Certification (QDC) System in the Domestic Trade” took effect and the time frame for compliance by the seafarers was very uncomfortably short. This Office undertook a series of information dissemination initiatives by conducting briefings and interactions with ship’s crew on board domestic vessels calling at ports under its area of jurisdiction. And this was done on a daily

basis during significant occasions like the celebration of the National Maritime Week.

Interacting personally with the ship’s crew was very effective and found to be mutually productive. Deeper awareness regarding MARINA’s latest policies/issuances, systems and procedures resulted to a more orderly and efficient avilment of certificates by the seafarers. As a result, since the start of its implementation until present, CDOMRO issued a total of 2,046 QDC to seafarers without causing too much disruption on the part of seafarers on board.

### **Region 11 – Davao Maritime Regional Office (DMRO)**

The Davao Maritime Regional Office is the first to produce a regional maritime industry profile in compact disc (CD). The presentation in powerpoint shall be an effective reference for shippers, shipowners, government entities, businessmen, educators and students as it is enhanced by visual overture of facts and data.

Cognizant of the need to ensure the efficient and effective discharge by the MARINA of its functions relative to the supervision of vessel lay-up operations, the office assumed the functions involving

lay-up of vessels per AO No. 09-02 dated 23 July 2002, which include the acceptance and processing of applications for issuance of lay-up permit and departure clearance; the collection of corresponding fees; and the exercise of supervisory functions over lay-up activities in Malalag Bay, Davao del Sur.

The Office actively coordinated with the Growth and Equity in Mindanao (GEM) Program, the Davao City Chamber of Commerce, Inc. and the LGUs in identifying specific investments in the maritime industry that will boost the

economy of the region. The Malalag Lay-up site in Davao del Sur, and the SOCKSARGEN Maritime Industrial Park (MIP) are the emerging bright spots. Similar activity was undertaken when the

Office formed part of the delegation in a Trade Mission to Brunei Darussalam of the BIMP-EAGA WG on Sea Linkages initiative.

### **Region 12 – Cotabato Maritime Regional Office (COTMRO)**

Region 12 has a strategic position and role in the over-all development of Mindanao. It comprises a critical part of Southern Mindanao Agri-Industrial Hub of EAGA. Its direct access to international sea lanes through Moro Gulf, Celebes Sea and Iligan Bay as well as through Zamboanga City and Iligan City makes its geographic location a unique advantage for wider trade and cultural linkages with the growing economies of Malaysia, Brunei, Singapore and Indonesia. This paved the way for the shipping industry in the region to prosper. With this kind of trend, MARINA 12 positively got involved in the economic growth and developmental initiatives as it is the backbone of the domestic shipping industry. Subsequently, this Office has grown for 10 (10) years now by providing support and services to all maritime-related programs and projects, which contributed to the economic development of the region. Its region-wide presence brings strength to the shipping industry.

For this year, MARINA 12 responded to the emerging needs and development of the maritime industry. This Office conducted information dissemination drive on registration and licensing to operators engaged in commercial fishing in the area of Sultan Kudarat and Lanao del Norte in coordination with the Bureau of Fisheries. It responded to the needs of shipping operators (wooden-hulled) especially on the issuance of SPUO to vessels above 35 GRT, manning requirements and other MARINA-related policies.

Issuance of EAGA Permit contributed to the smooth trading transaction in the BIMP-EAGA area. A modern vessel currently operating in the Cotabato – Kalamansig route facilitated the fast shipment of passengers and cargoes with short travel time and reasonable rates. The Office continued the enforcement/implementation of latest policies and programs of the Authority.

Further, with the turn-over of the General Santos Extension Office from DMRO per AO No. 12-02 dated 13 August 2002, have given this Office wider range of responsibility for further growth and development. As such, MARINA 12 steadfastly conducted meetings with fishing operators to establish good rapport and give service support/assistance on problems encountered relative to fishing industry considering that General Santos City has a vast number of fishing vessels plying both local and international trade.



## **ADMINISTRATIVE, FINANCE, MANAGEMENT and ORGANIZATION**

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### **Profile of Personnel Complement**

The Office performed its mandated functions with a total complement of 462 during the year. Contractual workers were hired to augment the workforce, specifically at the Regional level.

As of November 2002, MARINA had a predominantly female population. However, males dominated at the regional level population.

### **Percentage Distribution of Employees by Sex**

Area	Number	Male		Female	
		Actual	%	Actual	%
Total	462	216	47	246	53
Central Office	256	100	39	156	61
Regional Office	206	116	56	90	44

### **Distribution of Employees by Salary Grade**

Salary Grade	Number				Central Office		Regional Office	
	Total	%	Male	Female	Male	Female	Male	Female
Actual	462	100	216	246	100	156	116	90
1-9	141	31	78	63	32	43	46	20
10-14	51	11	11	40	5	18	6	22
15-18	159	34	78	81	34	41	44	40
19-22	63	14	27	36	15	29	12	7
23 & above	48	10	23	25	16	23	7	2

### **Distribution of Employees by Age Group**

Age Group	Number				Central Office		Regional Office	
	Total	%	Male	Female	Male	Female	Male	Female
Actual	462	100	216	246	100	156	116	90
21-25	13	3	5	8	3	4	2	4
26-30	39	8	17	22	8	11	9	11
31-35	68	15	30	38	9	23	21	15
36-40	104	23	48	56	29	30	19	26
41-45	109	24	61	48	27	27	34	21
46-50	62	13	26	36	12	27	14	9
51-55	34	7	18	16	5	12	13	4
56-60	22	5	6	16	5	12	1	4

61 & above	11	2	7	4	7	4	-	-
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### Key Officials

MARINA key officials are predominantly male, with 59% (13) as against 41% (9) for female, continuing a trend that has existed since its creation. But this trend has been reversed for Division Chief positions, with 60% (15) of positions being occupied by females, with their male counterparts occupying only 40% (10).

### Recruitment and Selection

The Human Resource Development Division, acting as the Secretariat to the Personnel Selection Board processed a total of 20 appointments for regular positions, 13 of which are for the Central Office and 7 for the MROs.

### Training and Development

One of the continuing activities of the Office is to provide avenues through which employees can acquire greater knowledge, skills or capabilities in order to effectively and efficiently deliver the required services, as well as to promote personal growth and development.

During the year, there were a total of 37 local and in-house training programs that were participated in by 278 personnel. On the other hand, there were 39 foreign courses/studies availed by 47 employees of the Authority.

### Administrative Matters

To facilitate the smooth operation of the different offices, the Administrative and Finance Office continuously provided support for the following needs:

- Attended to the procurement of supplies, materials, equipment, among others, needed by the concerned offices
- Consolidated the monthly/quarterly issuance of supplies and materials for Central and Regional Offices;
- Conducted periodic physical inventories of equipment, semi-expendables and materials;
- Shipped equipment, mailed and/or deliver communications to the different Regional Offices, other government agencies and the private sector; and,
- Prepared monthly payroll for the timely distribution of salaries and wages of employees as well as the monthly report of disbursement.

With its objective to create a conducive working environment, the Administrative Division undertook the following improvements:

- Renovated various offices at the Central Office
- Repaired / repainted / replaced cabinets, chairs, tables and other office furniture and fixtures

### Financial Matters

Fiscal Year 2002 spending was anchored on fiscal discipline in compliance with Administrative Order No. 5, *Adoption of Fiscal Discipline Measures*.

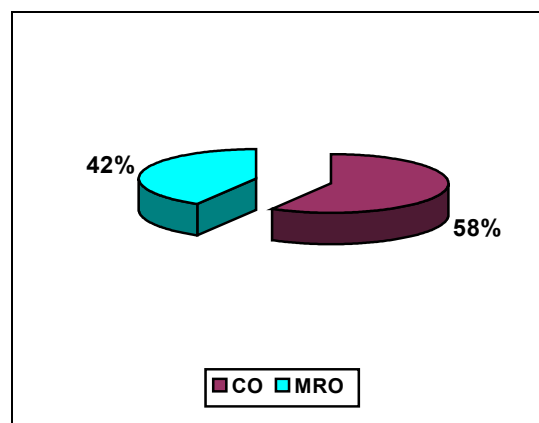
The revenues generated for the period under review amounted to Ph136,920,071.71 or a 23% decrease over the income generated last year. This is generally attributed to the uncertainties in the economic environment, and the non-inclusion of revenues derived from deputized functions to the Philippine Coast Guard.

Continuing a trend seen in the past years, the biggest revenue source was the issuance of Seafarers Identification and Record Book with 41%, followed by revenue from payment of Regular Fees and Charges, 23% and Registration and Licensing, 13%.

The table below provides a summary of the various sources of income generated by MARINA, and their relative contribution to the total income.

Source of Income	2002	2001	% Increase/ (Decrease)
Regular Fees and Charges	32,019,112.72	56,542,266.58	(43%)
Quasi-Judicial Functions	16,189,687.82	13,942,283.01	16%
Authentication and QDC	6,948,745.00	14,042,707.00	(50%)
SIRB Issuances	56,671,535.00	62,926,740.00	(10%)
Registration and Licensing	18,254,591.75	27,024,995.97	(32%)
Fines and Penalties	5,855,902.55	3,155,169.10	86%
Miscellaneous	754,520.53	795,006.26	(8%)
<b>TOTAL</b>	<b>136,920,071.71</b>	<b>178,429,167.92</b>	<b>(23%)</b>

Revenue collection from the Central Office was registered at Ph79,814,813.83 or 58% of the total, with MDO contributing 54%, followed by DSO at 20% and FO at 8%. Operations from the Regional Offices generated some Ph57,105,257.88 or 42% of the total collection. Region VII – CMRO posted the highest revenue at 25%, followed by Region VI – IMRO, at 15%. Coming in close was Region IV – BMRO with 14%.



### Asia-Pacific Economic Cooperation Transportation Group (TPT-WG)

Upon the assumption of the Philippines in January 2002 as Lead Shepherd (Chair) Economy of the Asia-Pacific Economic Cooperation Transportation Group (TPT-WG), the MARINA was the designated agency to perform the role as Lead Shepherd and

coordinator for Philippine participation. This involvement has advanced national interest in terms of promoting security in all modes of transportation. It has likewise sought for the enhancement of regional cooperation on safety and security while at the same time consider ways and

means of reducing impediments to trade and investment, through liberalized transportation services as well as economic and technical cooperation and human capacity building.

In support of the anti-terrorism campaign of the government, the MARINA has used the APEC TPT-WG as a vehicle to promote this national objective albeit in the regional level. As such, three (3) urgent terrorism initiatives have been approved for funding by the APEC Budget and Management Committee. It has likewise been responsible in the issuance of a Survey Questionnaire on Transportation Security to all TPT-WG member-economies where the consolidated response was submitted to APEC Economic Leaders for their guidance on action taken by the TPT-WG on their Counter-Terrorism Statement.

Member-economies such as the United States of America, Japan, Canada, Australia, China, Korea and other economies have recognized the excellent job that the Philippines has done so far to fulfill the task of fostering economic development in the Asia-Pacific region through recommendation on increasing the efficiency, sustainability and safety of the regional transportation system.

#### **Administrative Orders Issued**

1. Administrative Order No. 01-2002 – Amendment of Administrative Order No. 03-2000 (Delegation of Signing Authority to Concerned MARINA Officials and Employees), issued on 09 January 2002
2. Administrative Order No. 02-2002 – Joint SRO-MSO Approval of Vessel Construction/Conversion Plans, issued on 10 April 2002

3. Administrative Order No. 03-2002 – Guidelines in the Adoption of Additional Measures to Address, Prevent and Eliminate Graft and Corruption in the Maritime Industry Authority, issued on 15 April 2002
4. Administrative Order No. 04-2002 – Moratorium on the Fees of Unregistered Vessels Below 3 Gross Tonnage, issued on 01 May 2002
5. Administrative Order No. 05-2002 – Redefinition of Area of Jurisdiction of Concerned Maritime Regional Offices and For Other Purposes, issued on 10 May 2002
6. Administrative Order No. 06-2002 – Guidelines for Wearing of Official Attire, issued on 28 May 2002
7. Administrative Order No. 07-2002 – Computerized Document Tracking System, issued on 18 June 2002
8. Administrative Order No. 08-2002 – Adoption of Uniform Screening Forms, issued on 23 July 2002
9. Administrative Order No. 09-2002 – Transfer of Functions Involving Lay-up of Vessels, issued on 23 July 2002
10. Administrative Order No. 10-2002 – Additional Delegation of Signing Authority to MARINA Officials, issued on 31 July 2002
11. Administrative Order No. 11-2002 – Amendment of Administrative Order No. 10-2002, issued on 07 August 2002
12. Administrative Order No. 12-2002 – Redefinition of the Area of Jurisdiction of the Cotabato

Maritime Regional Office Creating the General Santos Extension Office, issued on 13 August 2002

13. Administrative Order No. 13-2002 – Observation and/or Appropriate Action on Resolution No. 5591 of the Commission of Election Published in a Newspaper of General Circulation on 16 August 2002, Designating the DOTC and All Concerned Agencies/Offices under it as Deputies in Connection with the 26 August 2002 Special Election for Members of the House of Representatives in the First District of Zamboanga del Norte, issued on 20 August 2002
14. Administrative Order No. 14-2002 – Amendment of AO No. 03-2000 dated 08 March 2000 (Delegation of Signing Authority to Concerned MARINA Officials/Employees), issued on 20 August 2002
15. Administrative Order No. 15-2002 – Creation of a Technical Working Group for the Periodic & Timely Monitoring/Updating/Preparation / Submission of MARINA Accomplishment/Management / Sectoral Situation Reports and Other Relevant Materials, issued on 27 November 2002

### **Pursuance of Bilateral Agreements**

1. RP-India Consultation Talk

The proposal for possible areas of cooperation including the draft Memorandum of Understanding on Maritime Transport with the Republic of India was submitted to the Dept. of Foreign Affairs (DFA)

2. RP-Cyprus

Comments and observations made on the Cypriot government's proposed amendments to the existing Philippine-Cyprus Merchant Shipping Agreement was submitted to the DFA. Sought the comments/recommendations from the Bureau of Immigration on the proposed amendments, which shall form part of the Philippine position when negotiations resume.

3. RP-Saudi

Communicated with concerned agencies specifically the Office of Middle East and African Affairs, DFA for information on the willingness of the MARINA to meet with the Saudi Arabian delegation and discuss the additional issues which MARINA would like to include in the agenda.

4. RP-Germany

The proposed Agreement on Merchant Shipping was signed on 30-31 July 2002 with four (4) provisions kept in brackets for further deliberation.

5. RP-Netherlands

Held the 3<sup>rd</sup> Meeting of the RP-Netherlands Joint Committee on Maritime Affairs (JMCA) in Manila on 04 June 2002. The JMCA was the mechanism that was instituted under the Memorandum of Understanding on Maritime Transport between the DOTC and the Ministry of Transport and Public Works and Water Management of the Kingdom of the Netherlands which was signed in 2000.

6. RP-Brunei

Negotiation was conducted on 29-30 May 2002 with the MARINA Administrator as Head of the Philippine Delegation.

## 7. RP-Taiwan

The initiative of formulating the RP-Taiwan MOU came from the Taiwanese shipowners which this Authority consider as an opportunity to open discussions on other maritime-related activities in the area of shipbuilding and shiprepair as well as encourage investments in Philippine shipping. With Taiwan as a major trading economy, this cooperation will increase employment opportunities for Filipino seafarers by expanding the Philippine merchant fleet, and a market for RP-flagged vessels/seagoing transport provider.

## 8. RP-China

The MOA with China shall govern the performance of maritime surveys to be conducted by the classification society for ships registered under Philippine flag. A copy of the MOA was sent to the Chairperson, Manila Economic Cooperation Office (MECO) which MARINA intends to sign with China Cooperation Registry of Shipping (CCRS). Guidelines as adopted by the International Maritime Organization (IMO) will serve as the parameters by which the classification society will perform statutory certification services to determine compliance by a ship of the requisites of the international convention.

## 9. RP-Romania

Communicated with the Secretary, DFA and the Secretary, DTI informing them that the revised draft agreement of Romania which was transmitted to MARINA in January 2002 would be treated as counterdraft of Romania and would be deliberated in preparation of the possible signing of the Agreement scheduled on 18-20 February

2002 in time for the state visit of the President of Romania.

## 10. RP-Panama

The MARINA welcomed the plan of the DFA to open a Philippine Resident Embassy in Panama as a number of Philippine-flag ships pass thru the Panama Canal and a number of Filipino Seafarers are on board Panamanian-registered vessels.

### **Information Dissemination**

The Agency carried out its mandate of disseminating information to the general public, developing necessary technology solutions and maintaining its databases and computer hardware.

Giving information dissemination a full go, the Library served 343 walk-in researchers, 52 data requests by letter, fax, e-mail and phone queries and cleared 272 vessel names prior to the registration of a vessel.

To improve operational efficiency and increase productivity, the following systems and procedures are being developed/ reviewed/maintained. Among them are:

#### **1. QDC Application System (QDCAS)**

A computerized application system designed to improve efficiency and increase employee's productivity by way of speeding up the processing of QDC applications.

#### **2. SBSR Information System**

A system designed and developed to capture all the necessary information/data of the SBSR companies including their accomplishments in terms

of shipbuilding and shiprepair. Phase I of system development was completed and Phase II covering report generation is expected to be completed this year.

### **3. DSO Application System (DSOAS)**

A computerized application system that will assist evaluators/reviewers in evaluating and processing of applications. This system aims to generate information/data relative to applications on accreditation of domestic shipping companies, acquisition of vessels and Special Permit for temporary change of vessel operation from overseas to domestic trade.

### **4. Vessel Inventory System (VIS)**

An information system that will capture data on vessel registration, licensing and quasi-judicial/franchise issuances. For this year, the 2000 Vessel Inventory was generated.

### **5. Computerized Document Tracking System (DTRACKS)**

A system that will keep/monitor status of all documents officially received by the Authority with the end in view of delivering quality service as well as provide management with a more accurate report of its operations.

## **Enhancement of Quality of Seafarer's Education and Training**

### **1. SECOJ Shipboard Training Scheme in Japan**

The Memorandum of Agreement between SECOJ and MARINA was signed on 20 February 2002 to implement the 13<sup>th</sup> batch of the training program. MARINA facilitated the nationwide written

examination and the oral interview for the selection of the successful participants. A total of 25 cadets, 13 deck and 12 engine, were sent to Japan to undergo the 14-month training program.

### **2. Recurrency Training for Domestic Seafarers**

A total of twenty-six (26) maritime training centers were inspected to determine and ensure their capability to offer training programs to domestic seafarers. Eight (8) have been accredited by the MARINA.

## **Promotion of Maritime Safety**

### **1. Promotion of Ship Inspection Systems and Technique in the Philippines**

JICA experts conducted seminars/lectures on ship design, safety management system, ship stability, ship inspection procedures and other topics related to ship inspection systems and technique. On-the-job training (OJT) in various shipyards covering site visitation, actual ship inspection, actual stability/inclining test, mock company/ship audits was undertaken.

## **ADJUSTED MARINA INTEGRATED PLAN (MIP)** **For CYs 2003 - 2004**

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<b>CONTINUING GOALS</b>	<b>STRATEGIES</b>	<b>OPR/ACTIVITIES</b>
<p>Codification of Philippine Maritime Rules and Regulations</p>	<p>Adopt a systematic rule-making mechanism/scheme</p> <p>Continuing formulation / adoption/review / assessment of policies/rules/regulations</p> <p>Harmonize existing laws, policies, rules and regulations with international maritime conventions, codes and standards</p>	<p>Maritime Legal Affairs Office (MLAO)</p> <ul style="list-style-type: none"> <li>• Formulation of a rule making mechanism/scheme</li> </ul> <p>All Sectoral &amp; Support Offices</p> <ul style="list-style-type: none"> <li>• Policy Formulation</li> </ul>
<p>Improvement of maritime safety record and adoption of mitigating measures for cleaner Philippine waters</p>	<p>Strictly implement / enforce/monitor safety and marine environment protection-related rules and regulations and impose appropriate penalties/sanctions</p> <p>Enhance maritime investigative powers / capability</p> <p>Adopt summary procedures in the prosecution of violations</p>	<p>Maritime Safety Office (MSO)</p> <ul style="list-style-type: none"> <li>• Implementation of JICA-assisted Project on the Promotion of Ship Inspection System Administration and Technique.</li> </ul> <p>MLAO</p> <ul style="list-style-type: none"> <li>• Prosecution / disposition / resolution of cases in violation of MARINA rules and regulations</li> </ul> <p>Enforcement Office (EO)</p> <ul style="list-style-type: none"> <li>• Monitoring Activities on Deputized Functions (as provided under Dept. Order No. 98-1180)</li> </ul> <p>➤ Non-Deputized Functions</p> <p>MLAO</p> <ul style="list-style-type: none"> <li>• Development of a simplified procedure in the prosecution of cases</li> </ul> <p>Management Information Systems</p>



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

Formulate policies that will address concerns involving compatibility of ships to trade, port infrastructure and water conditions

Provide favorable investment climate through financing and incentive schemes

Operationalize Shipping Exchange Project

Adopt measures to facilitate ship and trade documentation procedures

Parallel development of identified support services to shipping (ancillary industries, including manpower development)

Strengthen institutional linkages with the ultimate stakeholders

Office (MISO)

- Consolidation and Reporting of non-deputized functions, both regulatory/key performance indicator (KPI) and developmental functions and submission of reports

EO

- Compliance with MARINA policies, rules and regulations

Overseas Shipping Office (OSO)

- Continuous monitoring / reporting of Philippine flag vessel's compliance with PMMRR, VSIS, ISM Code, STCW, SOLAS, COLREG, MARPOL, etc.
- Study on the institutional aspect in the implementation of the MARPOL Convention

Same Activities under GOAL #2 with MLAO and Lead Sectoral Offices as OPRs

DSO/OSO/MDO/SBSR

- Periodic update of information / data/statistics as input to MISO's database maintenance.
- Conduct of Consultation Meetings

SBSR

- Creation of SBSR Technical Committee
- Conduct of Boatbuilding Seminar
- Pilot-testing of 3<sup>rd</sup> Class Welders

Maritime Development Office (MDO)

- Certification of Shipyard Workers jointly with TESDA
- Development of a Module for Technical Seminar for

## Shipbuilding and Ship Operations Executives

- Conduct of Technical Seminar for Shipbuilding and Ship Operations Executives
- Development of Training Program for Prevention of Alcohol and Drug Abuse in the Maritime Sector/HIV/AIDS
- Pilot-testing of Training Program for PADAMS/HIV/AIDS
- Implementation of the 14<sup>th</sup> and 15<sup>th</sup> Batch of the SECOJ Shipboard Training
- Implementation of the Shipboard Training Program (sourced from the remaining balance of the MARINA-NMD Project Funds) of the 20 qualified cadets
- Submission of Project Proposal to the Dutch Government for Financial Assistance to Implement a Shipboard Training similar to SECOJ which will train 100 qualified cadets
- Implementation of the Shipboard Training Program under the Dutch Government
- Conduct of Quarterly examination for Harbor Pilots
- Conduct of Weekly examination for MAP/MIP/BC/MDM

## MISO

- Improvement of Shipping Database and Information / Application Systems
- Periodic Updating / Maintenance of Seafarers Registry
- Generation of Updated Shipping Maritime Data

## DSO

- Development and / or advocacy of policies,

		programs and incentives
		OSO
		<ul style="list-style-type: none"> <li>• Advocate strict implementation of PD 1466 thru coordination with NFA and PNOC</li> </ul>
Enhancement of the image of the Philippines as a responsible member of the international maritime community	<p>Ratify all maritime conventions</p> <p>Sustain participation in relevant maritime conferences/meetings</p> <p>Assertive stance in articulating Philippines' position on maritime issues</p>	<p>DSO/OSO/MDO/SBSR</p> <ul style="list-style-type: none"> <li>• Continuous participation in maritime-related meetings such as APEC, IMO, ASEAN, ESCAP, BIMP-EAGA on economic cooperation</li> <li>• Active participation/membership/chairmanship in the various MARINA / interagency Committees / projects / other undertakings</li> </ul> <p>Planning Policy Office (PPO)</p> <ul style="list-style-type: none"> <li>• Undertake activities in the preparation of the Maritime Industry Development Plan (MDIP)</li> </ul> <p>MLAO</p> <ul style="list-style-type: none"> <li>• Provide legal advices to the various CO Units / MROs and the public on matters pertaining to the maritime industry and matters requested / referred by the Management</li> <li>• Periodic update of all legal materials / references relevant to the maritime industry, e.g. SCRA, Lex Lebris</li> </ul> <p>MISO</p> <ul style="list-style-type: none"> <li>• Updating and maintenance of MARINA website</li> </ul>
Optimization of opportunities derived from membership or participation in bilateral / multilateral arrangements	<p>Adopt aggressive stance in accessing financial / technical programs</p> <p>Maintain MARINA's lead role in initiating maritime-related bilateral / multilateral arrangements</p>	<p>OSO</p> <ul style="list-style-type: none"> <li>• Continuous participation in GATT, GATS, APEC, ASEAN, IMO, etc.</li> <li>• Pursue merchant shipping agreements with bilateral partners</li> </ul>

Eradication of graft and corruption	Identify opportunities for marketing maritime services (trade, manpower, shipbuilding)	MDO
	Initiate concrete measures to address graft and corruption concerns (creation of anti-graft body)	<ul style="list-style-type: none"> <li>• Coordination / facilitation of the conduct of Seminar Workshop on Fraud Detection, Forging and Signature Verification for the Private Sector and Other Entities</li> </ul>
	Continuing streamlining of documentation procedures and requirements and rationalization of standard processing time	<ul style="list-style-type: none"> <li>• Preparation of Concept Paper on "Operation: Tugis Linis"</li> </ul>
Implementation of the revised computerized government accounting system	<p data-bbox="984 743 1455 814">Administrative and Finance Office (AFO)</p> <ul style="list-style-type: none"> <li>• Processing of claims / maintenance of Books of Account / Reconciliation of accounts / coordination with other government offices</li> <li>• Preparation of budget-related materials and coordination of budget-related activities / meetings / processing of ROAs for PS, MOOE and Equipment Outlays / Preparation of sub-allotment and cash advances to MROs</li> <li>• Implementation of the New Government Accounting System (NGAS)</li> </ul>	
		PPO
		<ul style="list-style-type: none"> <li>• Formulation of SPT for MROs</li> </ul>
		MLAO
		<ul style="list-style-type: none"> <li>• Formulation of concrete measures to address graft and corruption concerns</li> <li>• Coordinate / facilitate the conduct of Seminar Workshop on Fraud Detection, Forging and Signature Verification for MARINA employees</li> </ul>
		MISO
		<ul style="list-style-type: none"> <li>• Implementation, improvement</li> </ul>

		of Document Tracking System (DTRACKS)	
		<ul style="list-style-type: none"> <li>• Implementation, review and revision of the Service Guide Manual</li> <li>• Updating and maintenance of MARINA website</li> <li>• Posting of flowcharts, documents, required fees, processing time and persons / officials responsible for the evaluation / approval of licenses / permits / proposals, including publication the RSGM</li> <li>• Improve ICT capability of all concerned MARINA officials /employees in coordination with HRDD/AFO including ICT organization development Office of the Administrator (OADM)</li> <li>• Implementation of audit-related activities</li> </ul>	
Enforcement of ethical standards	Establish counterpart desk (DOTC Action Center)	AFO	<ul style="list-style-type: none"> <li>• Strict enforcement of the IRR on RA 6713</li> </ul>
	Strictly implement IRR on RA 6713 (e.g. Random conduct of lifestyle check)	MLAO	<ul style="list-style-type: none"> <li>• Prosecution / disposition / resolution of cases / investigation of complaints involving MARINA employees</li> <li>• Conduct study on how to implement “lifestyle check” of MARINA employees to include submission of recommendation / proposal to Management</li> </ul>
Effective delivery of frontline services	Maximize the use of Information Communication Technology (ICT) developments (MARINA ISP including on-line processing)	DSO/OSO/MDO/SBSR	<ul style="list-style-type: none"> <li>• Implement existing procedures relating to application systems for the effective delivery of frontline / support services</li> </ul>
		MDO	<ul style="list-style-type: none"> <li>• Participation in the</li> </ul>

preparatory activities in the development of E-Documentation System with DOLE as the lead agency

- Oplan “Bilis Release”

#### AFO

- Human Resource Management-related activities
- Administrative and general services
- Record management
- Cash collection and disbursement
- Adopt / implement monitoring system on compliance / prompt settlement of advances, suspensions and disallowances

#### MISO

- Develop / implement enhance information / application systems for the effective delivery of frontline / support services

#### OADM

- Monitoring the effectiveness of PES implementation

## Philippine Maritime Industry Strategic Action Plan

### CONTINUING GOALS

Projecting the image of a responsible and strong maritime industry

Sound and strong Republic

### OPR/ACTIVITIES

Restore Public confidence in government agencies regulating the maritime sector

All Offices

#### OADM

- Educate media on the different type of ships and restore passenger confidence in shipping

#### PPO

- Continuous streamlining of documentary requirements and rationalizing processing time

#### MLAO

- Address graft and corruption in order to bring down informal costs and other illegal toll fees and strictly implement RA 6713

Modern classed vessels

DSO

- Educate cargo owners on the use of classed vessels

PPO

- Study policies of other countries for the creation of a classification system for RPG class requirement for vessels which are 500GT and below
- Phase out of unclassified vessels
- Have a safety policy for wooden-hulled vessels and motorized bancas
- Have a replacement program for phased-out vessels including special financing (Maritime Equity Fund) for replacement tonnage and have an overall vessel retirement program
- Revisit the minimum requirements for the improvement of shipping companies and ship management companies

Superior customer service

MISO

- Operate in an e-business environment – payments, issuances of bill of lading

Excellent safety records

DSO/OSO

- Strictly enforce ISM, NSM, safety inspection system and review/rationalize the maritime safety rules and regulations

DSO

- Rationalize minimum manning with requirements compared with best benchmark and harmonize this with the Certificate of Inspection issued to vessel operators
- Review and rationalize authorized passenger capacity policies

Serving our trade – our competitiveness; achieve economies of scale; reduce the cost of doing business

DSO/OSO

- Have an integrated transport plan which will provide inter-modal and multi-modal transport
- Allow the construction of hub ports

DSO

- Establish domestic feeder routes and achieve economies of scale
- Have regions understand their competitive advantage. Conduct a study on the top commodities coming from the different regions, identify the infrastructure needed to properly service these commodities, then put in the vessels needed to efficiently service the cargo. Undertake a major re-engineering of

trade practices, logistics and transport modes based on the study

- Identify plans and programs for agricultural development and influence a policy shift for investments in agricultural infrastructure
- Study and unbundle cargo handling costs and other non-transparent costs

OSO

- Implement the policy that government-owned cargo should be bought FOB and sold C & F
- Carry at least 50% of our import and export trade by 2010

SBSR

- Revise Immigration and Customs regulations for underguarding of foreign vessels which are taken here for repair, like other countries

National policy that promotes investments and creates the most conducive environment for investors

DSO

- Push for the early passage of domestic shipping legislation allowing for incentives to and the deregulation of the domestic shipping sector
- Rationalize the basis for assessing the supervision fee to encourage capital infusion

OSO

- Craft and push for the early passage of the overseas shipping legislation that promotes equity ownership, makes our overseas shipping operators at par with the best competitor, and allows a larger sharing for foreign investments beyond 60% - 40%
- Push for the early passage of the overseas shipping incentives bill extending the benefits of RA 7471
- Push for the revision of the mortgage law to make it acceptable to foreign bankers
- Push for the ratification of the UNCTAD convention on maritime liens and mortgages

SBSR

- Push for the retention of ownership requirements of shipyards by foreigners up to 100%
- Push for the early passage of the legislation allowing for incentives to the shipbuilding and ship repair sectors

PPO

- MARINA to actively function as a promotion arm to attract investment in the shipping



industry

OADM

- Implement a program which will level the playing field for domestic operators in the BIMP-EAGA with that of their ASEAN competitors

Globally competitive

DSO/OSO

- Pursue tariff exemptions for importation of the industry
- Promote efficiency and transparency for cargo handling operations in our ports

OSO

- Have a strong political will to protect the integrity and sovereignty of the Philippine flag

PPO

- Push for the appointment of maritime attaches in strategic foreign ports

Prime employer of qualified seafarers

MDO

- Develop a special integrated program on how the domestic shipping industry can work with the schools to take on students on the third year college for onboard training
- Adopt standards for the training of domestic maritime manpower, implement programs for their continued training and upgrading, have domestic seafarers comply with standards set for the training of seafarers and create a pool of trained manpower
- Train and develop the expertise of our seafarers to become ship managers
- Focus on more stringent rules for schools and monitor its compliance with international standards
- Have the seafarers serving on domestic vessels compliant with QDC standards by mid 2003
- Have domestic seafarers included in the e-documentation system
- Push for the early implementation of the one-stop-shop for seafarers

## DIRECTORY

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### Central Office

PPL Bldg., 1000 United Nations Avenue  
Manila, Philippines  
Trunkline: (632) 523-8651 to 60  
Official Website: <http://www.marina.gov.ph>

### Office of the Administrator

Tel. No. 521-0107  
Fax No. 524-2746  
Local. 116, 129  
E-mail: [oadm@marina.gov.ph](mailto:oadm@marina.gov.ph)

**Atty. Oscar M. Sevilla**  
Administrator  
E-mail: [oms@marina.gov.ph](mailto:oms@marina.gov.ph)



**Capt. Jovito G. Tamayo, MNSA**  
Chief-of-Staff  
Tel. No. 521-0107  
Local. 117  
E-mail: [jgt@marina.gov.ph](mailto:jgt@marina.gov.ph)



### Office of the Deputy Administrator for Operations (ODAO)

Tel/Fax No. 526-0971  
Local. 125  
E-mail: [odao@marina.gov.ph](mailto:odao@marina.gov.ph)

**Atty. Lamberto V. Pia**  
Deputy Administrator  
E-mail: [lyp@marina.gov.ph](mailto:lyp@marina.gov.ph)



**Office of the Deputy Administrator for Planning (ODAP)**

Telefax. No. 524-6121  
Local. 115, 141  
E-mail: [odap@marina.gov.ph](mailto:odap@marina.gov.ph)

**Ms. Elenita C. Delgado, CESO V**  
Deputy Administrator  
E-mail: [ecd@marina.gov.ph](mailto:ecd@marina.gov.ph)



**Administrative and Finance Office (AFO)**

Tel. No. 524-2598  
Fax. No. 521-8511  
Local. 111  
E-mail: [afo@marina.gov.ph](mailto:afo@marina.gov.ph)

**Mr. Roberto C. Arceo, CESO V**  
Director II  
E-mail: [butch@marina.gov.ph](mailto:butch@marina.gov.ph)



**Franchising Office (FO)**

Tel/Fax No. 521-8045  
Local. 118, 120  
E-mail: [fo@marina.gov.ph](mailto:fo@marina.gov.ph)

**Atty. Gloria V. Bañas, CESO V**  
Director II  
E-mail: [gvbanas@marina.gov.ph](mailto:gvbanas@marina.gov.ph)



**Overseas Shipping Office (OSO)**

Tel/Fax No. 521-9526  
Local. 124  
E-mail: [oso@marina.gov.ph](mailto:oso@marina.gov.ph)

**Atty. Brenda V. Pimentel**  
Director II  
E-mail: [bvp@marina.gov.ph](mailto:bvp@marina.gov.ph)



**Shipyards Regulation Office (SRO)**

Tel/Fax No. 526-1244  
Local. 108. 144  
E-mail: [sro@marina.gov.ph](mailto:sro@marina.gov.ph)

**Engr. Rodolfo S. Llobrera**  
Director II  
E-mail: [rsl@marina.gov.ph](mailto:rsl@marina.gov.ph)



### **Ship Regulation and Licensing Office (SRLO)**

Tel/Fax No. 525-7212  
Local. 132, 139, 140  
E-mail: [mso@marina.gov.ph](mailto:mso@marina.gov.ph)

**Mr. Emerson M. Lorenzo, CESO V**  
Director II  
E-mail: [eml@marina.gov.ph](mailto:eml@marina.gov.ph)



### **Enforcement Office (EO)**

Tel. No. 521-6527  
Fax. No. 5284651  
Local. 126  
E-mail: [eo@marina.gov.ph](mailto:eo@marina.gov.ph)

**Engr. Bienvenido T. Ortiz, Jr.**  
Officer-In-Charge  
E-mail: [bingortiz@marina.gov.ph](mailto:bingortiz@marina.gov.ph)



### **Domestic Shipping Office (DSO)**

Tel/Fax No. 525-5030  
Local. 109, 123  
E-mail: [dso@marina.gov.ph](mailto:dso@marina.gov.ph)

**Mrs. Lilian T. Javier, CESO V**  
Director II  
E-mail: [ltj@marina.gov.ph](mailto:ltj@marina.gov.ph)



### **Management Information Systems Office (MISO)**

Tel No. 523-9076

Local 128  
E-mail: [miso@marina.gov.ph](mailto:miso@marina.gov.ph)  
**Mrs. Arhleen A. Romero, CESO V**  
Director II  
E-mail: [aar@marina.gov.ph](mailto:aar@marina.gov.ph)



**Planning and Policy Office (PPO)**

Tel/Fax. No. 525-7216  
Local. 130  
E-mail: [ppo@marina.gov.ph](mailto:ppo@marina.gov.ph)

**Ms. Myrna E. Calag, CESO V**  
Director II  
E-mail: [mec@marina.gov.ph](mailto:mec@marina.gov.ph)



**Maritime Legal Affairs Office (MLAO)**

Tel. No. 524-2752  
Local. 122, 135  
E-mail: [mlao@marina.gov.ph](mailto:mlao@marina.gov.ph)

**Atty. Manuel C. Portus**  
Officer-in-Charge  
E-mail: [c42s@marina.gov.ph](mailto:c42s@marina.gov.ph)



**Manpower Development Office (MDO)**

Tel. No. 528-4651  
Fax. No. 521-6527  
E-mail: [mdo@marina.gov.ph](mailto:mdo@marina.gov.ph)

**Mr. Liberato V. Frigillana**  
Director II  
E-mail: [lvf@marina.gov.ph](mailto:lvf@marina.gov.ph)



## Maritime Regional Offices

### Batangas MRO

2/F, Ramirez Bldg., Rizal Avenue Ext., Batangas City  
Tel. No. (043) 723-2327  
Fax No. (043) 723-1365  
E-mail: [marina04@mozcom.com](mailto:marina04@mozcom.com)

**Mrs. Myrna C. Clemino, CESO V**  
Regional Director  
E-mail: [mcc@marina.gov.ph](mailto:mcc@marina.gov.ph)

Extension Offices: Lucena  
Palawan



### Cagayan de Oro MRO

Phase II, Port Area, Cagayan De Oro City  
Tel. No. (088) 856-9104  
Fax No. (088) 856-9105  
E-mail: [cdomro@webgate.net.ph](mailto:cdomro@webgate.net.ph)

**Mr. Marianito D. Mendoza**  
Director II

Extension Office:  
Surigao



### Cebu MRO

2/F, Telof Bldg., Port Area, Cebu City  
Tel. Nos. (032) 232-4916/(032) 232-6052/(032) 232-6425  
Fax No. (032) 252-5759  
E-mail: [marina7@cvis.net.ph](mailto:marina7@cvis.net.ph)

**Atty. Glenn G. Cabañez**  
Regional Director

Extension Office: Tagbilaran



### Cotabato MRO

Cua Bldg., (former Aboitiz), Don Rufino Alonzo St., Cotabato City  
Telefax. No. (064) 421-3613  
E-mail: [marina12@microweb.com.ph](mailto:marina12@microweb.com.ph)

**Atty. Irving L. Saipudin**  
Regional Director

Extension Office: General Santos



### Davao MRO

2/F, Antonia Tan Bldg., Monteverde St., Davao City  
Tel. No. (082) 79-537  
Fax. No. (082) 221-1392  
E-mail: [marinaxi@interasia.com.ph](mailto:marinaxi@interasia.com.ph)

**Ms. Nannette V. Dinopol, CESO V**  
Regional Director



### Iloilo MRO

4/F, Arguelles Building  
402 E. Lopez St., Jaro, Iloilo City 5000  
Telephone No. (033) 329-4180  
Fax No. (033) 329-4188  
E-mail: [marina6@skyinet.net](mailto:marina6@skyinet.net)

**Ms. Mary Ann Armi Z. Arcilla**  
Regional Director  
Cellphone No.: (0918) 863-1486

Extension Office: Bacolod



### Northern Luzon MRO

2/F, Apostol Bldg., Quezon Avenue, Sevilla Norte, San Fernando, La Union  
Telefax No. (072) 242-7352  
E-mail Address: [norlumro@info.com.ph](mailto:norlumro@info.com.ph)

**Mr. Ricardo O. Romero, CESO V MNSA**  
Regional Director  
E-mail: [ricrom@marina.gov.ph](mailto:ricrom@marina.gov.ph)



### Legaspi MRO

2/F, RCBC Bldg., Rizal St., Legaspi City  
Tel. No. (05221) 214-3732, (052) 480-6353  
Fax. No. (052) 820-6682  
E-mail Address: [marinalc@digitelone.com](mailto:marinalc@digitelone.com)

#### **Ms. Lucita T. Madarang**

Regional Director  
E-mail Address: [rdmarina@digitelone.com](mailto:rdmarina@digitelone.com)

Extension Office: Masbate



### Tacloban MRO

3/F, Yutangco Building, P. Burgos St.  
6500 Tacloban City  
Tel. No. (053) 321-6264; (053) 321-9590  
Fax. No. (053) 325-5133  
E-mail: [marinaviii@evis.net.ph](mailto:marinaviii@evis.net.ph); [marinaviii@skyinet.net](mailto:marinaviii@skyinet.net)

#### **Engr. Jose Venancio Vero**

Regional Director

Extension Office:  
Catbalogan  
Maasin



### Zamboanga MRO

PMO Bldg., Port Area, Zamboanga City  
Tel. No. (062) 991-8876  
Fax. No. (062) 991-2614  
E-mail: [marinaix@mozcom.com](mailto:marinaix@mozcom.com)

#### **Engr. Bashiruddin U. Adil, CESO V**

Regional Director

Extension Office:  
Bongao de Tawi-tawi



**efefef**