

EXECUTIVE SUMMARY

Maximizing the use of its limited resources and translating negative events into challenges and opportunities, the MARINA in 2001 performed its mandated functions and recorded the following major accomplishments:

- **Further strengthened maritime safety.**

On the aspect of policy issuances, MC No. 165 providing for guidelines for the accreditation of classification societies and entities was issued. These accredited entities shall ensure that domestic vessels are properly constructed in accordance with the rules. Also, a notification to all shipping companies operating Philippine-flagged vessels in international waters on the need to comply with IMO's mandatory ship reporting system was issued under MC No. 168.

Companies were required to install onboard selected vessel types and tonnage groups a Global Positioning System (GPS) under Department Order No. 2001-46. With the GPS, immediate response can be provided in cases of maritime distress, as it will be able to give with high degree of accuracy the location of a ship.

The project on Promotion of Ship Inspection Systems and Technique in the Philippines continued to be undertaken. This JICA-assisted project aims to enhance the capability of MARINA personnel for ship inspection and safety management.

- **Provided assistance to smaller vessel operators**

Through the issuance of MC No. 167, the validity of the pro-poor reduced fees to cover the remaining unregistered motorboat/banca operators was extended.

- **Optimized operation of domestic vessels**

Through the issuance of MC No. 166, domestic shipowners/operators were allowed to expand and optimize the operation of their vessels in the overseas trade enabling them to compete with foreign shipowners in the carriage of Philippine cargoes by allowing the issuance of a Special Permit for temporary conversion of trading status covering one (1) year.

- **Enhanced shipbuilding/ship repair yards' facilities/capabilities**

With the implementation of the Maritime Industrial Park Project, a joint Project of MARINA and PHIVIDEA Industrial Authority, facilities for building new ships, an oil depot/petroleum tank farm, spare parts depot and a regional training center for maritime manpower are being offered to interested locators.

- **Improved competence of Filipino seafarers**

The issuance of several Memorandum Circulars namely: MC No. 163 providing revised rules on the issuance of Seafarer's Identification and Record Book; MC No. 164 providing rules governing the adoption and implementation of a Qualification Document Certification System in the domestic trade; MC No. 170 providing rules on the conduct of examination and issuance of license to major/minor patrons, boat captains and marine diesel mechanics, enhanced the competitiveness of Filipino seafarers.

- **Improved delivery of frontline services**

A streamlined checklist of documentary requirements and rationalized standard processing time has been adopted by virtue of MC No. 169. This issuance is in support of the anti-graft and corruption and red tape program of the government and in compliance with RA No. 7660. Furthermore, computerized systems in processing applications were continued to be developed and several enhancement-training programs for the MARINA personnel were continuously provided.

- **Efficiently processed applications**

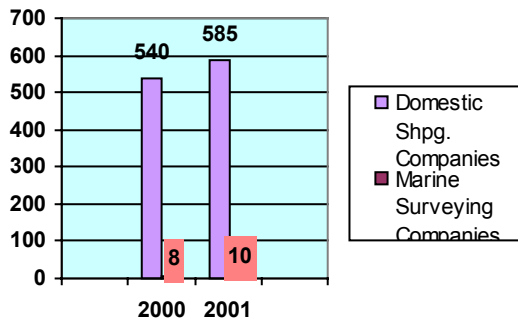
In line with its regulatory and supervisory functions, MARINA generated total annual revenue of P178.4 M in CY 2001.

REVIEW OF PERFORMANCE

REGULATORY AND SUPERVISORY FUNCTIONS

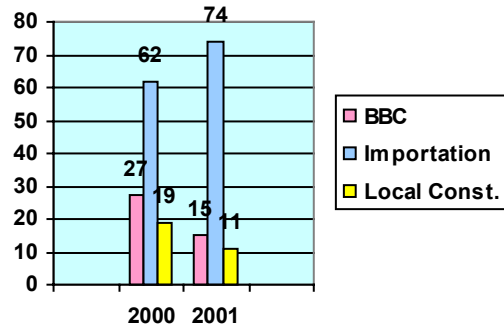
Domestic Shipping Sector

Accreditation of Domestic Shipping Companies and Marine Surveying Companies



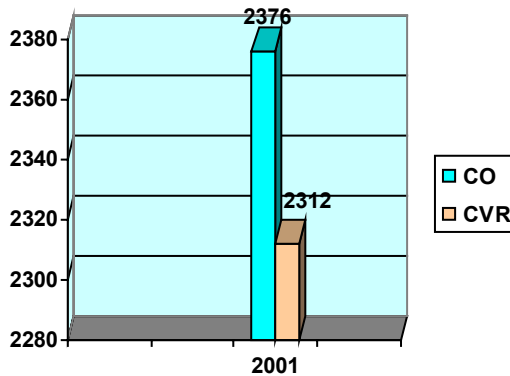
More companies sought MARINA accreditation. Issuance of accreditation certificates to domestic shipping and marine surveying companies increased by 8.33% and 25% in CY 2001, respectively.

Acquisition of Domestic/ Fishing Vessels



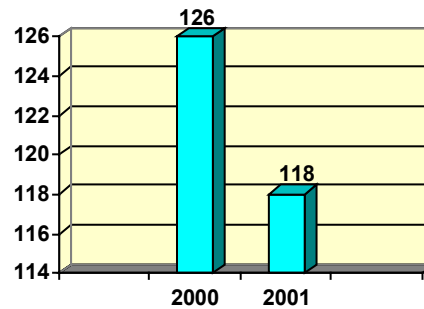
Vessel importation increased from 62 vessels in CY 2000 to 74 vessels in CY 2001. However, the total acquisition figure was pulled down by the decrease in bareboat chartering and local construction.

Registration of Domestic Vessels



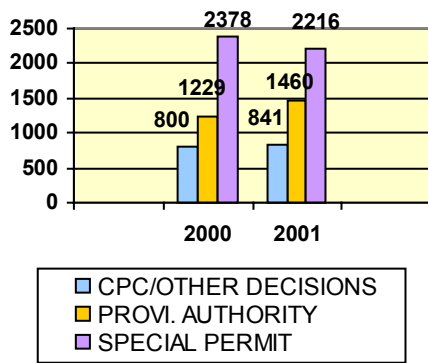
With the extension of the validity of the pro-poor reduced vessel fees, operations of 2,376 vessels were legalized.

SP Issued to Overseas Vessels Deployed for Domestic Trade



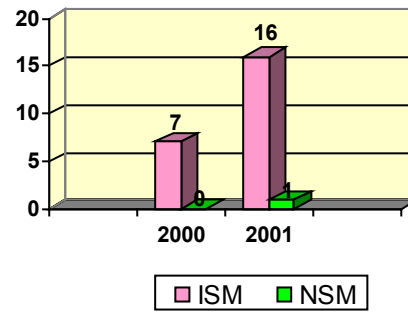
Issuance of Special Permit (SP) for overseas vessels to operate in the domestic trade decreased by 6.35% from 126 to 118 SPs in CY 2001. Acquisition of faster and more efficient vessels was observed in the domestic shipping sector.

Quasi-Judicial Issuances



In CY 2001, quasi-judicial issuances including other decisions issued by FO/MROs increased by 2.5% from 4,407 to 4,517 issuances. Both PAs and SPs also increased by 26.93% and 5.13%, respectively.

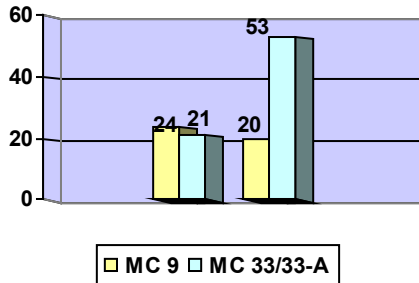
ISM Certification of Domestic Vessels



ISM Certification of domestic vessels increased in CY 2001 from 7 vessels to 16 vessels. These are vessels that complied with the International Safety Management (ISM) Code and have passed the audit conducted by ISM auditors.

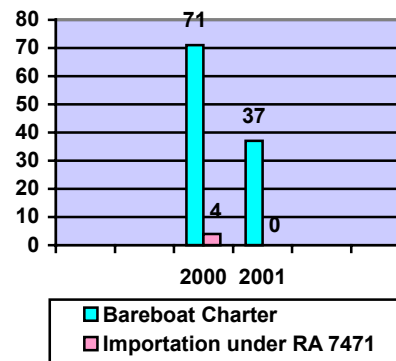
Overseas Shipping Sector

Accreditation of Overseas Shipping Companies under MC 9/33/ 33-A



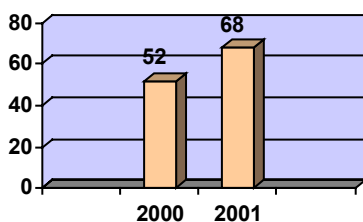
Issuance of accreditation certificate under MC 9/ 33/ 33-A increased by 68.18%. from 44 to 74 issuances.

Acquisition of Overseas Vessels



Acquisition through bareboat chartering and importation decreased by 50.67% in CY 2001.

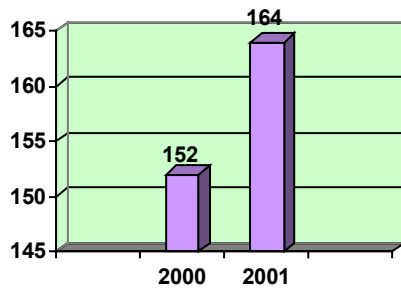
SP Issued to Domestic Vessels Deployed for Overseas Trade



Special Permits issued to domestic vessels for overseas trade increased by 30.77% with 68 SPs issued in CY 2001 as contrasted to 52 SPs issued in CY 2000.

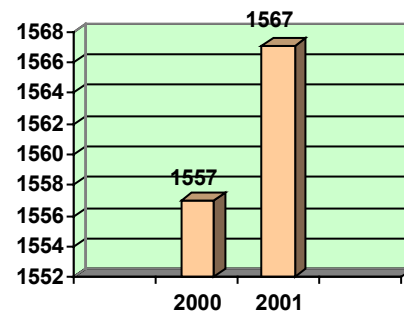
Shipbuilding and Ship Repair Sector

Licenses Issued/ Renewed to SBSR Enterprises



Licensing of SBSR enterprises increased by 7.89% with 164 licenses issued/ renewed in CY 2001, showing a renewed vigour of the sector.

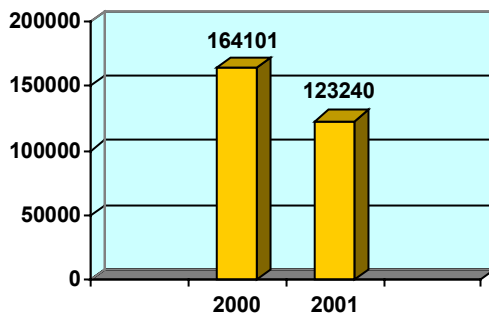
Vessel Plans Approval



Approval of vessel plans increased from 1,557 to 1,567 vessel plans in CY 2001.

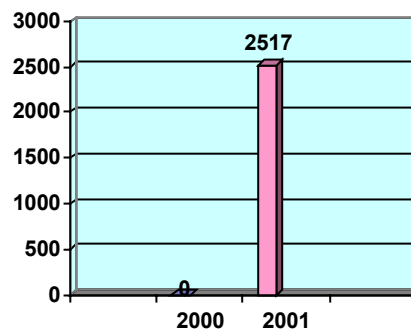
Maritime Manpower Sector

Issuance of Seafarers Identification and Record Book (SIRB)



Issuance of SIRB to seafarers decreased by 24.9% involving 40,861 issuances in CY 2001.

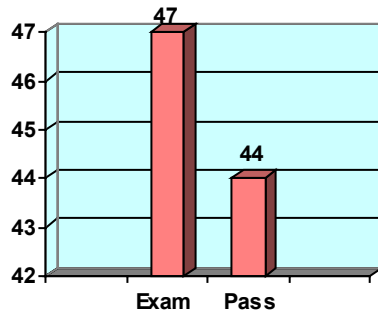
Issuance of Qualification Document Certificate (QDC)



Issuance of QDC to domestic seafarers started in August 2001 with 2,517 certificates issued.

Harbor Pilot Licensure

Forty-four (44) out of forty-seven (47) examinees passed the harbor pilot examinations conducted in twelve (12) pilot districts.



PROMOTIONAL AND DEVELOPMENTAL FUNCTIONS

In CY 2001, Department Orders were initiated and Memorandum Circulars were issued by MARINA to further promote safety of life and property at sea and make our seafarers more competitive globally.

Department Order

DO No. 2001-46 - Mandatory Installation of Global Positioning System (GPS)

This Department Order requires all tankers and high speed craft, passenger and general cargo ships 150 GT and above, fishing vessels 75 GT and above, and tugboats pushing/ pulling barges operating in the coastwise trade to install onboard a GPS by 01 October 2001. This is to further strengthen maritime safety through the provision of immediate response in cases of distress or any maritime incidents to be able to detect with high degree of accuracy the location of a ship for immediate response/ rescue operations.

DO No. 2001-47 - Mandatory Ship Reporting System (MSRS)

This Department Order serves as a means of promoting safety of life at sea, safety and efficiency of navigation, and protection of the marine environment. MSRS aims to ensure the constant monitoring of all vessels through submission of periodic reports by every vessel to MSRS Center while at sea. This Order covers all vessels engaged in the domestic trade that are covered by NTC Memo Circular No. 04-09-88.

DO No. 2001-49 - Recurrency Training Program for Masters and Chief Mates Onboard Ships Engaged in the Domestic Trade

This Department Order requires all Masters and Chief Mates onboard Philippine-flagged ships engaged in the domestic trade to undergo a recurrency

training on Safe Navigation and Collision Regulation in order to further improve the safety of life at sea and promote the protection of the marine environment.

Memorandum Circulars

MC No. 162 - New Fees and Charges

This Circular provides the fees and charges for other activities being performed by the MARINA.

MC No. 163 - Revised Rules on the Issuance of Seafarer's Identification and Record Book (SIRB)

This Circular amends MC 97 to further rationalize the procedures and policies for issuance of SIRB and to incorporate the relevant provisions of the Seafarer's Identity Document Convention 1958 (ILO Convention 108).

MC No. 164 – Rules Governing the Adoption and Implementation of a Qualification Document Certification System in the Domestic Trade

This Circular aims that all seafarers onboard domestic ship are properly certificated, qualified, competent and medically fit for the proper performance of functions onboard ships of at least 100 GT or of propulsion of at least 200 kW operating primarily in the domestic waters.

MC No. 165 – Rules on the Accreditation of Classification Societies and Entities for the Purpose of Classification of Ships in the Domestic Trade

This guideline addresses the need and clamor for the establishment of local classification societies – those local classification societies that can provide the services required to ensure that ships are properly constructed and maintained in safe condition through the imposition of rules governing ship construction, conduct of survey during building and throughout the ship's trading life.

MC No. 166 – Rules on the Utilization of Domestic Ships in the Overseas Trade/ Operation

This MC seeks to allow domestic shipowners/ operators to expand and optimize the operation of their vessels in the overseas trade and to be able to compete with foreign shipowners in the carriage of Philippine cargoes.

MC No. 167 – Extension of the Validity of the Pro-Poor Reduced Vessel Fees from 01 July 2001 to 30 June 2002

This Circular extends the validity of the pro-poor reduced fees to cover the remaining unregistered motorboat/ banca operators and boatbuilders.

MC No. 168 – Mandatory Ship Reporting Systems

This Circular gives notice to all shipping companies/ shipowners/ operators/ managers and masters of Philippine-flagged ships engaged in international voyages on the need to comply with the mandatory ship reporting systems adopted by the International Maritime Organization (IMO) through the Maritime Safety Committee (MSC).

MC No. 169 – Streamlined Checklist of Documentary Requirements and Rationalized Standard Processing Time (SPT)

This MC was issued in support of the anti-graft and corruption and red tape program of the government and in compliance with RA No. 7660 entitled “An Act Rationalizing the Structure and Administration of the Documentary Stamp Tax, Amending for the Purpose Certain Provisions of the National Internal Revenue Code, as Amended, Allocating Funds for Specific Programs, and for Other Purposes”.

MC No. 170 – Rules on the Conduct of Examination and Issuance of License to Major Patrons, Minor Patrons, Boat Captains and Marine Diesel Mechanics

This Circular aims to provide rules that shall govern the examination and licensure of Filipino seafarers to act as Major Patron (MAP), Minor Patron (MIP), Boat Captain (BC) and Marine Diesel Mechanic (MDM).

MC No. 171 – Rules on the Implementation of the Recurrency Training on Safe Navigation (SAFENAV) and Collision Regulation (COLREG) for Masters and Chief Mates Navigating Ships for Domestic Voyages

These rules aims to further promote safety of life and property at sea by strengthening and/or reinforcing the training of Masters and Chief mates on

navigation and collision regulations, including raising the level of alertness, consciousness and concern for the protection of marine environment of all officers acting as Masters and Chief Mates on ships operating in coastwise trade.

Projects

The following projects were undertaken by the MARINA in CY 2001, to wit:

Promotion of Ship Inspection Systems and Technique in the Philippines

This JICA-assisted project aims to enhance the capability of MARINA personnel for ship inspection and safety management, develop testing materials for ship inspection and provide necessary training equipment/ instruments to support the said project. Under this project, 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 (OJT) training in various shipyards covering site visitation, actual ship inspection, actual stability/ inclining test, mock company/ ship audits was undertaken.

Maritime Credit Corporation

This is a proposed undertaking to study the joint-ownership scheme in modernizing the domestic shipping fleet. A draft Terms of Reference (TOR) was submitted to NEDA for its evaluation and when found favorable, for subsequent submission to JICA. The said proposal is still pending with NEDA as of December 2001. Relative to this, two (2) seminars were conducted in the early part of 2001 in Manila and Cebu participated by private and government sectors.

Maritime Industrial Park Project (MIP)

The MIP is a joint project between MARINA and PHIVIDEC Industrial Authority (PIA) which offers facilities for building new ships, an oil depot/ petroleum tank farm, a spare parts depot and a regional research-training center for maritime manpower to be located/ situated in a 100-hectare site at Phividec Industrial Estate in Cagayan de Oro City. Invitation letters were sent to prospective SBSR investors/ locators for possible investment at MIP.

MARINA-SECOJ Shipboard Training Program

This is a joint project of the Maritime Industry Authority (MARINA) and the Maritime International Cooperation Center of Japan (MICC) now Seafarers' Employment Center of Japan (SECOJ) which aims to provide pre-sea training for two (2) months at the Maritime Technical College in Japan and twelve (12) months training onboard Japanese vessels. On 15 October 2001, the 12th batch composed of thirty (30) cadets was sent to Japan for training while in December 2001, the 11th batch composed of thirty six (36) cadets have completed their fourteen (14) month training program. To date, there are approximately six hundred thirteen (613) cadets trained under the said program.

ISO 9002: 1994 Certification

The MARINA continued to be recognized internationally through its certification under ISO 9002: 1994. Two external surveillance audits conducted were and the agency successfully passed them. In retrospect, MARINA obtained its quality certification in October 2000 in line with the implementation of the 1978 STCW Convention, as Amended.

Publications Published

The following publications were published/ printed and released by MARINA in CY 2001 and available to end-users.

1. Handbook of Information for the Management and Employees of the Maritime Industry Authority (MARINA)

This handbook contains basic information/ data necessary in the course of the Authority's day-to-day operation, which includes agency profile, industry profile covering the four (4) maritime sectors and directory assistance.

2. Maritime Industry Factbook

This factbook basically depicts the current situation/ trend of the maritime industry in Region XI. The information is generated from extensive research on the industry in Region XI and covers not only transport services but also the productive sector complementing the maritime industry (e.g., tourism activities, infrastructure facilities and other economic activities).

3. Philippine Ferry Guide Book

This is a collaborative work between the Maritime Industry Authority (MARINA) and the Japan International Cooperative Agency (JICA) published in March 2001 which aims to provide a general indication of travel itineraries of passenger-carrying vessels in the domestic trade and gives the public the general information pertaining to some tourist destinations in the country.

4. Data Book 2001

This data book is another joint publication by MARINA and JICA published in September 2001 containing general information/ data related to shipping.

IT DEVELOPMENT

In line with the implementation of the MARINA Information Systems (IS) Plan – Phase I covering CY 1996 to CY 2000, the Authority has gone a long way in terms of information technology. In CY 2001, the Management Information Systems Office (MISO) has developed/ improved the following:

WEBSITE

MARINA Website

The Agency operates and maintains its own website providing published and downloadable maritime-related policy issuances. The website also provides interactive query facilities on: a) seafarer-related record of issuances of STCW and SIRB as required by the STCW Convention and as mandated by EO 242 and the country's commitment to IMO; and b) Philippine registry of domestic vessels.

APEC Website

Prior to the Philippine hosting of the 20th APEC Transportation Working Group (TPT-WG) Meeting on 04 – 08 March 2002, an interactive registration was designed in house to provide on-line registration facility to interested participants here and abroad.

APPLICATION/ INFORMATION

SBSR Information System

This system was designed and developed to capture all the necessary information/ data of the SBSR companies including their accomplishments in terms of shipbuilding and ship repair made. As of December 2001, Phase I of the system development was already completed. Phase II covering report generation is expected to be completed in CY 2002.

DSO Application System (DSO AS)

DSO AS is also a computerized application system that will assist evaluators/ reviewers in evaluating and processing applications. This system aims to generate information/ data relative to applications on accreditation of domestic shipping companies, acquisition of vessels and SP for temporary change of vessel operation from overseas to domestic trade. Investigation of the system was already completed as of December 2001.

Vessel Inventory System (VIS)

This information system captures data on vessel registration, licensing and quasi-judicial/ franchise issuances. In CY 2001, the system was converted to Visual FoxPro for Windows for easy manipulation of data/ interface. Data inputting is continuously being updated to come up with the statistics in domestic operating vessels.

SYSTEMS

QDC Application System (QDC AS)

QDC AS is a computerized application system designed to improve efficiency and increase employee productivity by way of speeding up the processing of QDC applications. Implementation of the system in the central office is expected in the first semester of 2002 and shall subsequently be implemented in the regional offices.

E-COMMERCE PROGRAM

All government agencies are expected to implement E-Commerce Law by June 2002. Initially, the MARINA has already implemented its own website which particularly handles electronic data interchange between and among agencies involved in the implementation of STCW. The Agency is currently developing its backend processing by phase. It will give priority to business-to-business and government-to-business applications.

HUMAN RESOURCES

Personnel Complement

The Maritime Industry Authority (MARINA) has a total of 557 filled and unfilled positions both in the Central and Maritime Regional Offices (MROs). Below is the breakdown of personnel complement as of December 2001.

<i>Office</i>	<i>No. of Positions</i>
<i>Central Office</i>	<i>311</i>
<i>Maritime Regional Offices</i>	<i>233</i>
<i>Total Permanent Positions</i>	<i>544</i>
<i>Casual (Central Office)</i>	<i>4</i>
<i>Contractual (MROs)</i>	<i>9</i>
<i>Total Non-Permanent Positions</i>	<i>13</i>
<i>Grand Total</i>	<i>557</i>

Training and Development

Various in-house training programs were conducted for both technical and non-technical employees to develop and strengthen their capabilities. Foreign trainings related to shipping were also availed by technical personnel of MARINA.

Listed herewith are the local and foreign training programs conducted/attended in CY 2001:

Local

1. Gender Sensitivity Training
2. Technical Report Writing Course
3. Supervisory Development Course (Tracks 1, 2 & 3)
4. Values Orientation Workshop
5. Seminar on Public Accountability

Recruitment, Selection and Reward System

To rationalize the selection of personnel for appointment and promotion, the MARINA Merit and Promotion Plan (MPP) was revised. The Performance Management System (PMS) which was approved on 22 September 2000 was pilot tested. The Revised Policies on the Settlement of Grievances in MARINA and the Program on Awards and Incentives for Service Excellence (PRAISE) were duly approved by the Civil Service Commission (CSC) on 25 July 2001 and 26 November 2001, respectively.

Foreign

1. Maritime Affairs in Shipping Management
2. Training related to ISM Code
3. Counterpart Training Program on Promotion of Ship Insp. Systems and Technique
4. IMO Model Course 6.09 Training Course for Instructors
5. Marine Accident Investigation Training Course
6. Maritime Affairs on Maritime Safety and Environment Protection
7. International Maritime Conv. and Ship Safety Inspection
8. GTC: Coastal Shipping
9. Inland Waterways and Ferries Port Management
10. Inland Waterways and Ferries Traffic Eng'g. & Safety Course

Revenue generated & AGENCY ALLOTMENT

CY 2001

REVENUE GENERATED

<i>ACCOUNT TITLE</i>	<i>AMOUNT</i>
Fees and Charges under PD 474	56,542,266.58
Quasi-Judicial Fees under EO 1011	13,942,283.01
STCW* and Authentication	14,042,707.00
SIRB Issuances	62,926,740.00
Registration and Licensing**	27,024,995.97
Fines and Penalties	3,155,169.10
Miscellaneous Income	795,046.26

TOTAL	178,429,207.92
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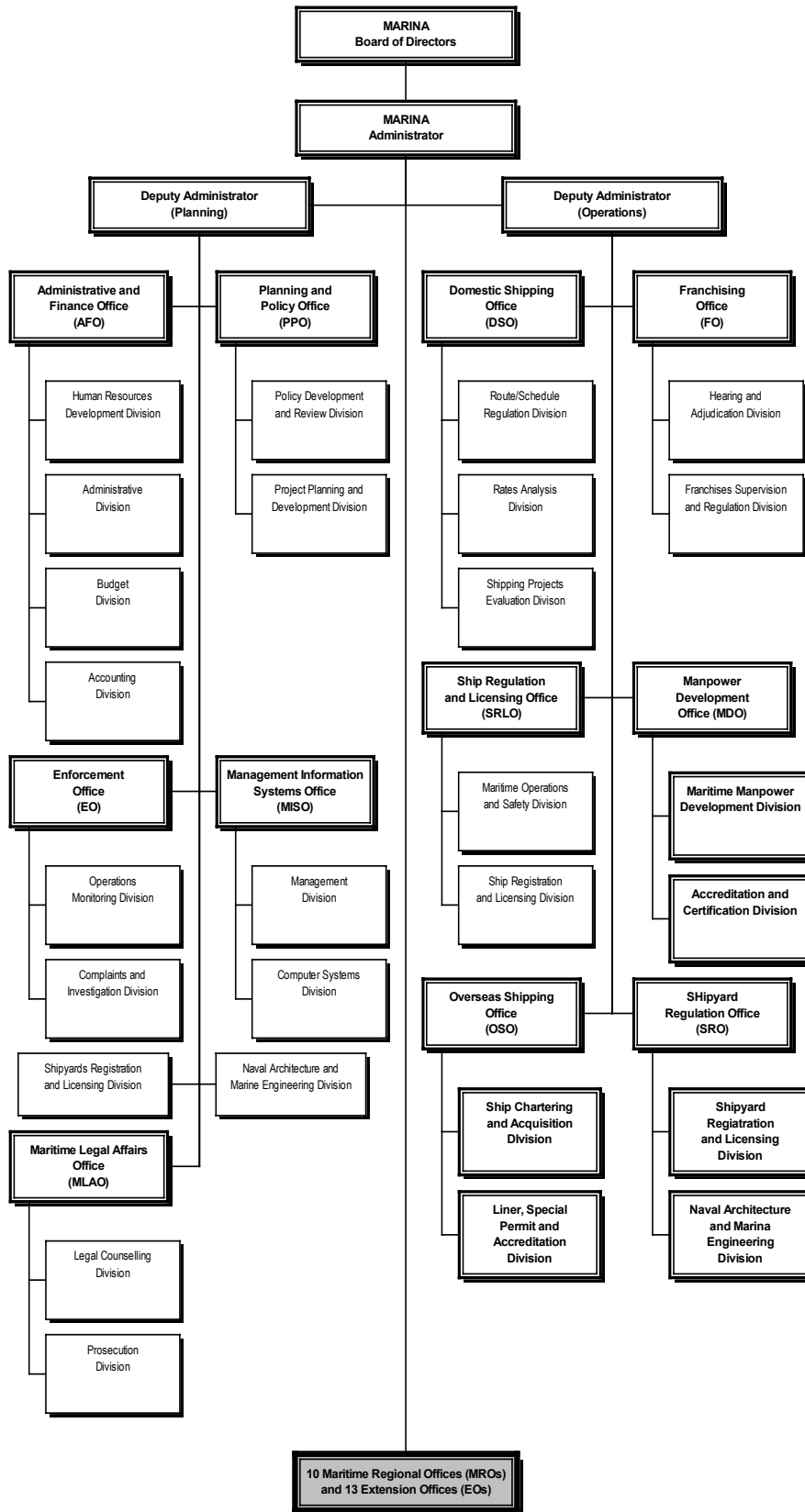
NOTE:

- * Transfer of STCW issuances to PRC (for officers) and TESDA (for ratings)
- ** Deputization of PCG on vessel registration and licensing functions (starting June 2001, revenue generated was no longer remitted to the account of MARINA)

AGENCY ALLOTMENT

<i>ITEM</i>	<i>AMOUNT</i>
Personal Services (PS)	107,020,342.00
Maintenance and Other Operating Expenses (MOOE)	135,981,738.00
Capital Outlay (CO)	2,034,455.00
Special Budget (SB)	39,237,830.98
TOTAL	284,274,365.98

ORGANIZATIONAL STRUCTURE



Management profile

THE MARITIME INDUSTRY BOARD

Chairman	Hon. Pantaleon D. Alvarez	DOTC
	:	-
Vice-Chairman	Hon. Oscar M. Sevilla	MARINA
	:	-
Members	Hon. Jose T. Tale	OP
	:	-
	Hon. Alfonso M. Cusi	PPA
	:	-
	Hon. Pedro Vicente Mendoza	DTI/PSB
	:	-
	Hon. Marietto Enecio	DBP
	:	-
	Hon. Ruben F. Ciron	DND
	:	-
	Hon. Carlos C. Salinas	Private Sector Rep.
	:	-
Secretary	Atty. Gloria V. Bañas (Acting)	MARINA
	-	-

THE MANAGEMENT

Administrator	- Atty. Oscar M. Sevilla
Chief of Staff	- Capt. Jovito G. Tamayo
Deputy Administrator for Operations	- Atty. Lamberto V. Pia
Deputy Administrator for Planning	- Elenita C. Delgado

THE DIRECTORATE CENTRAL OFFICE

Domestic Shipping Office	- Emerson M. Lorenzo
Overseas Shipping Office	- Atty. Brenda V. Pimentel
Manpower Development Office	- Liberato V. Frigillana
Shipyard Regulations Office	- Engr. Rodolfo S. Llobrera
Franchising Office	- Atty. Gloria V. Bañas
Maritime Legal Affairs Office	- Atty. Hiyasmin H. delos Santos
Planning And Policy Office	- Myrna E. Calag
Management Information Systems Office	- Myrna C. Clemino
Enforcement Office	- Arhleen A. Romero
Administrative & Finance Office	- Roberto C. Arceo
Ship Registration and Licensing Office	- Capt. Jovito G. Tamayo

MARITIME REGIONAL OFFICES

Batangas MRO : Romeo R. Gagui
Lucena Extension Office
Palawan Extension Office

Cebu MRO : Atty. Glenn G. Cabañez
Dumaguete Extension Office
Tagbilaran Extension Office

Tacloban MRO : Engr. Jose Venancio Vero, Jr.
Catbalogan Extension Office
Maasin Extension Office

Zamboanga MRO : Engr. Bashiruddin U. Adil

Iloilo MRO : Mary Ann Armi Arcilla
Bacolod Extension Office

Davao MRO : Nanette V. Dinopol
Gen. Santos Extension Office

Northern Luzon MRO : Ricardo O. Romero
Aparri Extension Office

Legaspi MRO : Lucita T. Madarang
Masbate Extension Office

Cotabato MRO : Atty. Irving L. Saipudin

Cagayan de Oro MRO : Marianito D. Mendoza
Surigao Extension Office