

Republic of the Philippines Department of Transportation and Communications MARITIME INDUSTRY AUTHORITY



MARINA CIRCULAR NO. 2016-02 SERIES OF 2016

5

TO : ALL DOMESTIC SHIPOWNERS/SHIP OPERATORS AND ALL CONCERNED

SUBJECT

REVISED RULES ON THE PHASE OUT OF WOODEN-HULLED SHIPS CARRYING PASSENGERS IN DOMESTIC SHIPPING

Pursuant to Presidential Decree No. 474, Executive Order No. 125, as amended, Republic Act No. 9295 and its revised/amended Implementing Rules and Regulations (IRR), and the Manila Statement on Enhancement of the Safety of Ships Carrying Passengers on Non-International Voyages, the following rules are hereby prescribed:

### I. OBJECTIVES

These rules are prescribed to:

- 1. Adopt and promote standards for enhanced ship safety and for safer service in accordance with applicable conventions and regulations;
- 2. Implement the retirement provisions of Republic Act No. 9295 and its revised/amended IRR on all wooden-hulled ships carrying passengers in domestic shipping;
- Promote the use of modern ship design and technologically improved alternative hull materials that are safe, resilient and environmentally-friendly;
- 4. Ensure compliance with the appropriate minimum competency, license, training and certification requirements for officers and ratings serving on board wooden-hulled ships carrying passengers in domestic shipping;
- 5. Enhance the safe operation of wooden-hulled ships carrying passengers in domestic shipping; and,

 Consider the limitations and restrictions to navigational areas/waters in the Philippines under which wooden-hulled ships are allowed to operate.<sup>1</sup>

### II. COVERAGE/EXEMPTIONS

This Circular shall apply to all Philippine-registered wooden-hulled ships carrying passengers in domestic shipping **except**:

- 1. Wooden-hulled ships used for river crossings;
- 2. Wooden-hulled ships employed solely and exclusively, whether in daytime or nighttime navigation, in DOT-identified tourist destinations for the purpose of direct transfer to and from a resort/hotel, engaging in scuba diving, dolphin, whale and whale shark watching, island hopping, sports fishing and other similar tourist and/or sports and recreational activities, and other similar/analogous determined by cases as may be the Administration;
- 3. Wooden-hulled ships exempt from the requirement of securing a CPC under the 2014 Amendments to the Revised IRR of RA 9295.

Provided that the above ships are designed and constructed in accordance with MARINA Circular 2011-01, its subsequent amendments, and other existing ship safety rules and regulations, and subject to specific restrictions related to navigational safety. Ships which are not so designed and constructed must be submitted for evaluation by the Administration and, if required, must undergo retrofitting, alteration or modification as per MARINA Circular No. 2015-07 prior to their continued operation.

#### III. DEFINITIONS

For purposes of this Circular, the following terms are defined as:

- "Authority to operate" refers either to the Certificate of Public Convenience (CPC), Provisional Authority (PA), or Special Permit (SP) issued to a domestic ship operator to engage in domestic shipping.
- 2. "Administration" refers to the Maritime Industry Authority (MARINA).

<sup>&</sup>lt;sup>1</sup>Pursuant to MARINA Memorandum Circular No. 2015-03, Series of 2015 on the categorization of navigational areas/waters in the Philippines.

- 3. "Certificate of Public Convenience" or "CPC" refers to the franchise or authority issued by MARINA to a domestic ship operator to engage in domestic shipping.
- 4. "Domestic shipping" refers to the transport of passengers or cargo, or both, by ships duly registered and licensed under Philippine law to engage in trade and commerce between Philippine ports and within Philippine territorial or internal waters, for hire or compensation, with general or limited clientele, whether permanent, occasional or incidental, with or without fixed routes, and done for contractual or commercial purposes.
- 5. "Fully-served routes" refer to those routes wherein the public need and/or demand for water transport is sufficiently met on a daily basis.
- 6. *"Navigational or navigable areas<sup>2</sup>"* refers to the identified parameters or categorization in classifying areas or waters in the Philippines as *"protected water"*, *"coastal water"* and *"open sea"*.
- 7. "Passenger" refers to persons embarking on, on board, or disembarking from a ship engaged in domestic shipping to include the following such as, but not limited to, those who are paying, nonpaying, minor, infant, holding discounted or complimentary tickets and/or accommodated passengers, including those passengers who are accompanying cargoes, vehicles or animals.

The following do not come under the definition of a passenger:

- 7.1 the master and the members of the crew or other persons employed or engaged in any capacity on board a ship on the business of that ship;
- 7.2 a person carried either because of the obligation laid upon the master to carry shipwrecked, distressed or other person by reason of force majeure.
- 8. *"Phase out"* refers to the government program that seeks the retirement or stoppage of operations of wooden-hulled ships carrying passengers in domestic shipping, over a period of time as prescribed in this Circular.
- 9. *"Provisional Authority"* refers to a temporary authority which may be issued pending the issuance of a CPC, provided the issuance falls under any of the circumstances enumerated in Section 7.1.8, Rule III of the 2014 Amendments to the Revised Rules and Regulations

<sup>&</sup>lt;sup>2</sup> Provided in MARINA Circular No. 2015-03 entitled: Rules on Categorization of Navigational Areas/Waters in the Philippines.

Implementing Republic Act No. 9295 (hereinafter referred to as the "2014 Amendments") or its subsequent amendments.

- 10. "*River Crossing*" refers to the act of traversing, in not more than fifteen (15) minutes, between and among river boundaries with smooth waters/current conditions, by ships which are not more than 15 GT.
- 11. "Special Permit" refers to the temporary authority to operate issued by the Administration to a domestic shipowner/operator under Section 7.8.2, Rule III of the 2014 Amendments.
- 12. "Wooden-hulled ship" refers to a ship whose hull is made of wood; this includes wooden ships coated with fiberglass and other materials, and broadly includes motor bancas or motor boats with or without outriggers.
- 13. "2014 Amendments" refers to the 2014 Amendments to the Revised Rules and Regulations Implementing Republic Act No. 9295 entitled "An Act Promoting the Development of Philippine Domestic Shipping, Shipbuilding, and Ship Repair and Ship Breaking, Ordaining Reforms in Government Policies towards Shipping in the Philippines, and for Other Purposes".

### IV. GENERAL PROVISIONS

- 1. The operation of existing wooden-hulled ships carrying passengers in domestic shipping shall be phased out in accordance with the conditions specified in this Section.
- The continued operation of such wooden-hulled ships shall be subject to the transitory provisions and compliance with additional safety conditions, competency, licensing, training and certification requirements as provided in ANNEX "A" hereof.
- The safety conditions to be complied with shall refer to the Woodenhulled Ship Construction Survey attached as ANNEX "B".
- 4. Wooden-hulled ships with existing CPC may continue to operate in their authorized routes/area of operation under the following conditions:
  - 4.1 As to validity for routes where there are no steel-hulled ships or ships with aluminum, fiberglass or any other technologicallyimproved hull material serving the route – until the phase out period provided in Annex "A" hereof.

- 4.2 as to additional safety, competency and operational requirements compliance with the conditions as prescribed in Annex "A".
- The minimum competency, licensing, training and certification requirements for the officers and ratings of wooden-hulled ship provided in Columns C (2) and (3) of ANNEX "A" shall be in accordance with existing MARINA rules and regulations.
- 6. Upon the lapse of the phase out period, or in case of noncompliance with the conditions for continued operation before the phase out period prescribed under Annex "A", such ships may convert to cargo operations or operations specified under Section II of this MC and their CPCs shall be accordingly modified or cancelled. The owner/operator thereof may also manifest their intention to continue operation in the passenger trade using a ship with an alternative hull material by filing the corresponding application.
- 7. Nothing herein shall, however, be construed as to preclude MARINA from authorizing wooden-hulled ships to operate in existing or new routes; provided, a MARINA market study and an industry certification from duly recognized national shipping associations such as, but not limited to, Philippine Inter-island Shipping Association (PISA), Philippine Liner Shipping Association (PLSA), Lighterage Association of the Philippines (LAP), Philippine RORO Operators Association (PROA) and Visayan Association of Ferry Boat and Coastwise Shipowners Operators (VAFSCO) show that operation in said routes is necessitated by a strong demand for passenger domestic shipping service and that such demand can only be addressed by shipowners/operators of wooden-hulled ships.

Should any national shipping association unduly refuse to issue such certification, MARINA is not precluded to exercise its overriding authority and thereby allow the continued operation of woodenhulled ship operators sans said certification.

#### V. SPECIFIC PROVISIONS

- In reference to Annex "A" of this Circular, owners/operators of wooden-hulled ships in the categories provided in Column (A) shall comply with additional conditions provided in Column (C) for their continued operation before the phase out period provided in Column (B);
- 2. Issuance/Extension/Renewal of CPR for wooden-hulled ships shall be filed at the MARINA Central Office (MCO) or MARINA Regional

Offices (MROs) where the wooden-hulled ship is homeported <sup>3</sup>. It is understood that the provisions of MC 2015-03 on the Categorization of Navigational Areas shall be strictly applied in the registration and licensing of wooden-hulled ships.

 Officers and crew of wooden-hulled ships carrying passengers in domestic shipping shall, at all times, fully comply with the minimum competency, license, training and certification requirements under existing MARINA rules and regulations.

### VI. TRANSITORY PROVISIONS

- 1. The validity of the CPC, as amended or modified, shall not exceed the phase out period provided in **Column B** of **ANNEX** "A" hereof.
- The continued operation of ships carrying passengers in domestic shipping shall depend on their full compliance with the safety, competency, license, training and certification requirements and the operational and navigational restrictions imposed in Column C of ANNEX "A" not later than the expiry date of their current Passenger Ship Safety Certificate (PSSC).
- 3. The above notwithstanding, operators of wooden-hulled passenger ships may be temporarily allowed to continue in operation in their existing authorized route/s provided that:
  - 3.1 the route is not fully served, as defined under Section III of this Circular and as established by a market study conducted by MARINA, by operators of steel-hulled ships or ships with aluminum, fiberglass or any other technologically-improved hull material; the continued operation of wooden-hulled passenger ships shall be allowed until the services of operators of ships with technologically-improved hull material sufficiently meet the demand for passenger shipping services therein; or,
  - 3.2. there are no alternative passenger shipping services provided and/or available in the route/s presently served by them; the continued operation shall be allowed until the entry of new operator(s) therein with ships that are steel-hulled or with aluminum, fiberglass or any other technologically-improved hull material; or,
  - 3.3 there is absence of port/berthing facilities for steel-hulled ships or ships with aluminum, fiberglass or any other technologically-improved hull material; the continued

<sup>&</sup>lt;sup>3</sup> MARINA Advisory No. 2015-09 entitled: RENEWAL OF THE REGISTRATION OF WOODEN-HULLED SHIPS

operation shall be allowed until such time that the needed port/berthing facilities are constructed or made available; or,

- 3.4 there are natural and/or physical limitations of the ports served; the continued operation shall be allowed until such time that said port limitations are addressed.
- 4. Existing CPC/SP/PA or other temporary authority issued to wooden-hulled ships operating in routes that are fully served by steel-hulled ships or ships with aluminum, fiberglass or any other technologically-improved hull material shall be preterminated/cancelled six (6) months from notice. However, such ships may apply with MARINA, free of any charge or payment, for conversion to cargo operations or operations specified under Section II of this MC.

In routes that are not fully served by operators of steel-hulled ships or ships with aluminum, fiberglass or any other technologicallyimproved hull material, the CPC of wooden-hulled ship operators shall be allowed to expire and shall be terminated/cancelled only upon its expiration or upon the onset of the applicable phase out period, whichever comes first.

- 5. All valid and existing authorities to operate issued to owners/operators of wooden-hulled ships are hereby ordered amended or modified accordingly by the provisions of this Circular. The MARINA Central Office (MCO) or the MARINA Regional Offices (MROs) shall re-issue, free of any charge or payment, the new/amended/modified authority to operate and shall require the submission of the original CPC/PA/SP.
- 6. Save for those mentioned under item II and subject to the conditions under Annex "A" hereof, approval of ship's plans and/or construction and registration of wooden-hulled ships shall no longer be allowed. There shall likewise be no issuance/extension/renewal of authority to operate such ships.
- 7. The above provisions notwithstanding, MARINA is not precluded from authorizing wooden-hulled ships to operate in existing or new routes upon a showing that based on a market study and an industry certification from duly recognized national shipping associations, the continued operation of wooden-hulled ships is indispensable.

#### VII. INSTITUTIONAL SUPPORT MECHANISMS

1. Within three (3) months from date hereof, the MARINA shall coordinate closely with the Development Bank of the Philippines (DBP), Board of Investments (BOI), Office of Transport

Cooperatives (OTC), local government units (LGUs), and other relevant institutions for the development of appropriate and affordable financing facilities, schemes, and incentives for the acquisition and construction of ships with modern design, or of steelhulled ships or ships with aluminum, fiberglass or any other technologically-improved alternative hull material that are safe, resilient and environmentally-friendly.

- 2. Coordination with the Philippine Ports Authority (PPA), Cebu Ports Authority (CPA), and other port authorities shall also be undertaken by MARINA for the purpose of construction of ports and/or berthing facilities to address the port/berthing limitations in certain routes/areas.
- 3. MARINA shall likewise coordinate with and seek the assistance of the DBP, the LGUs, the Society of Naval Architect and Marine Engineers (SONAME), national shipping associations, shipbuilding and ship repair (SBSR) associations, professional ship/boat building associations (Shipyards Association of the Philippines, Boating Industry Association of the Philippines), and other relevant institutions to encourage and promote interest among Filipinos including Overseas Filipino Workers (OFWs), particularly seafarers retiring from employment or permanently settling in the country, to engage in ship building and/or ship owning.
- 4. The assistance and active involvement of the Philippine Coast Guard (PCG), the Philippine National Police (PNP) Maritime Group and the LGUs shall likewise be sought for the implementation and enforcement of the provisions of this Circular.

### VIII. ADMINISTRATIVE SANCTIONS, FINES AND PENALTIES

The following fines and penalties shall be imposed on the shipowner/operator found to have committed any violation of this Circular after due notice and hearing:

Violation		Fines and Penalties				
		100 GT and Above	15 GT – 99.99 GT	Below 15 GT		
1.	Operation of the wooden- hulled ship without passing the MARINA reinspection.	P100,000 plus suspension of operations until MARINA reinspection	P50,000 plus suspension of operations until MARINA reinspection	P10,000 plus suspension of operations until MARINA reinspection		
2.	Operation of the wooden- hulled ship without	P500,000 plus suspension of operations until proof is shown that	P100,000 plus suspension of operations until proof is shown that	P50,000 plus suspension of operations until proof is shown that		

	deploying the qualified officers and rating.	qualified officers and rating are deployed.	qualified officers and rating are deployed.	qualified officers and rating are deployed.
3.	Operating the wooden- hulled ship in violation of the service and navigational restrictions.	P200,000	P100,000	P50,000
4.	Operating the wooden- hulled ship without new/modified/ amended authority to operate (CPC/PA/SP).	P500,000 plus suspension of operations until submission of new/modified/am ended authority to operate.	P100,000 plus suspension of operations until submission of new/modified/ame nded authority to operate.	P50,000 plus suspension of operations until submission of new/modified/ amended authority to operate.

Any and all other violations of the provisions of this Circular not included above shall be penalized as follows:

100 GT and Above	+	P200, 000.00
15 GT to 99.99 GT	-	P100, 000.00
Below 15 GT	<b>1</b>	P 50, 000.00

### IX. REPEALING CLAUSE

MARINA Memorandum Circular No. 190 is hereby repealed. Relevant provisions of the 2014 Amendments to the Revised Rules and Regulations Implementing RA 9295, all other issuances, rules and regulations, circulars, orders, and decisions inconsistent with this Circular are hereby amended/modified accordingly.

### X. SEPARABILITY CLAUSE

Should any provision or part of this Circular be declared by competent authority to be invalid and unconstitutional, the remaining provisions or parts thereof shall remain in full force and effect and shall continue to be valid and effective.

#### XI. EFFECTIVITY CLAUSE

This Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Manila City, Philippines, 29 April 2016.

BY AUTHORITY OF THE BOARD:

MAXIMO Q MEJIA, JR, PHD Administrator

### SECRETARY'S CERTIFICATE

This is to certify that MARINA Circular No. <u>2016-02</u> has been approved during the 240<sup>th</sup> Regular Meeting of the Maritime Industry Authority (MARINA) Board of Directors held on 29 April 2016.

ATTY. VIRGILIO B. CALAG Assistant Board Secretary

Date of Publication: 27 May 2016 Business Mirror Date of Submission to ONAR:

ANNEX "A"



### Republic of the Philippines Department of Transportation and Communications MARITIME INDUSTRY AUTHORITY



### REQUIREMENTS FOR THE CONTINUED OPERATION BEFORE THE PHASE OUT PERIOD OF WOODEN-HULLED SHIPS CARRYING PASSENGERS IN DOMESTIC SHIPPING

(A)	(B)			(C)			
CATEGORY BY SHIP SIZE	1 - 1 - 1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -	PHASE OUT PERIOD	ADDI (1) Safety Requirements	TIONAL CONDITIONS FOR CO (2) Minimum Competency and License Requirement	(3) Training and Certification Requirement for Officers and Ratings in the Deck and Engine Departments	PHASE OUT PERIOD (4) Service Restrictions	(5) Navigational Restrictions
100 GT and above	01 January 2019	Must have passed the MARINA Re-Inspection using the Wooden- hulled Ship Construction Survey attached as Annex "B". Upon passing the safety inspection, Amendment or modification of their CPC to reflect service restrictions.	As prescribed and in accordance with existing MARINA rules and regulations	As prescribed and in accordance with existing MARINA rules and regulations	Daytime operations only.	To refer to their ship license. Required to observe tides and currents in their areas of operation	
15.00 GT- 99.99 GT	01 July 2018	Must have passed the MARINA Re-Inspection using the Wooden- hulled Ship Construction Survey attached as	As prescribed and in accordance with existing MARINA rules and regulations	As prescribed and in accordance with existing MARINA rules and regulations	Daytime operations only.	Protected Waters only and required to observe tides and currents in their areas of	

	-	Annex "B".				operation
		Upon passing the safety inspection, Amendment or modification of their CPC to reflect service restrictions.				
Below 15.00 GT	01 January 2018	Must have passed the MARINA Re-Inspection using the Wooden- hulled Ship Construction Survey attached as Annex "B".	As prescribed and in accordance with existing MARINA rules and regulations	As prescribed and in accordance with existing MARINA rules and regulations	Daytime operations only.	Protected Waters only and required to observe tides and currents in their areas of operation.
8		Upon passing the safety inspection, Amendment or modification of their CPC to reflect service restrictions.				

### ANNEX "B"



Republic of the Philippines Department of Transportation and Communications MARITIME INDUSTRY AUTHORITY Shipyard Regulations Service



## WOODEN HULLED SHIP CONSTRUCTION SURVEY (MARINA CIRCULAR No. 2011-01)

# 1. SHIP'S GENERAL INFORMATION

.1 GENERAL PARTICULARS	
Name of Ship	
Type of Ship	
Owner/s	
Date of Keel Laying	
Date of Construction	
Name of Builder	
Date of Plans Approved	
Date of Survey	
Location of Survey	
Length Overall (m)	
Breadth (m)	
Depth (m)	
Date of Filing	
Date of Payment	
OR No.	
Trading Area	

Make	Туре	KW/Rating
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Type of Application	Type of	Type of Vessel		
New Construction	Passenger	□ Fishing		
□ Alteration	Cargo	Tourism		
Conversion		□ Service		
Modification		□ Others		
Re-Built				
□ Others				

## 2. SURVEY EVALUATION

2.1 HULL CONSTRUCTION		NO	REMARKS
<ul> <li>The recommended wood material suitable for moulded hull construction as per MC 2011-01 on Rules for Construction of Wooden Hulled Ships and Wooden Hulled Boats with outriggers</li> </ul>			
<ul> <li>The scantling of each structural member is according to the wood speicies material grouping as per MC 2011-01.</li> </ul>			

2.2 OUTRIGGERS AND FLOATERS		NO	REMARKS
<ul> <li>The recommended material and number of outrigger arms is suitable and sufficient to ensure the stability of the boat as per MC 2011-01.</li> </ul>			
<ul> <li>The recommended material and number of floaters is suitable to ensure sufficient strength and buoyancy against heeling as per MC 2011-01.</li> </ul>			
2.3 SUBDIVISION OF BULKHEAD			
<ul> <li>The location and number of transverse bulkheads enough to contain flooding and prevent capsizing per MC 2011-01</li> </ul>			
2.4 MAIN PROPULSION & STEERING		-	
• The horsepower is sufficient and the steering arrangement is satisfactory such that the boat can safely maneuver in all anticipated operating conditions per MC 2011-01			

2.5 ELECTRICAL	
<ul> <li>The electrical power source is sufficient to maintain the boat in normal operations and habitability conditions per MC 2011- 01</li> </ul>	
2.6 NAVIGATION LIGHTS	
<ul> <li>The navigation lights are provided and shall be controlled by an indicator panel</li> </ul>	
2.7 LOAD LINE AND FREEBOARD	
<ul> <li>The boat has sufficient freeboard in accordance with MC 2015-06 on the Revised Rules and Regulations on Survey, Assignment of Maximum Load Line Marking and Certification of Philippine Registered Motor Boat with or without Outriggers Carrying Passengers.</li> </ul>	
2.8 MEANS OF ACCESS AND ESCAPE	
<ul> <li>The passenger gangway is able to support safe embarkation and disembarkation of passengers.</li> </ul>	
<ul> <li>The means of escape is adequate from any spaces</li> </ul>	
2.9 LIFE SAVING APPLIANCES	
<ul> <li>The life jackets are adequate to take account the number of person the boat is certified to carry.</li> </ul>	

Note: All other rules and regulation on the design, construction and safety of wooden-hulled ships shall be complied accordingly.

I hereby certify that the ship has been surveyed and the pertinent documents were evaluated accordingly as per requirements of MC 2011-01, Rules and Regulations for Wooden-hulled Ships with or without Outriggers and other applicable rules and regulations on the design, construction and safety of wooden-hulled ships.

Attested by:

Printed Name and Signature

Noted by:

Printed Name and Signature