

MARINA CIRCULAR NO. 06
Series of 2006

**TO : ALL SHIPPING OWNERS / COMPANIES / OPERATORS,
MANAGERS, BAREBOAT CHARTERERS OPERATING IN THE
DOMESTIC TRADE AND ALL OTHERS CONCERNED**

**SUBJECT : REVISED GUIDELINES IN THE ISSUANCE OF SPECIAL
PERMIT (SP) TO OPERATE SHIPS IN THE DOMESTIC
TRADE DUE TO MERITORIOUS CIRCUMSTANCES**

Pursuant to Section 1.1.5, Rule II, and Section 2, Rule XIX of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9295, the following guidelines are hereby adopted by the Maritime Industry Authority (MARINA) Board during its 175th Regular Meeting held on 18 September 2006:

I. OBJECTIVES:

This Circular aims to:

1. Provide guidelines to enable any domestic shipowners/operators to provide shipping services to any coastal area, island or region in the country where such services are necessary for the development of the area, to meet emergency sealift requirements, or when public interest so requires; and
2. Allow a wider flexibility for shipowners/operators in the operation of its fleet, in recognition of special circumstances that warrant the issuance of Special Permits pursuant to the deregulation policy of government.

II. COVERAGE:

This Circular shall cover all shipowners/operators with valid Certificate of Public Convenience (CPC) to operate Philippine-registered domestic liner and/or tramp ships carrying passengers and/or cargoes.

III. GENERAL PROVISIONS:

1. No domestic shipowner/operator shall deviate from its CPC- authorized routes/areas of operation, and/or from the latest published/ authorized schedules/ frequencies, where applicable, except upon the grant of Special Permit by the MARINA.

2. The issuance of Special Permit shall only be applicable to all shipowners/operators with valid CPC to operate Philippine-registered domestic liner and/or tramp ships carrying passengers and/or cargoes.
3. A Special Permit shall be issued for a period of (30) days or a fraction thereof, and may be extended but only up to an aggregate period of ninety (90) days, on a per circumstances basis, as identified in Section IV hereof.

IV. INSTANCES COVERED:

The issuance of Special Permit shall be warranted under any of the following instances:

1. Operation in routes/links/ports/areas of operation where CPC holder is not authorized (specially during fiesta, peak season, etc.);
2. Charter of ship as substitute for a drydocked/inoperational ship;
3. Operation in routes/ports/ links where there are no existing operators;
4. Public clamor, evidenced by Endorsement/Petition or Resolution of Sangguniang Bayan or Panlalawigan.
5. In case of transfer of a ship from one CPC holder to another CPC holder, where the ship will be operated in the same route, while the documents are being transferred in the name of the new owner; Provided, that an application for amendment of CPC for permanent addition of the ship to the fleet of the new owner is filed with the MARINA;
6. In case of operation of a newly-acquired ship (through importation, bareboat charter, lease purchase, lease irrevocable purchase, local sale or local construction) which is an addition to the fleet of a CPC holder; Provided that an application for amendment of CPC for permanent addition of the ship to its fleet is filed with the MARINA;
7. Navigation trips and marine research/ studies as requested by maritime institutions and other related entities;
8. Sea trial for new ships;
9. When such services are necessary for the development of any coastal area, island or region in the country;
10. To meet emergency sealift requirements;

11. Force majeure; or,
12. When public interest so requires as when to insure the uninterrupted service of ships in the domestic trade specially, but not limited to, peak season.

V. DOCUMENTARY REQUIREMENTS:

The following documentary requirements shall be submitted/complied with:

1. Notarized Application in the prescribed form;
2. Valid ship documents/ship safety certificates;
3. Proof of Payment of Processing Fee;
4. Other documents as may be required.

VI. PROCEDURE:

1. The application for Special Permit shall be filed with the Central Office or the Maritime Regional Office (MRO) where the applicant was granted its CPC.
2. Only applications with complete documentary requirements shall be accepted. Applications with incomplete requirements shall be returned to the applicant.
3. The applicant shall pay the following fees:

Steel-hulled ships	P2,340.00/ship
Aluminum-hulled or fiber glass ships or combination of both or any other type of hull	P2,340.00/ship
Wooden-hulled ship	
- For ships 35 GT and above	P1,500.00/ship
- For ships below 35 GT	P625.00/ship
Expedite Fee (1/2 of standard processing time)	Application fee X 2

4. An Expedite Fee shall be paid for applicants for SP that will be processed using half the standard processing time used for regular processing. Such applications should be filed before noon of the day of intended release. Applications filed after noon shall be released the next working day.

5. Upon favorable evaluation of the application, an Order shall be issued granting the Special Permit; otherwise, the application shall be denied.

VII. SANCTIONS:

The following administrative fines shall be imposed upon a company found to have violated/ contravened any provision of this Circular:

First Offense	-	P 50,000.00
Second Offense	-	P 100,000.00 plus suspension of CPC
Third Offense	-	Revocation of CPC

VIII. REPEALING CLAUSE:

MARINA Advisory No. 2005-005, dated 28 October 2005, entitled: "Issuance of Special Permit to Operate Ships in the Domestic Trade Due to Meritorious Circumstances" and any rules, regulations inconsistent herewith, are hereby repealed/ modified accordingly.

IX. EFFECTIVITY CLAUSE:

This Memorandum Circular shall be published once in a newspaper of circulation and shall take effect fifteen (15) days after publication.

Manila, Philippines, 06 October 2006

BY AUTHORITY OF THE MARINA BOARD:

(Sgd.) VICENTE T. SUAZO, JR.
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. 2006-006 has been approved by the MARINA Board in its 175th Regular Board Meeting held on 18 September 2006.

(Sgd.) ATTY. VIRGILIO B. CALAG
Acting Corporate Board Secretary

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