

## **MEMORANDUM CIRCULAR NO. 11**

**TO : SHIPPING COMPANIES, SHIPOWNERS AND SHIP OPERATORS**

**SUBJECT : FREEZING OF DOMESTIC SHIPPING OPERATIONS**

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Pursuant to the MARINA-BOT Memorandum of Agreement dated August 10, 1976 and in line with the government's program on rationalization of domestic shipping operations, you are hereby informed of the following:

1. The concept of freezing shall be limited to persons, corporations, firms or association owning and/or operating vessels which:
  - 1.1 offer their services to the public indiscriminately;
  - 1.2 have regular ports of call/destination;
  - 1.3 have fixed sailing schedules(arrival-departure patterns) and sailing frequencies; and
  - 1.4 charge rates fixed by the Board of Transportation
2. Freezing of Domestic Shipping operations is the act of maintaining, for a certain period of time, the operations of common carriers along trade routes presently plied and schedules presently followed on a one-vessel-one route-and-schedule basis.
3. The project aims to provide stability in the inter-island shipping industry; ensure the reliability and regularity of shipping services in the areas served; enable the government to identify trade routes that are overtonnaged or undertonnaged; inform the government of the demand-supply situation in domestic shipping operations; and serve as an input to the Maritime Industry development program.
4. Those falling under item(1) are required to file applications for the issuance of Provisional Authority to Operate (PA) during the period May 12, 1977 to June 30, 1977.
5. Newly-established firms with existing vessels must likewise file their applications for the issuance of PA's on the route previously endorsed by the MARINA.
6. Nine (9) application letters shall be established in the following areas to accept all applications for PA's:
  - 6.1 BOT Office - Quezon City

- 6.2 Aparri, Cagayan
  - 6.3 San Jose, Mindoro Occidental
  - 6.4 Legaspi, Albay
  - 6.5 Cebu City
  - 6.6 Iloilo City
  - 6.7 Cagayan de Oro City
  - 6.8 Zamboanga City
  - 6.9 Davao City
7. A team composed of BOT, MARINA and PCG personnel will accept all application papers in the above registration centers to be housed at the Coast Guard Station located in those areas, except for metro Manila where applications shall be submitted to the BOT Office in Quezon City.
8. The following documents shall be submitted in support of the application :
- 8.1 A copy of the applicant 's latest Annual Report , or, in the case of a new firms :
    - i. A Statement of Invested Capital
    - ii. Estimated income and expenses for at least a period of two(2) months
  - 8.2 Copies of the Certificate of Philippine Registry , Certificate of Ownership , Certificate of Inspection , Seaworthiness , Certificate of Admeasurement and Coastwise License and /or Bay and River License.
  - 8.3 A map or sketch showing their proposed route , including distance in nautical miles, ports of operation and home port.
  - 8.4 Proposed schedule of trips and number of voyage per calendar year.
  - 8.5 Two(2) copies of 3"x5" photograph of the vessel(s)
  - 8.6 Copy of the Articles of Incorporation and By Laws of the firm

- 8.7 Certified statement of Assets and Liabilities as of the latest date, together with a schedule showing an itemized list of income from each vessel.
9. The PA to be thus issued shall be effective for a period of one(1) year and shall coincide with the duration of the freezing project.
10. All existing PA and CPC holders as May 1, 1977 are likewise required to file an application for records /notation purposes.
11. The Philippine Coast Guard is hereby deputized to apprehend vessel(s) operating without PA's as treated herein.

Manila, Philippines, this 19<sup>th</sup> day of May 1977.

GENEROSO F. TANSECO  
Administrator  
MARITIME INDUSTRY AUTHORITY

LEOPOLDO M. ABELLERA  
Chairman  
BOARD OF TRANSPORTATION

COMMO. SIMEON M. ALEJANDRO, AFP  
Commandant  
PHILIPPINE COAST GUARD