

MEMORANDUM CIRCULAR NO. 50

TO : ALL SHIPPING COMPANIES, SHIPOWNERS/SHIOPERATORS, CHARTERERS, PUBLIC SERVICE (WATER TRANSPORT) OPERATORS, OTHER MARITIME ENTITIES AND OTHERS CONCERNED

SUBJECT : REVISED SCHEDULE OF PENALTIES AND/OR ADMINISTRATIVE FINES

Pursuant to the provisions of Executive Orders Nos.125 and 125-A, Presidential decree No.474 as amended, and the Public service act, as amended (Com. Act. No 146, as amended), the penalties/administrative fines for various violations shall be, as follows:

1. VIOLATIONS UNDER PUBLIC SERVICE ACT, AS AMENDED:

1.1 For operating without valid Certificate of Public Convenience (CPC) or Provisional Authority (PA):

1.1.1 Without CPC/PA but application for CPC pending - P500 per day of operation without CPC/PA or any authorization or P25,000.00 whichever is higher for vessel of 501 GRT and above; P300 per day of operation without CPC/PA or any authorization or P10,000.00 whichever is higher for vessel of 101-500 GRT, and P100 per day of operation without CPC/PA or any authorization or P5,000.00 whichever is higher for vessel of 100 GRT and below, without prejudice to issuance of cease and desist order.

1.1.2 Without CPC/PA and no CPC application pending - P1,000 per day of operation without CPC/PA or P50,000 whichever is higher for vessel of 501 GRT and above; P500 per day of operation without CPC/PA or any authorization or P25,000.00 whichever is higher for vessel of 101-501 GRT P200: P200 per day of operation or P10,000.00 whichever is higher for vessel of 100 GRT and below, without prejudice to issuance of cease and desist order

1.2 For willfully and deliberately issuing tickets for a particular voyage in excess of the maximum authorized passenger capacity of the vessel:

1.2.1 First Offense - Ten Thousand Pesos(10,000.00)

1.2.2 Second offense - Ten thousand Pesos(10,000.00) and recommendation for suspension of certificate of public Convenience or provisional Authority for thirty (30) days.

- 1.2.3 Third offense - Ten thousand pesos(P10,000.00) and recommendation for indefinite suspension of Certificate of public Convenience or Provisional Authority.
- 1.3 For carrying passengers in excess of the authorized passenger capacity:
 - 1.3.1 First offense - P100.00 per excess passenger
 - 1.3.2 Second Offense - P100.00 per excess passenger and recommendation for suspension of Certificate of Public Convenience or Provisional authority for thirty (30) days.
 - 1.3.3 Third Offense - P100.00 per excess passenger and recommendation for indefinite suspension of the Certificate of Public Convenience or Provisional Authority.
- 1.4 For unilateral withdrawal or abandonment of the route without prior authorization or permit from the MARINA.
 - 1.4.1 First Offense - P200.00 per day of withdrawal or abandonment of service from the authorized route.
 - 1.4.2 Second Offense – P200.00 per day of withdrawal or abandonment of service and recommendation for suspension of Certificate of Public Convenience or Provisional authority for thirty (30) days.
 - 1.4.3 Third Offense – P200.00 per day of withdrawal or abandonment and a recommendation for indefinite suspension of Certificate of Public Convenience or Provisional Authority.
- 1.5 For operating the vessel without updated and valid Certificate Of Inspection/Coastwise License/Radio Station License, each violation considered a separate offense:
 - 1.5.1 First Offense – P200.00 per day of invalidity or
 - 1.5.2 Second Offense – P200.00 per day of invalidity or lapsation and recommendation for suspension of Certificate of Public Convenience or Provisional Authority for thirty(30) days.
 - 1.5.3 Third Offense – P200.00 per day of invalidity or lapsation and recommendation for suspension of Certificate of public Convenience or Provisional Authority for thirty(30) days.
- 1.6 For non-payment of annual supervision fee:
 - 1.6.1 First Offense – Amount of supervision fee already due plus 50% thereof as surcharges.

- 1.6.2 Second Offense – Amount of supervision fee already due plus 50% surcharges and recommendation for suspension of Certificate of Public Convenience or Provisional Authority for thirty (30) days.
- 1.6.3 Third Offense – Amount of supervision fee already due plus 50% surcharge and recommendation for indefinite suspension of Certificate of Public Convenience or Provisional Authority.
- 1.7 For unauthorized omission of ports of call:
 - 1.7.1 First Offense – P1,000.00 per day of unauthorized omission of port(s) of call.
 - 1.7.2 Second Offense - P1,000 per day of unauthorized omission of port/s of call and recommendation for suspension of the Certificate of Public Convenience or Provisional Authority.
 - 1.7.3 Third Offense – P1,000 per day of unauthorized omission of port of call and recommendation for indefinite suspension of the Certificate of Public Convenience or Provisional Authority.
- 1.8 For unauthorized increase of passenger capacity:
 - 1.8.1 First Offense – P1,000 per day of unauthorized increase of passenger capacity, if the unauthorized increase of passenger capacity does not exceed ten(10) passengers; P2,000.00 per day if the unauthorized increase of passenger does not exceed twenty(20) passengers; provided, however that this Authority may impose P100 per day of unauthorized increase in passenger per day or P10,000 whichever is higher, at the discretion of the of the Authority.
 - 1.8.2 Second Offense – P1,000 per day of unauthorized increase of passenger capacity and recommendation for suspension of the Certificate of Public Convenience or Provisional Authority for thirty (30) days.
 - 1.8.3 Third Offense – P1,000 per day of unauthorized increase of passenger capacity and recommendation for indefinite suspension of the Certificate of Public Convenience or Provisional Authority.
- 1.9 For unauthorized deviation of route:
 - 1.9.1 First Offense – P1,000 per day of unauthorized deviation of route.

- 1.9.2 Second Offense – P1,000 per day of unauthorized deviation of route and recommendation for suspension of the Certificate of Public Convenience or Provisional Authority for thirty(30) days.
- 1.9.3 Third Offense – P1,000 per day of unauthorized deviation of route and recommendation for indefinite suspension of the Certificate of Public Convenience or Provisional Authority.
- 1.10 For unauthorized increase/reduction in rates (passenger and/or freight):
 - 1.10.1 First Offense – P1,000 per day of unauthorized increase/reduction in rates (passenger and/or freight).
 - 1.10.2 Second Offense – P1,000 per day of unauthorized increase/reduction in rates (passenger and/or freight) and recommendation for suspension of the Certificate of Public Convenience or Provisional Authority for thirty(30) days.
 - 1.10.3 Third Offense – P1,000 per day of unauthorized increase/reduction in rates (passenger and/or freight) and recommendation for indefinite suspension of the Certificate of Public Convenience or Provisional Authority.
- 1.11 For violation of time schedule:
 - 1.11.1 First Offense – P200 per day of violation of time schedule.
 - 1.11.2 Second Offense – P200 per day of violation of time schedule and recommendation for suspension of Certificate of Public Convenience or Provisional Authority for thirty (30) days.
 - 1.11.3 Third Offense – P200 per day of violation of time schedule and recommendation for indefinite suspension of Certificate of Public Convenience.
- 1.12 For failure to submit or for submitting short passenger manifest substantially short of the actual/passenger on board:
 - 1.12.1 First Offense – Ten Thousand Pesos (P10,000.00)
 - 1.12.2 Second Offense – Ten Thousand Pesos (P10,000.00) and recommendation for suspension of Certificate of Public Convenience or Provisional Authority for thirty (30) days.
 - 1.12.3 Third Offense – Ten Thousand Pesos (P10,000.00) and recommendation for indefinite suspension of Certificate of Public Convenience or Provisional Authority.

- 1.13 For operating without adequate/valid passenger insurance coverage:
- 1.13.1 First Offense – the minimum P200 or the amount of the fare per passenger, whichever is higher per day of inadequate passenger insurance coverage or non-coverage or policy expiration/lapsation.
 - 1.13.2 Second Offense – the minimum P200 or the amount of the fare per passenger, whichever is higher per day of inadequate passenger insurance coverage or non-coverage or policy expiration/lapsation and recommendation for suspension of the Certificate of Public Convenience or Provisional Authority for thirty (30) days.
 - 1.13.3 Third Offense – the minimum P200 or the amount of the fare per passenger, whichever is higher per day of inadequate passenger insurance coverage or non-coverage or policy expiration/lapsation and recommendation for indefinite suspension of the Certificate of Public Convenience or Provisional Authority.

2. VIOLATIONS UNDER P. D. NO. 474, AS AMENDED:

- 2.1 Non-compliance of post approval conditions on bareboat charter, importation, purchase/lease purchase/option to purchase vessels, including fishing vessels:
 - 2.1.1 First Violation
 - P2,000.00 per application
 - P200/document/day of default
 - 2.1.2 Second Violation
 - P4,000.00 per application
 - P400/document/day of default
 - 2.1.3 Third Violation
 - P6,000.00 per application
 - P600/document/day of default
- 2.2 Non-compliance of post approval conditions on Special Permits under P.D. 474, including fishing vessels:
 - 2.2.1 First Violation
 - P3,000.00 per application
 - P300/document or condition/day of default
 - 2.2.2 Second Violation
 - P5,000.00 per application
 - P500/document or condition/day of default

- 2.2.3 Third Violation
 - P7,000.00 per application
 - P700/document or condition/day of default

- 2.3 Operation of foreign registered vessel in the domestic trade/Philippine registered vessel in overseas trade, with expired bareboat charter agreement.
 - 2.3.1 First Violation
 - P10,000 + P1,000/operating
 - 2.3.2 Second Violation
 - P20,000 + P2,000/operating day
 - 2.3.3 Third and Succeeding Violation
 - P30,000 + 3,000 operating day

- 2.4 Operation of foreign registered vessel in the domestic trade/Philippine registered vessel in overseas trade, with expired bareboat charter agreement.
 - 2.4.1 First Violation
 - P10,000 + P1,000/operating day
 - 2.4.2 Second Violation
 - P20,000 + P2,000/operating day
 - 2.4.3 Third and Succeeding Violation
 - P30,000 + P3,000/operating day

- 2.5 Operation of foreign registered vessel in the Philippines without prior MARINA approval.
 - 2.5.1 First Violation
 - P10,000 + P1,000/operating day
 - 2.5.2 Second violation
 - P20,000 + P2,000/operating day
 - 2.5.3 Third and Succeeding Violations
 - P30,000 + P3,000/operating day

3. OTHER SANCTIONS IN FORCE

The sanctions provide under Rule VI of the Rules and Regulations to Implement Presidential Decree No. 760, as amended by Presidential decree Nos. 866 and 1711 promulgated for the bareboat charter of overseas vessels for temporary Philippine registry, shall continue to be in force.

4. DUE PROCESS AND HEARING

For violations under the Public Service Act, as amended, show cause orders shall be issued by the MARINA. The notice and hearing of the case shall be in accordance with the Interim Rules of Practice and Procedure in MARINA in the Exercise of its Quasi-Judicial Functions.

For purposes of imposing the fines, penalties and other sanctions, the MARINA shall require the Maritime entity concerned to explain in writing the circumstances of violation. The MARINA Maritime Legal Affairs Office and operating office concerned shall conduct a hearing unless waived by the respondent.

5. EFFECTIVITY

This Memorandum shall take effect fifteen(15) days after its publication in the official gazette or a newspaper of general circulation.

Manila, Philippines.

PHILIP S. TUAZON
Administrator

NOTED:

ARTURO C. MOJICA
Chairman
Maritime Industry Board

This is to certify that the Memorandum Circular No. 50 has been approved in the meeting of the Maritime Industry Board held on 26 July 1989.

PURITA C. CENTENO
Corporate Board Secretary