

MEMORANDUM CIRCULAR NO.66

TO : ALL OWNERS/OPERATORS OF INTER-ISLAND LINER VESSELS AND ALL CONCERNED

SUBJECT : IMPLEMENTING GUIDELINES ON THE ROLLBACK OF INTER-ISLAND LINER RATES.

Pursuant to the Order of the Maritime Industry Board dated 6 May 1992 authorizing a 6% rollback on inter-island liner shipping freight rates, the following guidelines in implementation thereof are hereby issued for compliance:

I. COVERAGE

The freight rate rollback of 6 percent shall be applicable to all common carriers engaged in inter-island liner shipping.

II. REVISED SCHEDULE OF FREIGHT RATE:

Taking into account the varied existing authorized freight rate levels, the following revised schedule of freight rates for each of these levels is hereby adopted:

1. For operator who are authorized to charge freight rates under MARINA MC No. 59.

Distance In n.m.	Class A		
	Minimum	Base	Maximum
0-100	91.2664 + (.6900)(dist.)	96.0698 + (.7262)(dist.)	100.8733 + (.7625)(dist.)
101-300	75.1708 + (.6438)(dist.)	79.1272 + (.6776)(dist.)	83.0836 + (.7116)(dist.)
301 and above	59.0754 + (.5979)(dist.)	62.1847 + (.6293)(dist.)	65.2939 + (.6608)(dist.)

Distance In n.m.	Class B		
	Minimum	Base	Maximum
0-100	73.0483 + (.5518)(dist.)	76.8930 + (.5808)(dist.)	80.7376 + (.6099)(dist.)

101-300	60.1368 + (.5148)(dist.)	63.3018 + (.5419)(dist.)	66.4668 + (.5691)(dist.)
301 and above	47.2784 + (.4774)(dist.)	49.7668 + (.5026)(dist.)	52.2552 + (.5277)(dist.)

Distance In n.m.	Class C		
	Minimum	Base	Maximum
0-100	59.3352 + (.4492)(dist.)	62.4580 + (.4728)(dist.)	65.5810 + (.4965)(dist.)
101-300	48.8741 + (.4192)(dist.)	51.4463 + (.4413)(dist.)	54.0187 + (.4633)(dist.)
301 and above	38.4109 + (.4192)(dist.)	40.4325 + (.4095)(dist.)	42.4541 + (.4300)(dist.)

Distance In n.m.	Class C (Basic)		
	Minimum	Base	Maximum
0-100	52.7424 + (.3993)(dist.)	55.5183 + (.4203)(dist.)	58.2943 + (.4413)(dist.)
101-300	43.4435 + (.3725)(dist.)	45.7302 + (.3922)(dist.)	48.0166 + (.4418)(dist.)
301 and above	34.1430 + (.3425)(dist.)	35.9400 + (.3639)(dist.)	37.7370 + (.3820)(dist.)

2. For operator who are authorized to charge freight rates under MARINA MC. 57.

Distance In n.m.	Class A		
	Minimum	Base	Maximum
0-100	84.5058 + (.6388)(dist.)	88.9535 + (.6725)(dist.)	93.4013 + (.7060)(dist.)
101-300	69.6026 + (.5961)(dist.)	73.2660 + (.6274)(dist.)	76.9292 + (.6588)(dist.)

301 and above	54.6994 + (.5536)(dist.)	57.5784 + (.5827)(dist.)	60.4573 + (.6118)(dist.)
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Distance In n.m.	Minimum	Class B Base	Maximum
0-100	67.6374 + (.5110)(dist.)	71.1973 + (.5379)(dist.)	74.7571 + (.5648)(dist.)
101-300	55.6822 + (.4767)(dist.)	58.6128 + (.5018)(dist.)	61.5435 + (.5269)(dist.)
301 and above	43.7763 + (.4421)(dist.)	46.0804 + (.4654)(dist.)	48.3843 + (.4886)(dist.)

Distance In n.m.	Minimum	Class C Base	Maximum
0-100	54.9399 + (.4159)(dist.)	57.8315 (.4379)(dist.)	60.7232 + (.4597)(dist.)
101-300	45.2538 + (.3882)(dist.)	47.6355 + (.4086)(dist.)	60.7232 + (.4290)(dist.)
301 and above	35.5657 + (.3601)(dist.)	37.4375 + (.3791)(dist.)	39.3094 + (.3981)(dist.)

Distance In n.m.	Minimum	Class C (Basic) Base	Maximum
0-100	48.8355 + (.3697)(dist.)	51.4059 + (.3892)(dist.)	53.9761 + (.4086)(dist.)
101-300	40.2256 + (.3450)(dist.)	42.3427 + (.3631)(dist.)	44.4598 + (.3814)(dist.)
301 and above	31.6139 + (.3202)(dist.)	33.2778 + (.3369)(dist.)	34.9417 + (.3538)(dist.)

3. For operators who are authorized to charge freight rates under MARINA MC. 46.

Distance In n.m.	Class A	Class B
0-100	71.1629 + (.5380)(dist.)	56.9578 + (.4303)(dist.)
101-300	58.6127 + (.5020)(dist.)	46.8902 + (.4014)(dist.)
301 and above	46.0627 + (.4661)(dist.)	36.8643 + (.3722)(dist.)

Distance In n.m.	Class C	Class C (Basic)
0-100	46.2475 + (.3502)(dist.)	42.8382 + (.3243)(dist.)
101-300	38.1084 + (.3269)(dist.)	35.2856 + (.3027)(dist.)
301 and above	46.0627 + (.3032)(dist.)	36.8643 + (.2808)(dist.)

4. For operators who are prescribed the 1986 freight rates by virtue of the Order dated 11 April 1986 authorizing a rate rollback which had been made applicable to all common carriers. This group would, therefore, include all liner shipping operators who are prescribed a general CISO rate level and who have not petitioned and have not been granted approval by government to charge rates higher than the CISO 1986 level rates.

Distance In n.m.	Class C	Class C (Basic)
0-100	46.2475 + (.3502)(dist.)	42.8382 + (.3243)(dist.)
101-300	38.1084 + (.3269)(dist.)	35.2856 + (.3027)(dist.)
301 and above	46.0627 + (.3032)(dist.)	36.8643 + (.2808)(dist.)

5. For non-banca operators who are not prescribed rates under the four above-mentioned rate levels, that is, those operators whose authorized rates are not following any of the general CISO rate levels (past or present).

For any specific rate(s) not covered under A-D above, the new reduced rate/s shall be computed generally as follows;

New Reduced Rates = (.94) x existing authorized rate

III. PENALTY

Any violation of, or failure of the operators to comply with, the guidelines/conditions herein above set forth shall constitute a sufficient ground for the suspension/revocation or cancellation of the vessel's franchise of Certificate of Public Convenience, as the case may be, in addition to the penalties prescribed under Public Service act, as amended and other relevant circulars, rules and regulations of this Authority.

IV. EFFECTIVITY

These guidelines shall take effect 10 days after its publication in the Official Gazette or a newspaper of general circulation.

Manila, Philippines, 6 May 1992.

PHILIP S. TUAZON
Administrator