MEMORANDUM CIRCULAR NO. 158

To : All Owners/Operators of Inter-Island Vessels

Engaged in the Carriage of Cargoes

Subject: Adoption of the Cargo Service Rating System

Pursuant to Section 2 Presidential Decree No. 474 which provides that the Maritime Industry Authority shall effectively supervise, regulate and rationalize the organizational management, ownership and operations of all water transport service and, upon approval by the MARINA Board of Directors in it 153rd Regular meeting on 06 September 2000, a Cargo Service Rating System (CSRS) is hereby adopted and to be implemented by this Authority in accordance with the following provisions:

1. Rationale

The CSRS is a system of assessing and rating the cargo shipping services of Philippine-registered vessels which are given the appropriate authority to operate in the domestic trade. The system aims to foster improved cargo service standards for the public and promote competition as well as efficiency among shipping operators.

2. Coverage

The CSRS shall be applied to the following vessels of 500 gross tons and above engaged in the transportation of cargoes in the domestic trade.

- Roro
- Container
- Lolo
- General Cargo
- Passenger-carrying vessels in combination with the above cited vessel type.

3. Conduct of rating System

The conduct of this rating system on applicable vessels shall be made in accordance with the Manual of Procedure to Implement the Cargo Service Rating System as adopted hereof inclusive of subsequent amendments to be made thereto. Such conduct shall be made on a yearly basis except when a covered vessel gets a provisional grade as provided for under Section 4.2 hereof.

4. Grading System

4.1 The Grading System shall cover the following service elements of the vessel with the corresponding maximum points under consideration:

| SERVICE ELEMENTS | POINTS | |
|--|----------|---------|
| 1) Space | 5 | |
| 2) Equipment for securing cargo | 50 | |
| 3) Cargo handling equipment | 10 | |
| 4) condition of access | 5 | |
| 5) Cargo monitoring system | 5 | |
| 6) Mode of cargo delivery | 5 | |
| 7) Damage prevention | 20 | |
| 8) Vessels Documents | | |
| | Presence | Absence |
| Cargo Securing Manual | 0 | -1 |
| Cargo Storage Plan | 0 | -1 |
| Watertight Compartments, | 0 | -1 |
| Opening and Closure Plan | | |
| ■ Cargo Gear Safety | 0 | -1 |
| Certificate | | |

4.2 The overall grade of a vessel is classified as follows:

| <u>Grade</u> | Adjectival Rating: |
|--------------|--------------------|
| Above 09 | Excellent |
| 81-90 | Superior |
| 50-80 | Standard |
| Less than 50 | Provisional |

A vessel with a provisional grade has to undergo another rating after six months to determine compliance with desired improvement.

4.3 Posting/Publication of Results

Results of the survey shall be posted at the ports and/or published in the newspaper of general circulation fifteen (15) working days after the conduct of the rating system following Section 3 above.

4.4 Should it become necessary to quantify shipper's assessment of the vessel's cargo services, coordination with relevant government agencies shall be encouraged with that end in view properly guided by terms and conditions mutually agreed upon.

5. Effectivity

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

Manila, Philippines <u>06 September 2000.</u>

BY THEAUTHORITY OF THE BOARD:

ATTY.OSCAR M. SEVILLA
Administrator

SECTRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No.<u>158</u> has been approved during the 153rd Regular Meeting of the Maritime Industry Board held on 06 September 2000.

ATTY. GLORIA VICTORIA-BAÑAS

Acting Corporate Board Secretary

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