



MARITIME INDUSTRY AUTHORITY

MEMORANDUM CIRCULAR NO. DS-2019-02

Series of 2019

**TO : ALL DOMESTIC SHIPOWNERS OR OPERATORS
AND ALL CONCERNED**

**SUBJECT : REVISED RULES IN THE GRANT OF MISSIONARY STATUS
FOR RORO AND SIMILAR TYPE OF SHIPS**

Pursuant to Presidential Decree No. 474, Executive Order (EO) Nos. 125/125-A, Section 10 of Republic Act No. 9295 and EO 170 and its subsequent amendments, the following rules are hereby adopted:

I. OBJECTIVES

1. To provide rules in the grant of Missionary Status for Roll-On/ Roll-Off (RORO) and similar type of ships;
2. To provide rules in the availment of corresponding incentives granted to the vessels operating in missionary routes; and
3. To support the Road Roll-On/Roll-Off Terminal System (RRTS) Project under the 10-Year Maritime Industry Development Plan (MIDP) Program 1 entitled "Upgrading of Domestic Shipping in Support of the Philippine Nautical Highway Development".

II. COVERAGE

This Circular shall apply to all RORO and similar type of ships that will provide water transport services in missionary routes.

III. DEFINITION OF TERMS

For purposes of this Circular, the following terms are defined:

1. "*Certificate of Public Convenience*" shall mean the license or authority issued by MARINA to a domestic ship operator to engage in domestic shipping.
2. "*Domestic Shipping*" shall mean the transport of passengers or cargo, or both, by ships duly registered and licensed under Philippine law to engage in trade and commerce between Philippine ports and within Philippine territorial or internal waters, for hire or compensation, with general or limited clientele, whether permanent, occasional or incidental, with or without fixed routes, and done for contractual or commercial purposes.

3. *"Domestic Ship Operator" or "Domestic Ship Owner"* for purposes of this Circular, may be used interchangeably and shall mean a citizen of the Philippines, or a commercial partnership wholly owned by Filipinos, or a corporation at least sixty percent (60%) of the capital of which is owned by Filipinos, which is duly authorized by the Maritime Industry Authority to engage in the business or domestic shipping.
4. *"LCT"* are specially designed ships used for hauling cargo, trucks, containers, building materials, cars and passengers.
5. *"MARINA"* shall mean the Maritime Industry Authority.
5. *"RORO Missionary Status"* refers to the privilege accorded to RORO vessels and other similar type of ships that will provide shipping service in a missionary route.
6. *"Missionary Route"* refers to a route involving one or more direct links covering two RORO capable ports that have no existing shipping service due to geographic limitation or absence of economic and market viability.
8. *"RORO Ship"* refers to ship designed with a multi-deck hull especially for the Roll-On/ Roll-Off cargoes handling to and from the intended decks by way of door/ ramp situated below the weather deck.
9. *"RORO Service"* refers to the service provided by RORO ships carrying roll-on/roll-off cargoes as well as passengers.
10. *"Similar Type of Ships"* shall mean ships other than those defined as RORO equipped and designed with ramps capable of handling rolling cargoes in the intended decks such as Landing Craft Transport (LCT).
11. *"Withdrawal of Service"* refers to the permanent stoppage of a ship's service in its authorized link or route.

IV. GENERAL PROVISIONS

1. The MARINA shall publish the approved list of RORO missionary routes, which list shall be updated every two (2) years or as necessary.
2. However, domestic shipping companies/ operators may apply for a new missionary route other than those identified and approved by MARINA, subject to the assessment and approval by MARINA in accordance with the provisions of this Circular.
3. An application for "RORO Missionary Status" must be filed by the domestic shipowner or operator at the MARINA Central Office only. MROs can only receive application for "RORO Missionary Status" and must forward the said application to the Central Office for approval.
4. A domestic vessel that has been granted a "RORO Missionary Status" under this Circular shall be required to apply for the issuance of the pertinent Certificate of Public Convenience (CPC).

V. SPECIFIC PROVISIONS

1. Domestic vessels that have been granted to operate in RORO missionary routes shall be entitled to incentives under Item VI of this Circular.
2. In case of vessels acquired through bareboat charter under PD 760, as amended, the incentives granted shall be co-terminus with the bareboat charter contract approved by MARINA, but not to exceed five (5) years.
3. Domestic shipowners or operators shall inform MARINA on the replacement, stoppage of operation, transfer of route or any changes in the granted "RORO Missionary Status".
4. A "RORO Missionary Status" shall only be granted to a RORO vessel and other similar type of ships such as LCT that will operate only in the applied missionary route.
5. Existing motorbancas/motorboats or other wooden-hulled ships operating in RORO missionary routes shall no longer be allowed to operate in the route they are currently serving.
6. Domestic shipping operators operating in the missionary routes may be allowed to add and replace ships, add trips and change sailing schedules within a period of one (1) year.
7. Permanent withdrawal of service from the missionary route may be allowed for inability to continue services therein, subject to the approval of MARINA, and the corresponding cancellation of the "RORO Missionary Status".
8. A vessel granted with "RORO Missionary Status" may be allowed for temporary substitution for a maximum period not exceeding sixty (60) days under any of the following circumstances:
 - a. During low and peak season and/ or load factor reasons;
 - b. Maintenance or drydocking; or
 - c. Machine or engine trouble; or
 - d. Emergency sea lift operation; or
 - e. Fortuitous event and force majeure; or
 - f. Other analogous circumstances
9. A shipowner/operator with RORO missionary status shall file an application for temporary substitution of ship with the MARINA within twenty-four (24) hours after the occurrence of the above-mentioned circumstances, except in the case of maintenance or drydocking, which shall be filed within seven (7) days before the scheduled drydocking. The domestic shipowner or operator shall include in its application, the name and particulars of the ship to be used as temporary substitute. If they failed to provide a substitute ship, the MARINA may terminate the missionary status and grant it to another shipowner or operator.
10. The MARINA may allow another domestic shipowner or operator to temporarily deploy its ship to operate thereat for a maximum period of ninety (90) days. Should the missionary route operator fail to re-deploy its ship after the ninety (90) day period, the MARINA may allow another operator to operate in the said route to avoid disruption of service.

VI. INCENTIVES

The following incentives under this Circular are hereby given to the RORO vessels and other similar type of ships operating in missionary routes for a maximum period of five (5) years.

1. Protection of Investment or Route Protection

A RORO vessel and other similar type of ships providing water transport service in a missionary route shall be given protection of investment or route protection for a maximum period of five (5) years.

2. Fees and Charges

A domestic vessel that has been granted a RORO Missionary Status shall only be charged fifty percent (50%) of fees and charges in all ship documents, licenses, certificates and permits including the Annual Tonnage Fee (ATF) during the period of protection.

3. Priority in the Issuance of Ship Documents, Permits, Licenses and Certificates

MARINA shall, promptly and without delay, issue all request for issuance of ship documents, permits, licenses and certificates within twenty (20) working days provided the shipowner/ operator has complied and submitted all the required documentary requirements.

Furthermore, MARINA may issue a Special Permit (SP) for a maximum period of ninety (90) days pending issuance of Certificate of Public Convenience (CPC).

VII. CANCELLATION OR REVOCATION OF MISSIONARY STATUS AND ITS INCENTIVES:

The existence of any of the following shall constitute grounds for cancellation or revocation of the missionary route status and its incentives:

1. Failure to deploy a ship within a maximum period of four (4) months; or
2. Any unauthorized suspension or withdrawal of service; or
3. Operating without valid licenses/permits/certificates; or
4. Blatant or contumacious violation of any of the terms and conditions of the CPC; or
5. Other analogous causes or circumstances which shall be inimical to public interest.

VIII. QUALIFICATION REQUIREMENTS

The vessel granted with "RORO Missionary Status" should be classed-maintained by any government recognized classification society and should have valid applicable safety certificates during the period of protection.

IX. DOCUMENTARY REQUIREMENTS

The following documentary requirements shall be submitted:

1. Letter of intent/ application;
2. Valid class certificate and other applicable safety certificates; and
3. Proof of payment of processing fee of P1,200.00/ ship

X. TRANSITORY PROVISIONS

Domestic shipowners/ operators applying for missionary route status in the MARINA-identified and approved RORO missionary routes shall be issued Letter Approval. They shall be required to deploy the vessels within a maximum period of four (4) months. Failure to do so will result in the revocation of the granted "RORO Missionary Status".

XI. REPEALING CLAUSE

MC 2009-23 and all existing MARINA Circulars, rules and regulations inconsistent herewith are hereby repealed, amended or modified accordingly.

XII. EFFECTIVITY

This MARINA Circular shall take effect fifteen (15) days after its publication once in a newspaper of general circulation.

MANILA, PHILIPPINES.

BY AUTHORITY OF THE MARINA BOARD:

VADM NARCISO A VINGSON JR
Officer-In-Charge, MARINA

SECRETARY'S CERTIFICATE

This is to certify that MEMORANDUM CIRCULAR NO. DS-2019-02 was approved during the 268th Regular Meeting of the Maritime Industry Authority Board held on MAY 23 2019.

ATTY. EUSEBIA A. CADLUM-BOCO
Acting Corporate Board Secretary