



# MARITIME INDUSTRY AUTHORITY

23 July 2020

## MEMORANDUM CIRCULAR NO. DS-2020-01

Series of 2020

**TO : ALL SHIPOWNERS/OPERATORS OF PASSENGER CARGO/CARGO SHIPS IN THE DOMESTIC TRADE**

**SUBJECT : IMPLEMENTING GUIDELINES OF THE DO NO. 2020-007 DIRECTING ALL DOMESTIC SHIPPING LINES TO PROVIDE CARGO SPACE ALLOCATION FOR AGRICULTURAL AND FOOD PRODUCTS AND PROVIDING FOR PREFERENTIAL CARGO RATES THEREFOR**

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Pursuant to the directive of the Department of Transportation (DOTr) under Department Order No. 2020-007, the following guidelines are hereby adopted:

### I. OBJECTIVE:

To help ensure the viability of food production and delivery thereof in line with the Government's mandate to provide food security for the people.

### II. COVERAGE:

This Circular applies to all domestic shipping lines throughout the Philippines covered under Department Order No.2020-007.

### III. DEFINITION OF TERMS:

For the purpose of this circular the following terms are herein defined to mean as:

1. Domestic shipping lines – shall refer to Liner Services or the operation of a domestic ship operator which publicly offers its service without discrimination for the carriage of passengers and/or cargoes, has regular ports of call or destination and fixed sailing schedules and frequencies;
2. Agricultural and Food products - shall refer to any product or commodity, raw or processed, that is marketed for human consumption (excluding water, salt and additives). Livestock and animal feeds shall not be considered as "agricultural and food products". Agricultural and food products that are qualified for the cargo space allocation and discount provided for herein shall be those that may be classified as such by the DTI from time to time.

3. Cargo Capacity – shall refer to the total carrying capacity of the vessel or that pertains to the actual usable space of a cargo hold of a vessel determined or computed in consideration of or based on the vessel's loadline without compromising safety.
4. Inter-port operations – shall refer to a ship's voyage involving multiple ports of call and shall be considered as a single voyage.

#### **IV. GENERAL PROVISIONS:**

1. All domestic shipping lines are hereby enjoined to allocate at least twelve percent (12%) of a vessel's cargo capacity per voyage for the exclusive accommodation of agricultural and food products and to extend to it a discount of no less than forty percent (40%) of their published shipping rates for all agricultural and food product cargoes.
2. The cargoes covered under this advisory are purely agricultural and food products shipped in whatever manner or form, such as, but not limited to, roll-on/roll-off (RORO) cargoes and conventional cargoes (whether loose or bulk).

#### **V. SPECIFIC PROVISIONS:**

1. In case of inter port operation, the vessel shall be considered compliant with the requirement at the port where the twelve percent 12% space allocation was utilized irrespective of whether it is the point of origin or the subsequent port of call. This rule shall likewise apply to the preferential rate of forty percent (40%) discount.
2. Domestic shipping lines may opt to offer for pre-payment / hard blocking the twelve percent (12%) allocated cargo space as herein required for the purpose of applying the forty percent (40%) discount.
3. Domestic shipping lines are not precluded from extending discounts more than the discount provided herein.
4. Should the minimum threshold of twelve percent (12%) be not fully utilized within twelve hours prior to loading closing time of a particular voyage as prescribed by the port operator, the shipowner/operator may offer the remaining available space to other shippers for other types of cargoes.
5. The twelve percent (12%) allocated cargo space shall be granted on a "first come, first served" basis.

## VI. EFFECTIVITY

This Circular shall be effective after fifteen (15) days from publication in a newspaper of general circulation and shall be automatically revoked upon a declaration from a competent authority that the national public health emergency has ceased to exist or has been lifted.

**BY AUTHORITY OF THE BOARD:**



**VADM ROBERT A EMPEDRAD AFP (RET)**  
Administrator

## SECRETARY'S CERTIFICATE

This is to certify that the Memorandum Circular No. DS-2020-01 has been approved by the MARINA Board during the 278<sup>th</sup> MARINA Board meeting held on 23 July 2020.



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

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