



Republic of the Philippines
DEPARTMENT OF TRANSPORTATION



MARITIME INDUSTRY AUTHORITY

MAR 08 2021

MEMORANDUM CIRCULAR

NO. DS-2021-01

Series of 2021

TO : ALL DOMESTIC SHIPOWNERS OR OPERATORS AND ALL CONCERNED

SUBJECT : REVISED RULES IN THE GRANT OF MISSIONARY ROUTE STATUS FOR RORO PASSENGER 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 Route Status for Roll-On/ Roll-Off (RORO) passenger 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 passenger 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.

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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. *"First Come First Serve"* refers to priority processing of an accepted application in terms of earliness of filing with MARINA, completeness of documentary requirements and payment of processing fees.
5. *"MARINA"* shall mean the Maritime Industry Authority.
6. *"Missionary Route"* refers to a route involving one or more direct links covering one RORO capable, available and suitable ports that have no existing shipping service due to geographic limitation or absence of economic and market viability.
7. *"RORO Passenger Ship" or "RoPax"* refers to a ship with roll-on/roll-off features for the carriage of commercial vehicles and private cars with the provision to accommodate large number of passengers separately.
8. *"Withdrawal of Service"* refers to the permanent stoppage of a ship's service in its authorized link or route.

IV. GENERAL PROVISIONS

1. MARINA shall publish the approved list of missionary routes, which list shall be posted in the MARINA Website and shall be updated every two (2) years or as necessary.
2. The domestic shipping companies/ operators may apply for a new missionary route other than those approved, identified and posted by MARINA in the website.
3. Application for RORO Missionary Route Status may be filed at any MARINA Regional Office (MRO) where the ship's franchise was issued.
4. Domestic ships that have been granted RORO Missionary Route Status may be allowed to operate to routes other than the applied missionary route without prejudice to the missionary route granted to them.
5. A domestic vessel that has been granted a RORO Missionary Route Status under this Circular shall be required to apply for the issuance of the pertinent Certificate of Public Convenience (CPC).
6. If the applied route covers inter-regional linkages, the regional office where the domestic shipping company/operator is registered and the CPC is filed, shall prevail. However, the concerned MRO shall coordinate with other regional offices for

However, the concerned MRO shall coordinate with other regional offices for concurrence and evaluation.

7. The "First Come First Serve" rule should be applied when there are two or more domestic shipping companies/operators applying for RORO Missionary Route Status at the same time.
8. The accepted application has the right of precedence to the exclusion of other applications, unless the first application is found insufficient or non-compliant to MARINA requirements.

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. Domestic ships that have been granted RORO Missionary Route Status may be allowed to operate to routes other than the applied missionary route without prejudice to the missionary route granted to them.
3. Domestic shipping operator in the RORO missionary routes may be allowed to add and replace ships, add trips and change sailing schedules within a period of one (1) year starting from the period of its CPC amendment/ approval.
4. Domestic shipowners or operators shall inform MARINA on the replacement, stoppage of operation, transfer of route or any changes in the granted RORO Missionary Route Status.
5. Incentives granted to the vessels operating in missionary routes are non-transferrable.
6. 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.
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 Route Status".
8. A vessel granted with "RORO Missionary Route 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. Other analogous circumstances.

9. A missionary route operator 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 route operator 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. The MARINA may cancel the missionary route status after due process.

VI. INCENTIVES

The following incentives under this Circular are hereby given to the RoPax ships operating in missionary routes:

1. Protection of Investment or Route Protection

A RoPax ship 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 Route 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) for the first year of its operation.

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

Cancellation or revocation of the RORO Missionary Route Status and its incentives under the following circumstances:

- Failure to deploy ship within a maximum period of 1 month reckoned from its CPC amendment/ approval;
- Unauthorized suspension, stoppage of operation, withdrawal of service or transfer of ownership of the ship (Except in cases where there is epidemic, pandemic, calamities and other unavoidable incidents in the area of operation);
- Operating without valid class and safety certificates, licenses and permits;
- Blatant or contumacious violation of any of the terms and conditions of the CPC; and
- Other analogous causes or circumstances inimical to public interest.

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- Other analogous causes or circumstances inimical to public interest.

VIII. QUALIFICATION REQUIREMENTS

The vessel granted with "RORO Missionary Route Status" should be class-maintained by any government recognized classification society and should have valid applicable safety certificates.

IX. DOCUMENTARY REQUIREMENTS

The following documentary requirements shall be submitted for evaluation and processing of the application:

1. Letter of intent/ application;
2. Certificate of Philippine Registry and Certificate of Ownership;*
3. Valid class certificate and other applicable safety certificates;* and
4. Proof of payment of processing fee of P20,000.00/ ship.

*Note: *MARINA issued documents need not be submitted.*

X. PROCEDURES IN APPLYING AND GRANTING OF RORO MISSIONARY ROUTE STATUS

1. The domestic shipping company/ operator shall submit letter of intent/ application (indicating the name of vessel and the route applied for missionary) together with the complete documentary requirements and proof of payment of processing fee.
2. The concerned MRO should first verify the following conditions prior to evaluation and processing of the application:
 - a. That the applied route has RORO capable, available and suitable ports (both in the port of origin and port of destination); and
 - b. That there is no existing shipping service in the applied route.
3. After verification that route can be considered as missionary, the concerned MRO shall evaluate and process the application.
4. If the application is compliant with the existing MC on the Grant of RORO Missionary Route Status, the letter-approval shall be granted.
5. The letter-approval shall be signed by the MRO Director.
6. Signed letter-approval shall be issued and released to the applicant.

XI. TRANSITORY PROVISIONS

Domestic shipowners/ operators applying for missionary route status in the approved RORO missionary routes shall be issued a Letter Approval. They shall be required to deploy the ship within a maximum period of one (1) month starting from the period of its CPC amendment/ approval. Failure to do so will result in the revocation of the granted

"RORO Missionary Route Status"

Existing motorbancas/motorboats or other wooden-hulled ships (WHS) operating in RORO missionary routes shall no longer be allowed to operate in the route they are currently serving, but shall be without prejudice to the transition plan on the phasing-out of WHS.

This circular shall be reviewed one year from date of implementation to assess its efficacy.

XII. REPEALING CLAUSE


MC DS-2019-02 and all existing MARINA Circulars, rules and regulations inconsistent herewith are hereby repealed, amended or modified accordingly.

XIII. 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 ROBERT A. EMPEDRAD AFP (Ret)
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. DS-2021-01 was approved during the 283rd Regular Meeting of the Maritime Industry Authority Board held on 11 February 2021.


ATTY. EUSEBIA A. CADLUM-BOCO
Board Secretary

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Date of Submission to ONAR: