

[EXECUTIVE ORDER NO. 213, November 28, 1994]

DEREGULATING DOMESTIC SHIPPING RATES

WHEREAS, Executive Order No. 185 was issued on 28 June 1994, opening the domestic water transport industry to new Operators and investors and minimizing government intervention and control over the domestic shipping industry to attract more investments under an environment of free-market competition;

WHEREAS, Executive Order No. 185 liberalizes only the entry of vessels into liner routes but has not covered the deregulation of domestic shipping rates;

WHEREAS, there is an imperative need to deregulate domestic shipping rates by the government which prescribes such rates based on an outdated commodity classification by then Public Service Commission which is considered obsolete and unrealistic;

WHEREAS, the supply and demand in the domestic shipping industry would determine the rates of shipping services provided/availed of, as now widely practiced internationally;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines by virtue of the powers vested in me by law, do hereby order:

SECTION 1. DEREGULATION OF PASSAGE RATES. – Passage rates are hereby deregulated as follows:

First and Second Class. – Passenger rates for First Class and Second Class rates are hereby deregulated for all passenger-carrying domestic vessels; **Provided**, That such accommodation is in accordance with the service standards prescribed by the Maritime Industry Authority (MARINA); **Provided**, Further, That, at least fifty per centum (50%) of the authorized passenger capacity of the vessel shall be allocated and reserved for Third Class accommodation, whose rates shall be regulated by the MARINA.

Tourism-Oriented Vessels. – For vessels catering to tourism as duly certified by the Department of Tourism (DOT), or passenger vessels of any type/size serving DOT-identified tourist priority links/areas, they shall be exempted from the requirement of allocating 50% of their total passenger capacity for Third Class accommodation, and accordingly, their passage rates are hereby deregulated, unless the operators opt to have their rates rationalized/prescribed by the MARINA.

Vessels Not Covered Above. – In cases where only First and Second Class passenger accommodations are provided by a vessel under the MARINA-prescribed service standards, or where Third Class passenger accommodations provided by a vessel is less than 50% of the vessel's total passenger capacity, the Second Class