

[MIA MEMORANDUM CIRCULAR NO. 121, July 29, 1997]

POLICY GUIDELINES IN THE REGULATION OF HIGH SPEED CRAFT

In line with the national policy of pursuing a program of deregulation, modernization of the existing domestic fleet and fostering a favorable climate for increased investments, and pursuant to the provisions of Presidential Decree No. 474, Executive Order Nos. 125/125A, 185 and 213 and the Philippine Merchant Marine Rules and Regulations (PMMRR) of the 1997, the following guidelines are hereby adopted:

I

Objective

This Circular serves to provide policy guidelines in the regulation of high speed craft in the domestic shipping trade within the purview of the mandate vested with the MARINA.

II

Coverage

This Circular shall apply to all persons, corporations, firms and entities engaged in the operation of high speed craft in the domestic marine transportation, for compensation, commercial or public use involving the carriage of passengers and cargoes between various ports and places in the Philippines.

III

Definition of Terms

1. Coastwise Voyage — means a voyage, limited to waters subject to the jurisdiction of the Philippines.
2. Dynamically Supported Craft (DSC): — is a craft which is operable on or above water and which has characteristics so different from those of conventional displacement ships, to which the existing International Conventions, particularly the Safety and Loadline Conventions apply that alliterative measures should be used in order to achieve an equivalent level of safety.
3. Daytime Navigation — starts from the time of daylight between sunrise and sunset as stated in the International Rules of the Road. In tropical countries like the Philippines, daytime starts at 30 minutes plus minus 0500 H and ends at 30 minutes

plus minus 1700 H.

4. High Speed Craft (HSC) — is a craft capable of maximum speed in meters per second (m/s) equal to or exceeding:

$$3.70 \sqrt{0.1667}$$

where:

$$V = \text{Displacement corresponding to the design water line in M}^3$$

The above definition notwithstanding, the minimum service speed of the craft shall at least be 25 knots. Existing craft constructed under the DSC Code may qualify as a HSC upon satisfaction of the foregoing definition.

5. IACS — refers to International Association of Classification Societies.

6. IMO — refers to the International Maritime Organization.

7. MARINA — refers to the Maritime Industry Authority (MARINA)

8. Maximum Speed — is the speed achieved at the maximum continuous propulsion power for which the craft is certified at maximum operational weight and in smooth waters.

9. Night Vision Equipment (NVE) — equipment using camera, either low light or thermal imaging type, to detect short range targets in darkness the information being displayed on separate video monitors to the Master and the crew in the wheelhouse.

10. Partly Protected Waters Voyage — means a voyage in which a vessel, is not at any time, more than 100 miles by sea from the point of departure and not more than 20 miles from land at any point.

11. Protected Waters — are harbors, rivers or similar areas and waters in which a vessel is not more than 3 miles from land.

12. Recognized Classification Society — means a classification society which is a full member of International Association of Classification Societies (IACS).

13. "The Code" — refers to the IMO International Code of Safety for High Speed Craft as incorporated in SOLAS Chapter X.

The meaning of other terms/phrases used herein are as defined in relevant MARINA Memorandum Circulars or as generally understood in maritime industry practice.

IV

Acquisition of High Speed Craft

Taking into account the existence of policy guidelines for acquisition of vessels for

domestic operations under Memorandum Circular No. 104, including the amendments thereto, all pertinent provisions therein except those which are herein provided shall be adopted.

1. Hull Requirement

Wooden hulled HSC shall not be allowed for acquisition under this Circular.

2. Age Requirement

The limitations on the importation and/or chartering of vessels under this Circular according to age are as follows:

Period	Maximum Age
1997	10
1998	9
1999	8
2000	7
2001	6
beyond 2001	5

3. Classification Requirement

All vessels to be acquired under this Circular shall be classed by a recognized IACS classification society, having full set of Rules specifically developed for HSC, prior to delivery to the buyer/charterer. The owner shall submit to the MARINA, within sixty (60) days from completion of survey, certificates issued for annual and/or special surveys conducted. Provided, finally, that the HSC shall be classed maintained at all times during its operation in the domestic trade.

4. Documentary Requirements

The submission of pre-approval documents for authority to acquire vessels as required in Memorandum Circular No. 104 shall be made as post-approval requirements. except for the following:

- 4.1 Letter of intent/application
- 4.2 Duly signed Memorandum of Agreement/Deed of Sale/Bareboat Charter Contract
- 4.3 Valid Certificate of Vessel's Registry
- 4.4 General Arrangement Plan
- 4.5 Class Certificate/Certificate of Compliance with Annual/Special Survey
- 4.6 Receipt of Payment of Processing Fee — P20,000.00/vessel

V

Issuance of Certificate of Public Convenience (CPC)

The relevant provisions of Memorandum Circular Nos. 80, 106 and 117, in implementation of EO 185 and 213, respectively, providing consolidated policy guidelines intended to promote a more liberal/deregulated atmosphere for liner operations in the domestic shipping industry, except as herein provided, shall apply.'

1. Prescription of Sailing Schedules

As a rule, the proposed sailing schedules and frequencies of new entrants will be favorably considered: provided, no conflict in sailing schedules with other affected HSC operators in the applied route/link shall result therefrom, and; provided further, that the minimum interval between arrival/departures of HSC shall be thirty (30) minutes; otherwise, the MARINA shall prescribe, *motu proprio*, sailing schedules that will best serve public interest and convenience. In addition, the following guidelines shall be considered:

1.1 HSC may be prescribed a departure time as that of other duly authorized vessel(s), not otherwise considered a HSC operating in the route; and

1.2 Should there be an existing authorized HSC in the proposed route, the determination of safe and reasonable sailing schedule shall be taken by the MARINA in consideration of factors including, but not limited to: (1) area of operation; (2) navigational equipment of the craft; (3) safe speed of the craft to attain its proposed travel time; (4) number of existing HSC operators; (5) availability of berthing space at all ports to be served. Further, in the interest of safety, the schedules must provide sufficient rest periods for the crew.

If the new entrant in the route proposes a time schedule earlier than those of the existing HSC operator, this may be allowed in acknowledgment of its/his/her recognition of need services at the proposed time, unless previous acts of the existing operator will show its/his/her intention to provide an earlier service.

Finally, the MARINA may limit or qualify further entry of additional HSC in a given route/link when the berthing and other facilities, as well as other technical considerations in a given port can no longer accommodate additional vessels at a given time, subsequent to the prescription of reasonable sailing schedules therein.

2. Substitution of Vessels

In case of emergency repairs/drydocking or mechanical/engine trouble, authorized HSC operators may be allowed to make automatic substitution of their other HSC provided that:

2.1 No route/link shall be left unserved and

2.2 There must be notice in writing to the MARINA within 24 hours of such substitution and reason/s therefor.

3. Operational Limitations

3.1 Area of operation

The operation of a HSC may be restricted in terms of routes, as follows:

- i) Coastwise voyage
- ii) Party Protected voyage
- iii) Protected waters
- iv) Short sea waters

As a rule, HSC are allowed to operate during daytime only. HSC may be allowed to navigate during nighttime provided the required aids to navigation and collision avoidance on the craft are complied with, to the satisfaction of the MARINA.

In cases where night vision equipment (NVE) is not provided, the craft's operation shall be restricted to daytime navigation only. Where NVE is provided, proper crew training and bridge routine are necessary.

In addition, HSC should have special navigation lights similar to the hovercraft flashing light for better identification.

The above restriction/limitation shall be reflected in the craft's Certification of Inspection (CI)

3.2 Maximum Safe Speed

The craft's operational speed shall be limited to ninety percent (90%) of its maximum speed, as defined under this Circular.

The craft's service speed shall in no case be less than 25 knots.

However, the speed of a HSC shall be restricted by wind force and direction, wave height during severe weather condition, entering narrow channels and reduced visibility, among others. Like, HSC shall observe maximum docking or berth impact speeds to avoid causing nuisance in harbors or other confined areas and avoid damage to the port and/or other vessels; provided, finally, that HSCs shall not race each other in any event, time or place.

3.3 Number of Passengers

3.3.1 The number of passengers for maximum loading shall be based on the number of permanent seats on board; and

3.3.2 Only seats approved by the MARINA in accordance with the requirements of the Code shall be allowed.

3.4 Craft Documentation