

[MIA MEMORANDUM ORDER NO. 6, August 23, 1984]

RULES ON THE CARRIAGE OF LOGS FROM THE PHILIPPINES

Pursuant to Section 2 of Executive Order No. 769 dated January 19, 1982, the following rules on the carriage of logs from the Philippines are hereby promulgated:

1. *Scope and Routes Covered* — These rules shall apply in the ocean carriage of logs from the Philippines to Japan, Korea and Taiwan and other foreign destination[s] that MARINA may consider in the future.

2. *Definition of Terms* — As used herein, the following terms shall have the following meaning:

Authority — the Maritime Industry Authority created under Presidential Decree No. 474.

Philippine Shipping Lines — shipping lines organized and existing under and by virtue of Philippine laws.

Philippine Flag Carrier — shall refer to vessel(s) flying the Philippine flag provided they are (1) owned or chartered, (2) registered, and (3) operated by the Philippine shipping companies.

Foreign Flag Carrier — shall refer to vessels other than Philippine flag carrier.

Association — the Filipino Shipowners' Association.

Log — round cut timber including falcata logs originating from the Philippines.

3. *Participation in the Trade* —

(a) At least 50% of the total annual log trade for each route covered shall be carried by the Philippine flag carriers. Volume and/or freight shall be the basis for determining the percentage.

(b) Philippine shipping lines owning/operating log carriers in the trade shall submit their said vessel for accreditation by the Authority through the Association. Similarly, log carriers from other countries shall be accredited by the Authority. Only duly accredited log carriers may participate in the log trade.

4. *Agreement* — The Association may enter into agreements with shipping associations concerned of other countries on the other 50% log

cargo for each route covered provided, that, in no case shall the share of Philippine flag vessels be less than 50% of the total annual cargo. Such an agreement should at least include sailing frequencies, overcarriage and undercarriage, system for monitoring carriage performance of the parties, penalties and sanctions. The Agreement shall be filed with and approved by the Authority prior to its implementation. Once approved, said agreement shall govern their sharing and other agreements.

If an agreement is not concluded, within thirty (30) days from date of effectivity hereof, the cargo sharing scheme shall be implemented by the Authority through the waiver system provided for, below. Additional rules and regulations may be issued to correct over-carriage and undercarriage, by the Philippine log carriers and to enable them to carry their respective share.

5. *Waiver* — Shippers/consignees are required to use only log carriers accredited by the Authority. If an Agreement mentioned in the immediately preceding paragraph is not concluded, shippers/consignees are required to use Philippine flag carriers. Said requirement, however, may be waived by the Authority upon written application in instances when the services of a suitable Philippine log carrier are not available.

6. *Submission of Information* — All Philippine and foreign shipping lines operating log carriers in the log trade shall submit to the Authority within sixty (60) days from effectivity hereof through the Association the following:

(a) List of vessels, owned/operated or chartered which are employed in the log trade. In the case of Philippine flag carriers, the list shall include the registered name, owner, type, tonnage, speed, cargo capacity, date constructed, date registered in the Philippines.

(b) Volume of log loaded by vessel, port of loading and port of exit.

(c) Name of consignees of logs, volume and ports of discharge.

(d) Any change in the above and any other information the Authority may require.

7. *Accreditation Fee* — there shall be assessed and collected by the Authority, an annual accreditation fee of One Hundred U.S. dollars (\$100.00) per vessel. Philippine shipping lines may pay the fee in peso equivalent measured at the prevailing rate of exchange at the time of accreditation.

8. *Responsibility of the Association* — The association shall assist the Authority on the following:

(a) Screening of log carriers for accreditation;

(b) Establishing an equitable log cargo sharing scheme;