

**[PPA OPERATIONS MEMORANDUM ORDER NO.
02-2013, May 22, 2013]**

**CLARIFICATORY GUIDELINES ON THE AREAS/FACILITIES
LEASED BY CARGO HANDLING OPERATORS**

Further to pertinent provisions of PPA Administrative Order No. 22-95, otherwise known as Revised Guidelines on Real Estate Management, and in order to provide guidelines on areas leased by cargo handling operators, the following clarifications are hereby issued:

1. Scope

This Order covers port areas/facilities leased by the PMOs authorized cargo handling operators (CHO) utilized for purposes other than for cargo handling operation. (N.B. Excluded from said OMO are areas leased by Passenger Terminal Building operators/contractors)

2. Clarifications

- 2.1 Areas occupied by cargo handling operators covered by permit/s to occupy and/or contract of lease for purposes other than for cargo handling operation shall be imposed rental charges in accordance with the rental provisions of PPA AO 22-95.
- 2.2 The contract of lease to be issued to cargo handling operators shall not exceed the term of cargo handling permit/contract as stipulated under Section 9.1.1, Article IV of PPA AO 22-95.
- 2.3 Cargo handling operators, who infuse additional capital investments and/or highly specialized machineries and equipments on the leased premises to cater to port clients special requirements/needs and not covered by the existing cargo handling contract, shall not be collected government share.
- 2.4 However, CHOs who have nil investments on their leased premises shall continue to be covered by a permit to operate ancillary services for its business operation inside the port and shall pay corresponding ancillary fees as stipulated under Section 3 of PPA AO 08-96 (Regulations for the Registration and/or Grant of Permits for the Operation of Ancillary Services in the Ports).

For guidance and compliance.

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