

[PPA MEMORANDUM CIRCULAR NO. 04-2013, May 20, 2013]

10% PROVISIONAL INCREASE IN CARGO HANDLING (CH) TARIFF

Pursuant to PPA BoardCom Resolution No. 2013-1336 dated April 11, 2013, and in consonance with Item 7 of PPA Memorandum Circular No. 11-2007 (*Revised Rules in the Conduct of Public Hearing for Rate Increase*) which states that the General Manager may grant provisional rate increase pending completion of the public hearing and approval by the Board, a ten percent (10%) provisional increase in CH tariff in arrastre and stevedoring services and other cargo handling related charges on foreign and domestic cargoes was approved.

Said interim upward adjustment is a cost recovery measure due to surge in operating costs in the CH industry, such as, labor, power, fuel and repairs and maintenance and considering that the last increase on CH rates was granted in 2008.

The provisional adjustment of 10% in CH rates shall be granted to all cargo handling operators (CHOs) nationwide who have individually petitioned and submitted the required matrix of operating expenses to include the supporting schedules certified and sworn as having been lifted from the audited financial statements and validated by the concerned Port Manager.

Further, the initial evaluation of the CHOs financial condition indicates at least a 10% adjustment. Furthermore, pursuant to Article II, Item 3 (c) of PPA Administrative Order No. 01-2006, an interim across the board cost recovery adjustment maybe granted using the Consumer Price Index (CPI) formula.

The 10% provisional increase does not include RO-RO Terminal Fee. Likewise excluded are the CH rates under Special Take-over Units that are scheduled for bidding.

The Commercial Services Department shall within (15) days from date of issuance of this Circular make the necessary adjustments in the existing CH tariffs of all qualified CHOs.

This Circular shall take effect 30 days after the completion of its publication in at least two (2) newspapers of general circulation.

(SGD) ATTY. JUAN C. STA. ANA
General Manager
