



# FSA UPDATES

A quarterly maritime news brief from the FSA Secretariat  
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## LOCAL NEWS

### FSA ACCEPTS NEW MEMBER

The Association approved the application for membership of CCI Marine Logistics, Inc. The Certificate of Membership of CCI Marine Logistics, Inc. was presented by the FSA Chairman, Carlos C. Salinas and FSA President Dario R. Alampay, with several members of the Board of Trustees present, to CCI Marine Logistics representative Gerardo Borromeo on the occasion of the Association's Board of Trustees Meeting held last 29 September 2009 at the Casino Español.

### PPA FINALLY AWARDS MANILA NORTH HARBOR CONTRACT

The Philippine Ports Authority (PPA) has formally awarded the contract to develop, manage and operate the Manila North Harbor to the joint venture consortium of Harbour Centre Port Terminal, Inc. of the Romero family and publicly-listed Metro Pacific Investments Corp. of Manny V. Pangilingan.

The PPA Board unanimously approved the recommendation of the PPA Special Bids and Awards Committee which found the joint venture "fully complying with the Instructions to Bidders."

A contract between the PPA and consortium is expected to proceed fifteen days after the incorporation of the Joint Venture Company.

The project will raise more than Php 6.8 Billion in revenues for the PPA over 25 years and decrease port rates at an average of 10-15%. More than 1000 workers of the different operators of North Harbor will be absorbed, while an additional 5,000-10,000 jobs will be generated directly and indirectly by the ambitious construction and modern operations entailed in the modernization. The grief-stricken Tondo areas is also set to be revitalized with the modernized port.

### PERMANENT REPRESENTATIVE TO IMO APPOINTED

Ambassador Antonio Lagdameo was appointed as Permanent Representative to the International Maritime Organization (IMO) and had presented his Letter of Credence to IMO Secretary General Efthimios Mitropoulos in London.

As Permanent Representative to the IMO, Lagdameo will be responsible for ensuring that the interest of the Philippines on maritime issues, particularly the welfare of Filipino seafarers, will be heard and supported by the other IMO member states.

### **MARINA ISSUES CIRCULAR ON RETRAINING OF SEAFARERS**

The Maritime Industry Authority (MARINA) has issued new sea service requirements for seafarers who for a time stopped serving onboard.

A new Marina Circular requires retraining for seafarers who are holders of Basic Safety Training Certificate (BSTC) but who have not served onboard for at least a year within five years from the date of issuance of said certificate or date of last disembarkation.

However, those with sea service of less than a year but whose BSTC will expire in less than 12 months shall not be required retraining provided that the seafarer shall submit a duly approved Philippine Overseas Employment Administration (POEA) contract that it will cover the number of months to complete the required 12 months prior to expiration of the certificate.

Applicants who are unable to submit the required POEA approved contract shall be required to submit an Oath of Undertaking to immediately submit the same to Marina.

### **22 FILIPINO SEAMEN HELD BY PIRATES FREED**

The Filipino crew members of the Greek-owned vessel M/V Irene were released after five (5) months in captivity by Somali pirates.

M/V Irene was seized by pirates in the Gulf of Aden on April 14.

With this development, the total number of Filipino seafarers still in the custody of Somali pirates has gone down to 20, involving two vessels. It was not immediately clear if a ransom was paid although online news reports said that the pirates were demanding \$2.8 million to free the ship and its crew last month.

### **FSA SEEKS CLARIFICATION ON MARINA CIRCULAR ON FINES SCHEDULE**

The Association sought formally clarification from the Maritime Industry Authority (MARINA) relative to the Revised Schedule of Administrative Fines and Penalties for maritime violations/offenses which was approved by the Marina Board on 4 May 2009, which took effect on June 15, 2009.

Member companies have expressed grave concern on this matter, specifically No. 73 thereof, because MARINA has issued Show Cause Orders to them as a result of Port State Inspection reports submitted by various foreign administrations to MARINA, for various deficiencies cited during the PSC inspections wherein most of the said observed deficiencies were rectified on the spot. The fines corresponding for the same as enumerated are quite high considering that there is no distinction between minor and major violations.

## **FSA SUPPORTS MANDATORY TONNAGE TAX**

The Association has formally proposed that the optional tonnage tax system provided in the proposed Philippine Marine Act be instead made mandatory and the sole system for ships registration in the Philippines.

Considering that the tonnage tax system, which is being implemented by the large registries, is a simple, straight forward and efficient way of computing the applicable taxes for Philippine registered ships, the Association believes that it is a lot better than the income tax system.

## **RP TO HOST IMO PLENARY MEETING**

The Philippines has agreed to host the Plenary Meeting of the International Maritime Organization (IMO) in 21-25 June 2010. Adoption of the STCW Amendments is on the Agenda of the Meeting with her Excellency President GMA as Honored Guest.

## **MANILA HOSTS ASIA-PACIFIC MANNING & TRAINING CONFERENCE**

Manila will host the 10<sup>th</sup> Lloyd's List Asia-Pacific Manning & Training Conference on 4-5 November 2009 which will be held at the Hotel Sofitel Philippine Plaza. Topics for discussion include: "retrospective of the Philippine manning industry as it prepares for the next wave of opportunities"; "Manpower supply: a strategic outlook"; "Recruitment and retention strategies"; "Review of industry regulations and Pioneering recruitment and retention initiatives.

## **SMC VENTURES INTO DOMESTIC SHIPPING**

SMC Shipping and Lighterage which is a subsidiary of San Miguel Corporation (SMC) has brought a second-hand tanker that will begin transporting oil products from Petron Corporation in November. SMC recently became a majority stakeholder in the oil refiner and bolstered its domestic shipping operations. The 5,552dwt tanker Alios Triton, to be renamed Molave, has been granted pioneer status by the Board of Investments, with financial advantages such as eight years of income tax exemption.

## **RP TO HELP SOMALI CIVIL SERVANTS**

The Philippines committed to provide training to Somalia's civil service workers and coast guards to boost the anti-piracy campaign in Somalia especially along the Gulf of Aden. This commitment was conveyed by Her Excellency President Gloria Macapagal Arroyo to the Somali President when she attended the African Union Summit in Libya.

## **PPA CUTS WHARFAGE FEES**

To help cushion the effects of the global financial crisis the Philippine Ports Authority (PPA) has implemented a 50% reduction in export wharfage fee. The cut covers likewise duly registered private ports.

## **DOTC BUCKS CABOTAGE LAW REPEAL**

The proposal for the repeal of Cabotage Law has been taken seriously by the Department of Transportation and Communications (DOTC).

Cabotage refers to the practice of maritime countries reserving the right of navigating and trading along the coast between two ports to vessels registered in the country.

MARINA will undertake a study on the matter as the proposed lifting might kill the local shipping industry.

## **OVERSEAS NEWS**

### **WAR RISK LISTED AREAS**

The Joint War Committee has announced its recent review of its Hull War, Strikes, Terrorism and Related Perils Listed areas as of 14 September 2009.

The island of Ambon and the Port of Poso in Indonesia and Malaysia were deleted from the list. The Davao area in the Philippines was likewise deleted.

### **BMP VERSION 2 ISSUED**

International Shipping Associations have released the second version of the Best Management Practices to Deter Piracy in the Gulf of Aden and off the Coast of Somalia. Shipping companies were urged to pay strict attention to the provisions of the BMP Version 2 when planning and passing through the Somali piracy risk areas.

### **BOX SHIP HIJACKED BY PIRATES**

The 1,550 teu Kota Wajan, a Singapore flagged and owned container ship was hijacked last 14 October 2009 in the Indian Ocean. It was the first seizure of a merchant ship since 1 July 2009. The ship had 21 crew on board and was boarded 150 miles north of the Seychelles on a voyage from Singapore to Kenya.

### **TEN MONTH JAIL SENTENCE FOR MASTER**

The United States Justice Department has announced that the master of the bulk carrier "THEOTOROS" has been sentenced to ten (10) months in prison for obstruction of justice and pollution charges by a U.S. Court. Six months of the sentence will be served in jail followed by four months confinement in a community rehabilitation facility. After release, the master who is of Greek origin, will be banned from US waters for three years.

### **CHINESE VESSEL HIJACKED**

The 76,432 dwt Chinese panamax vessel "De Xin Hai" was hijacked some 550 miles north east of the Seychelles, 550 miles off the Somali coast on 18 October 2009.

It is believed that there were 25 crew members on board the vessel. The ship was not registered with the Maritime Security Center Horn of Africa.

### **IMB REPORTS PIRACY SURGE**

The International Maritime Bureau has reported that 2009 global piracy figures so far, has surpassed the total number of attacks recorded in 2008. 306 incidents were reported for the first nine months of 2009 compared to 293 in 2008. Areas in Somalia and Nigeria are again the areas of high concern.