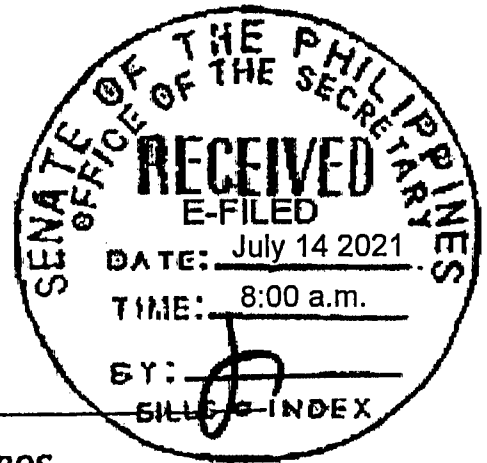


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

SENATE

P.S.R. No. 775



INTRODUCED BY SENATOR RISA HONTIVEROS

RESOLUTION

CALLING FOR AN INQUIRY IN AID OF LEGISLATION INTO THE EFFECT OF THE IMPLEMENTATION OF PPA'S NEW TERMINAL MANAGEMENT REGULATORY FRAMEWORK ON THE WELFARE OF PORT WORKERS, CARGO HANDLERS, AND OTHER SMALL STAKEHOLDERS IN THE SHIPPING INDUSTRY

WHEREAS, Presidential Decree No. 857 provides that the Philippine Ports Authority ("PPA") shall have the duty to provide services – whether on its own or by contract – within the country's Port Districts, including stevedoring, container handling, and other services related to the handling of goods and cargo ("Cargo Handling");

WHEREAS, PPA Administrative Order ("A.O.") No. 01-2006, otherwise known as the *Compendium of Regulations on Cargo Handling Operations*, provides that Cargo Handling services in all ports under the jurisdiction of the PPA shall be awarded to Filipino domestic companies or enterprises by competitive bidding, except when the existing Cargo Handling Operator achieves a performance rating of at least "Very Satisfactory" upon audit, has no outstanding liabilities to the PPA and other industry stakeholders, and commits make capital investments in the form of equipment or port facilities, in which case their permit or contract shall be renewed under mutually-acceptable terms and conditions;

WHEREAS, PPA A.O. No. 01-2006 was superseded by PPA A.O. No. 03-2016, otherwise known as the *Port Terminal Management Regulatory Framework*, which provides that the privatization of the management and operations of all ports under the jurisdiction of the PPA shall be carried out through competitive public bidding;

WHEREAS, PPA A.O. No. 12-2018, otherwise known as the *Guidelines for the Selection and Award of Contracts under the Port Terminal Management Regulatory Framework*, provides that in the public competitive bidding for port terminal management contracts – including those for Cargo Handling services – shall be awarded to the eligible bidder offering the highest concession fee;

WHEREAS, it has been alleged that the framework embodied in PPA A.O. No. 12-2018 unduly favors large corporations with the capital to offer higher concession fees than cooperatives and other local business enterprises, and threatens to displace the workers of existing concessionaires;

WHEREAS, the Port Terminal Management Regulatory Framework threatens to severely affect the livelihoods of, and economically displace, thousands of port workers and cooperative members who have been rendering very satisfactory service, as in the case of the Calapan Labor Service Development Cooperative ("CALSEDECO"), among others; and

WHEREAS, during this pandemic caused by the COVID-19 virus first reported in Wuhan, China, it is essential that the government agencies involved safeguard the employment and livelihood of port workers, cargo handlers, and other small stakeholders in the shipping industry.

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO URGE AN INQUIRY IN AID OF LEGISLATION INTO THE EFFECT OF THE IMPLEMENTATION OF PPA'S NEW TERMINAL MANAGEMENT REGULATORY FRAMEWORK ON THE WELFARE OF PORT WORKERS, CARGO HANDLERS, AND OTHER SMALL STAKEHOLDERS IN THE SHIPPING INDUSTRY.

Adopted.


RISA HONTIVEROS
Senator