

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

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SENATE

P.S.R. No. **484**

RECEIVED BY: \_\_\_\_\_

Introduced by Senator Risa Hontiveros

**RESOLUTION**

**CALLING FOR AN INQUIRY IN AID OF LEGISLATION INTO INCREASED LOGISTICS COSTS IN THE PHILIPPINES CAUSED BY RISING PORT FEES AND CHARGES**

WHEREAS, an efficient maritime transport network is of critical importance to the economy of an archipelagic country such as the Philippines;

WHEREAS, in the 3<sup>rd</sup> quarter of 2022 alone, 99.98% of the 4.12 million tons of goods (valued at 181.46 billion Pesos) involved in domestic trade, was transported aboard water-going vessels according to the Philippine Statistics Authority;

WHEREAS, a key component of the strategy embodied in the National Economic & Development Authority's *Updated Philippine Development Plan 2017-2022*, is reducing the cost of logistics, which accounts for 27% of the revenues of manufacturing firms in the Philippines, as compared to Indonesia (21%), Vietnam (16%), and Thailand (11%);

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 container handling, garbage collection, and other services related to the handling of goods and cargo ("Cargo Handling");

WHEREAS, PPA Administrative Order (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 port terminal management contracts shall be awarded to the eligible bidder offering the highest concession fee;

WHEREAS, PPA A.O. No. 12-2019 implemented a "Central Ticketing System" covering Roll-on/Roll-Off ("RORO") and passenger ships calling at ports within the jurisdiction of the PPA;

WHEREAS, PPA A.O. No. 01-2020, entitled "Prescribed Waste Reception Fee in all PPA Ports", was also issued, increasing the Waste Reception Fee in all PPA Ports;

WHEREAS, PPA AO No. 04-2021, established a system for the registration and monitoring of containers entering and leaving PPA ports, known as the Trusted Operated Program – Container Registry Monitoring System ("TOP-CRMS"), as well as an Empty Container Shared Service Facility ("ECSSSF");

WHEREAS, PPA AO No. 08-2021 amended PPA A.O. No. 01-2020 by modifying the types and classifications of vessels subject to the "Waste Reception Fee", including the imposition of a per-round-trip collection of said fee for "short travel time" vessels;

WHEREAS, according to the Philippine Coastwise Shipping Association ("PCSA"), the largest shipping association in the Philippines in terms of membership and gross tonnage, the aforementioned administrative orders have led to an increase in port charges within the Philippines by as much as 2,000 percent, thus increasing domestic logistics costs to the detriment of the public;

**WHEREAS**, the PCSA also requested that the Department of Transportation (“DOTr”) likewise review the award of port terminal management contracts, resulting in the alleged increase of port charges in key ports, such as those in the cities Ozamiz, Ormoc, Zamboanga, Tagbilaran, Surigao, Tacloban, Legazpi, Calapan, and in the towns of Nasipit and Matnog;

**WHEREAS**, various industry groups and trade associations have also expressed fears that the direct costs associated with the TOP-CRMS and ECSSSF, including additional insurance, transaction, and trucking fees, will result in an almost 50% increase in the cost of importing goods; and

**WHEREAS**, increased shipping and logistics costs, insofar as they are passed on to the general public, could affect the prices of goods going through these ports.

**NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED TO CALL FOR AN INQUIRY IN AID OF LEGISLATION INTO INCREASED LOGISTICS COSTS IN THE PHILIPPINES CAUSED BY RISING PORT FEES AND CHARGES.**

Adopted.

  
RISA HONTIVEROS  
*Senator*