

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



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**SENATE
Proposed Senate Resolution No. 586**

Introduced by Senator Aquilino “Koko” Pimentel III

**RESOLUTION
DIRECTING THE APPROPRIATE SENATE COMMITTEE TO
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE
ALLEGED INAPPROPRIATE ISSUANCE BY THE PHILIPPINE
PORTS AUTHORITY (PPA) OF ADMINISTRATIVE ORDER NO. 04-
2021 PRESCRIBING THE POLICY ON THE REGISTRATION AND
MONITORING OF CONTAINERS, WHICH IS BEING VEHEMENTLY
OPPOSED BY SEVERAL BUSINESS GROUPS**

1 **WHEREAS**, Sections 19 and 20, Article II of the 1987 Constitution direct
2 the State to develop a self-reliant and independent national economy, as well as
3 recognize the indispensable role of private sector as the main engine for national
4 growth and development;
5

6 **WHEREAS**, President Ferdinand R. Marcos Jr., in his first State of the
7 Nation Address, declared that his government will implement programs to
8 achieve sound fiscal management to revitalize the economy;
9

10 **WHEREAS**, President Marcos also made a pronouncement that at the
11 beginning of the year he intends to lower logistics costs through bureaucratic
12 reforms;
13

14 **WHEREAS**, in order to achieve his economic plans, the President sees the
15 need to “digitalize the Philippines”;
16

17 **WHEREAS**, several government agencies have already exerted efforts to
18 automate their respective processes and systems for the efficient delivery of
19 government services;
20

1 **WHEREAS**, on 22 September 2021, the Philippine Ports Authority (PPA)
2 issued Administrative Order (AO) No. 04-2021, which took effect on 19 October
3 2021, prescribing the policy on the registration and monitoring of containers
4 through the Trusted Operator Program-Container Registry Monitoring System
5 (TOP-CRMS) and Empty Container Storage Shared Service Facility (ECSSSF);
6

7 **WHEREAS**, PPA considers the TOP-CRMS as a possible solution to the
8 high logistics charges levied on truckers and other logistics players by eliminating
9 the expense for container deposit and replacing it with a container monitoring fee,
10 inclusive of container insurance cost. Likewise, PPA, through AO No. 04-2021,
11 will require registration and monitoring of all foreign containers entering and
12 leaving PPA ports;
13

14 **WHEREAS**, while the PPA deems the order a solution, the private sector
15 sees it as a problem, as several business groups have urged PPA to stop the
16 enforcement of AO No. 04-2021 for allegedly being anomalous and would
17 worsen the country's economic problems like inflation;
18

19 **WHEREAS**, these business groups include Philippine Chamber of
20 Commerce and Industry (PCCI), Federation of Filipino-Chinese Chamber of
21 Commerce and Industry, Inc. (FFCCCI), Philippine Exporters Confederation
22 (PHILEXPORT), Supply Chain Management Association of the Philippines
23 (SCMAP), Philippine Association of Meat Processors, Inc. (PAMPI), Philippine
24 Multimodal Transport and Logistics Association, Inc. (PMTLAI), Alliance of
25 Concerned Truck Owners and Organizations (ACTOO), Alliance of Container
26 Yard Operators of the Philippines (AYCOP), Association of International
27 Shipping Lines, Inc. (AISL), Association of Off-Dock CFS Operators of the
28 Philippines, Inc. (ACOP), Customs Brokers Federation of the Philippines
29 (CBFP), Pasig Port Users United, Philippine Liner Shipping Association (PLSA),
30 Philippine Ship Agents Association (PSAA), Port Users Confederation of the
31 Philippines, Inc. (PUCP), Practicing Customs Brokers Association of the
32 Philippines (PCBAPI), and United Port Users Confederation of the Philippines,
33 Inc. (UPC);
34

35 **WHEREAS**, the afore-cited groups have expressed their vehement
36 opposition to the subject Administrative Order through an open letter sent to
37 President Marcos Jr. stating the following reasons: (1) TOP-CRMS/ECSSSF will
38 worsen inflation in the country as it will result in an almost fifty (50%) increase
39 in the cost of importing goods; (2) TOP-CRMS/ECSSSF was not designed to
40 address smuggling as it is not evidently stated in the objectives laid down in the
41 AO; (3) TOP-CRMS/ECSSSF is not the solution to port congestion, as the
42 solution lies in the development of port infrastructure and maximizing the assets
43 of the PPA; (4) the issuance of AO No. 04-2021 was not compliant with the basic

1 requirements of the Constitution, laws, and international best practices; and (5)
2 the PPA’s failure to analyze the impact of TOP-CRMS and coordinate with
3 stakeholders could lead to a repeat of the 2014 port congestion fiasco;
4

5 **WHEREAS**, similarly, the Philippine Association of Meat Processors Inc.
6 (PAMPI) has recently appealed to the Department of Transportation (DOTr), an
7 agency which the PPA is attached to, for the revocation of the order of the latter
8 as it will add to the inflationary pressures because the said order forces importers
9 to pass the additional PPA charges to consumers of finished goods. Also, PAMPI
10 said that the AO was issued with “grave abuse of authority” since it burdens the
11 importers with registration of containers, which it said are owned by shipping
12 lines and not by them;
13

14 **WHEREAS**, other contentions of private stakeholders include that the AO
15 overlaps with the Bureau of Customs’ (BOC) E-TRACC system that already
16 monitors movement and location of containers using tracking devices – which is
17 the very same purpose for which the TOP-CRMS has been created; and that the
18 PPA acted beyond the scope of its authority in issuing AO 04-2021 as regulating
19 movement of imports is not within its mandate but that of the BOC;
20

21 **WHEREAS**, based on the comments of the National Economic and
22 Development Authority (NEDA) on the proposed implementing operational
23 guidelines of AO No. 04-2021, the PPA should consider the “implication on the
24 cost of doing business”¹ of the subject AO, which the PPA failed to do or look
25 into;
26

27 **WHEREAS**, according to the afore-cited groups, the PPA failed to
28 consider that the ultimate victim of these additional costs is the ordinary Filipino
29 consumer who is already bleeding from an inflation rate of 8.1%. The policy will
30 result in astronomical increase in the prices of basic food and commodities;
31

32 **WHEREAS**, they further said that in issuing AO No. 04-2021, the PPA
33 clearly deviated from what the administration of President Marcos wants to
34 achieve, which is to particularly revitalize the economy and lower the logistics
35 cost;
36

37 **WHEREAS**, it must be stressed that while the government has the
38 authority to regulate private industries, these regulations must create a balance
39 between the interests of regulators and regulatees, especially if it will negatively
40 impact the citizens in general;
41

¹ https://www.ppa.com.ph/sites/default/files/ppa_document/OR_NO_04-2021_01202023.pdf.

1 **NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved, to
2 direct the appropriate Senate Committee to conduct an inquiry, in aid of
3 legislation, on the alleged inappropriate issuance by the Philippine Ports
4 Authority of Administrative Order No. 04-2021 prescribing the policy on the
5 registration and monitoring of containers, which is being vehemently opposed by
6 several business groups and is seen to increase the cost of importing goods to
7 almost 50%, worsen inflation in the country, and ultimately affect consumers.

Adopted,


AQUILINO "KOKO" PIMENTEL III