



Republic of the Philippines
DEPARTMENT OF TRANSPORTATION

DEPARTMENT ORDER NO. 2020 - 007

Subject: **DIRECTIVE FOR ALL DOMESTIC SHIPPING LINES TO PROVIDE CARGO SPACE ALLOCATION FOR AGRICULTURAL AND FOOD PRODUCTS AND PROVIDING FOR PREFERENTIAL CARGO RATES THEREFOR**

Date: **24 JUNE 2020**

WHEREAS, it is the policy of the Government, especially during this COVID-19 pandemic, to ensure food availability and affordability, boost domestic agricultural production and food processing; and ensure that their movements shall remain unhampered;

WHEREAS, pursuant to Inter-Agency Task Force (IATF) Resolution No. 46, series of 2020, all domestic shipping lines are enjoined to allocate a percentage of cargo space every voyage exclusively to agricultural and food products and to charge preferential rates on such agricultural and food products;

WHEREAS, Republic Act No. 9295 and its Implementing Rules and Regulations (IRR) provide that every domestic ship operator shall have the right to fix its own passenger or cargo rates, or both, following certain guidelines, but the Maritime Industry Authority (MARINA) shall intervene under any of the identified circumstances against the ship owner relative to rates charged and/or services rendered; and/or rates charged that are excessive or unreasonable; and that MARINA shall monitor all shipping operations and exercise regulatory intervention where it is established after due process that public interest needs to be protected and safeguarded;

WHEREAS, under RA No. 9295, the MARINA is authorized to impose fines and penalties against domestic shippers for acts which the MARINA shall determine, after due notice and hearing, to be detrimental or prejudicial to the stability and integrity of domestic shipping;

WHEREAS, Republic Act (RA) No. 11469 states that "in view of the declaration of State of National Emergency throughout the Philippines, the President, pursuant

to Article VI, Section 23 (2) of the Constitution, is empowered to adopt the temporary emergency measures to respond to crisis brought by the pandemic such as, but not limited to, enforcing measures to protect people from pernicious practices affecting the supply, distribution and movement of essential goods whether imported or locally produced or manufactured”;

WHEREAS, Proclamation No. 922, series of 2020, enjoins all government agencies and local government units to render full assistance and cooperation and mobilize the necessary resources to undertake critical, urgent and appropriate response and measures in a timely manner to curtain and eliminate the COVID-19 threat;

WHEREAS, RA No. 11469 authorizes the President to regulate and limit the operation of all sectors of transportation through land, sea or air, whether private or public;

WHEREAS, Executive Order No. 292 mandates the Department of Transportation (DOTr) to be the primary policy, planning, programming, coordinating, implementing and administrative entity of the executive branch of the Government on the promotion, development and regulation of a dependable and coordinated network of transportation, as well as in the fast, safe, efficient and reliable transportation services;

WHEREAS, the DOTr is empowered to call upon any agency, corporation or organization, whether public or private, whose development programs include transportation as integral parts thereof, to participate and assist in the preparation and implementation of a comprehensive and integrated programs for transportation;

WHEREAS, under Presidential Decree (PD) No. 857, the Philippine Ports Authority (PPA) is mandated to supervise, control and regulate facilities and services that are necessary in the ports that are under its jurisdiction;

WHEREAS, PD No. 857 also authorizes the PPA to prescribe rules and regulations, procedures and guidelines governing the operation of all other ports, including private ports in the country;

WHEREAS, under EO No. 513, series of 1978, the PPA is authorized to perform such acts as may be deemed proper or necessary to carry out and implement the provisions of PD No. 857, including the adoption of necessary measures to remedy congestion in any government ports;

WHEREAS, EO No. 513 grants the PPA police authority within the ports administered by it as may be necessary to carry out its powers and functions and attain its purposes and objectives;

NOW, THEREFORE, I, ARTHUR P. TUGADE, Secretary of the Department of Transportation, by virtue of the powers vested in me by law, hereby orders all domestic shipping lines to provide for cargo space allocation for agricultural and food products and for such domestic shipping lines to provide preferential shipping rates for such cargoes.

**Section 1
COVERAGE**

This Department Order (DO) shall apply to all domestic shipping lines throughout the Philippines.

**Section 2
PURPOSE**

The purpose of this DO shall be to help ensure the viability of food production and delivery thereof in line with the Government's mandate to provide food security for the people.

**Section 3
CARGO SPACE ALLOCATION**

For this purpose, all domestic shipping lines are hereby enjoined to allocate no less than twelve percent (12%) of a vessel's cargo capacity per voyage for the exclusive accommodation of agricultural and food products. "Agricultural and food products" shall mean any product or commodity, raw or processed, that is marketed for human consumption (excluding water, salt and additives). Animal feeds shall not be considered as "agricultural and food products" for purposes of this DO.

This DO shall cover cargoes of agricultural and food products shipped in whatever manner or form, such as, but not limited to, roll-on/roll-off (RORO) cargoes and conventional cargoes (whether loose or bulk).

**Section 4
PREFERENTIAL CARGO CHARGES FOR AGRICULTURAL
AND FOOD PRODUCTS**

All domestic shipping lines are enjoined to extend a discount of no less than forty percent (40%) from their published shipping rates for all cargoes of agricultural and food products covered by this Department Order. Nothing herein shall prevent domestic shipping lines from extending discounts more than the discount provided for herein.

Section 5

MONITORING AND REPORTORIAL REQUIREMENTS

MARINA shall issue guidelines to implement this DO within thirty (30) days from the effectivity hereof. The Philippine Ports Authority (PPA) is hereby tasked to implement, closely monitor and ensure that domestic shipping companies comply with the requirements set forth herein, and impose sanctions for non-compliance.

The PPA shall regularly submit on a monthly basis to the DOTr and the MARINA a report on the status of compliance by shipping lines, the issues encountered, and recommendations to further promote the objectives of this DO.

Section 6 SEPARABILITY CLAUSE

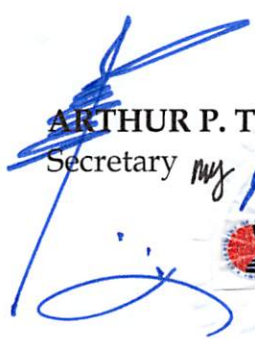
If any part or provision of this Order is held unconstitutional or invalid, other parts or provisions which are not affected shall continue to remain in full force and effect.

Section 7 REPEALING CLAUSE

All other Department Orders, Circulars, Special Orders, Office Orders and/or other issuances inconsistent herewith are hereby superseded and/or modified accordingly.

Section 8 EFFECTIVITY

This Order shall take effect immediately.


ARTHUR P. TUGADE

Secretary *my 6/18*



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