



PROPOSED ARRASTRE, STEVEDORING, AND STORAGE RATES FOR OUT-OF-GAUGE (OOG) CARGOES

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DEFINITION

Out of Gauge (OOG) refers to any cargo which dimensions exceeding those of the container.

- -www.logisticsglossary.com



PHOTOS

SOUTH HARBOR





MICT



PORT OF CAGAYAN DE ORO

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PORT OF CAGAYAN DE ORO





MANILA NORTH HARBOR





STATISTICS ON OOG CARGOES

PMO	Port	Total TEUs	
		2018	2019
PMO NCR-North		619.00	14,687.00
PMO Panay/Guimaras		NO DATA	1,320.35
PMO Agusan		209.00	208.00
PMO Misamis Or. CDO		13.00	11.00
PMO Davao		442.00	323.00
<i>Sub-Total</i>		1,283.00	16,549.35
<i>Grand Total</i>		(2018 & 2019) 17,832.35	

NEGATIVE IMPACT OF OOG CARGOES



- Low Ship Productivity e.g. in MICT, the average standard productivity of a container is 24 moves per hour while in handling OOG cargoes, the average productivity is only 3 to 4 moves per hour
- Lost slot in the yard as it occupies more space
- Longer dwell time as OOG stays in the port for 10-11 days compared to the standard container's dwell time of 7 days

PPA NEEDS TO ADOPT A POLICY

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- Rates currently imposed in the port are unauthorized; thus, the need to prescribe a rate for handling OOG cargoes
- To compensate the Terminal/Cargo Handling Operators for the services rendered in handling OOG cargoes.



- 1. Article IV, Section 6 b) (ix) of Presidential Decree No. 857, as amended or the Revised Charter of Philippine Ports Authority
 - *To levy dues, rates or charges for the use of the premises, works, appliances, facilities or for services provided by or belongs to the Authority or any other organization concerned with port operations*



2. Item 3 of Letter of Instruction No. 1005-A

To intensify the collection of all port charges including the government share from all cargo-handling contractors and port-related service operators, all back accounts, in order for them to share the burden of the accelerated, development, construction and maintenance of the government facilities they utilize. The government share for all cargo-handling contractors and port-related service operators shall be at a rate not less than 10% taken from their gross income earned from such services.



- 1. The current applicable arrastre, stevedoring and storage rates of laden containers shall be the base tariff in the determination of OOG tariff.
- 2. The multiplier factor of 3 shall be applied to the base tariff and the resulting rates shall be the prescribed rates for arrastre, stevedoring and storage.



3. The OOG rates shall be applied only after approval by PPA Board of Directors to be effective 15 days after publication in a newspaper of general circulation.
4. The Commercial Services Department shall issue a new tariff schedule to include the rates for handling OOG cargoes.

PROPOSED RATES



MICT

Container Size	Basis	Existing Rates			<i>Proposed OOG Rate (x3)</i>		
		Arrastre/ Imp	Arrastre/ Exp	Stevedoring	<i>Arrastre/ Imp</i>	<i>Arrastre/ Exp</i>	<i>Stevedoring</i>
20 footer	Per box	4,307.00	3,516.00	\$105.457	<i>12,921.00</i>	<i>10,548.00</i>	<i>\$316.371</i>
40 footer	Per box	9,881.00	8,076.00	\$147.517	<i>29,643.00</i>	<i>24,228.00</i>	<i>\$442.551</i>

PROPOSED RATES

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Container Size	Basis	Existing Rates		<i>Proposed OOG Rate (x3)</i>	
		Arrastre	Stevedoring	<i>Arrastre</i>	<i>Stevedoring</i>
20 footer	Per box	1,332.50	434.00	<i>3,997.50</i>	<i>1,302.00</i>
40 footer	Per box	2,664.00	434.00	<i>7,992.00</i>	<i>1,302.00</i>



PORT OF CAGAYAN DE ORO

Container Size	Basis	Existing Rates		<i>Proposed OOG Rate (x3)</i>	
		Arrastre	Stevedoring	<i>Arrastre</i>	<i>Stevedoring</i>
20 footer	Per box	575.00	208.50	<i>1,725.00</i>	<i>625.50</i>
40 footer	Per box	2,299.50	348.50	<i>6,898.50</i>	<i>1,045.50</i>

Import/Export

Container Size	Basis	Existing Rates		<i>Proposed OOG Rate (x3)</i>	
		Arrastre	Stevedoring	<i>Arrastre</i>	<i>Stevedoring</i>
20 footer	Per box	1,240.50	767.50	<i>3,721.50</i>	<i>2,302.50</i>
40 footer	Per box	2,288.00	1,537.00	<i>6,864.00</i>	<i>4,611.00</i>



WHY THE MULTIPLIER FACTOR OF 3

<i>PMO</i>	<i>Port</i>	<i>Maximum Stacking High of Laden Containers (Daily)</i>	
		<i>2018</i>	<i>2019</i>
PMO NCR-North		5	5
PMO NCR-South	ATI	6	6
	MICT/ICTSI	6	6
PMO Bataan/Aurora	Port of Capinpin	2	2
PMO Negros Or./Siquijor		2	2
PMO Eastern Leyte/Samar	Tacloban Port	3	3
	Maguino-o Port	1	1
PMO Agusan	Nasipit Port	3	3
PMO Misamis Or.CDO		3	3
PMO Davao	DIPSSCOR/FILPORT	4	4
PMO Zamboanga del Norte	Dapitan Port	2	2
	Total	37	37
	Average	3.36	3.36



WHY THE MULTIPLIER FACTOR OF 3

Indicative freight rates charged by shipping lines for transporting OOG containers.

Below is the summary table:

	Freight Rates	Surcharge Ratio
Regular Container	\$500	
OOG - Low	\$1,300	2.6
OOG - High	\$2,500	5.0
Average OOG Freight Rate	\$1,900	3.8



■ WHY THE MULTIPLIER FACTOR OF 3

1. A regular 40-foot container is charged, on average, about \$500 for freight
2. To ship a 40-ft OOG container, freight rates average a range of \$1300 - \$2500 for the equivalent route.
3. This is a 2.6x to 5x surcharge
4. This then gives an average of 3.8x surcharge



■ IMPOSITION OF GOVERNMENT SHARE

The cargo handling charges on OOG cargoes imposed and collected by the Cargo Handling/Terminal Operator shall be subject to PPA share to be remitted and shall be remitted in accordance with existing contracts/authorities or PPA issuances.

THANK YOU

