



June 25, 2024

SEN. MARK VILLAR

Chairperson

Committee on Government Corporations and Public Enterprises

Philippine Senate, Pasay City

Dear Senator Villar:

The undersigned Philippine business groups (PBGs) and members of the Joint Foreign Chambers (JFC) write to seek your consideration for filing and hearing a counterpart Senate bill to House Bills 1400 and 8055, which separate the commercial and regulatory functions of the Philippine Ports Authority.

The proposed bill can be understood by the simple logic that an examiner cannot also be the examinee. From 1974, when the Philippine Ports Authority (PPA) was created, the combination of regulatory and development functions of the PPA has been a source of a conflict of interest for the agency's functions. While it has long been established as the policy of the State to avoid such conflicts of interest, PPA's case, seemingly, did not catch the attention and scrutiny of previous congresses.

In September 2018, the undersigned JFC-PBG published a policy brief on Seaports and Shipping, where one of the recommendations advanced was to pass a law to convert the PPA into the Philippine Ports Corp. (Philports) to handle development, management, and operation of public ports. The regulatory functions of PPA would be transferred to Maritime Industry Authority (MARINA).

For many years, news reports and studies have discussed inefficient management of Philippine ports, sometimes resulting in overcrowding of passengers at ports and on vessels, delayed trips, and worse, vessel-related accidents and fatal mishaps at sea. Complaints of patrons and users of ports about low service levels, inefficient port operations, and increasing port charges have been reported. At the same time, the role of sea transport has become increasingly important in the nation's strategy to maintain high levels of economic growth. The establishment of the Ro-Ro spine system 15 years ago and its ongoing expansion is one example of a successful reform to augment sea transportation.

We acknowledge the rapid rise of air travel as a time-efficient and comfortable means of domestic travel. However, as an archipelago of more than 7,000 islands it is impractical to connect all islands through only a network of airports. Sea travel is a very viable and essential mode of transportation to connect our islands.

Additionally, we wish to highlight the importance of maritime shipping to local and foreign trade. Because it is too expensive to move most cargoes by plane, such freight depends on ships for transport. Consequently, adequate, efficient, safe, and affordable sea transport can exponentially increase the country's competitiveness and output in both local and foreign trading networks.





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Based on such considerations, we believe it is timely and relevant to separate the regulatory and development functions of PPA — not only to abide by the long-established state policy against conflict of interest, but also to allow the agency to focus on improving port operations, while MARINA will assume the regulatory functions over ports currently handled by the PPA.

Maritime Industry Authority (MARINA) is the agency responsible for promoting and developing the maritime industry and regulating shipping enterprises. It has the authority to issue Certificates of Public Convenience (CPC), allowing domestic and international water carriers to operate. MARINA also handles vessel registration, licensing, safety concerns related to vessel construction, and the enforcement of maritime law.

We sincerely hope his request will receive your favorable consideration. Attached is a copy of HB 1400 and HB 8055 for your perusal.

Sincerely,

EBB HINCHLIFFE
Executive Director
American Chamber of
Commerce of the Philippines,
Inc.

PATRICK RONAS
Director & President
Association of International
Shipping Lines, Inc.
JULIAN PAYNE
President
Canadian Chamber of
Commerce of the Philippines,
Inc.

MARITESS AGONCILLO
Executive Director
Confederation of Wearable
Exporters of the Philippines

PAULO DUARTE
President
European Chamber of
Commerce
of the Philippines

CALIXTO CHIKIAMCO
President
Foundation for
Economic Freedom

HARUTAKA ISHIKAWA
President
Japanese Chamber of Commerce
and Industry of the Philippines,
Inc.

HYUN CHONG UM
President
Korean Chamber of Commerce
of the Philippines, Inc.
ENUNINA V. MANGIO
President
Philippine Chamber of
Commerce & Industry



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JAPANESE



KOREAN



MARK MATTHEW PARCO
President
Philippine Inter-Island Shipping
Association, Inc.

DR. SERGIO ORTIZ-LUIS, JR.
President & Chief Executive
Officer
The Philippine Exporters
Confederation, Inc.

CC:
REP. BERNADETTE "BH" HERRERA-DY