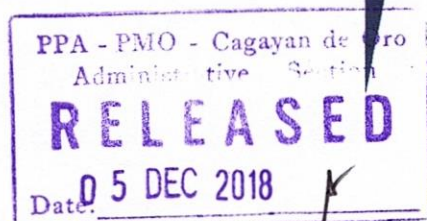




03 DEC 2018

PMO MOC MEMORANDUM CIRCULAR
No. 014 -2018



TO : All Division Managers
TMO Managers
All Operations Personnel
All Others Concerned

SUBJECT : **MARINA Circular No. 2018-07 The Rights of Passengers and Obligations of Domestic Operators in Cases of Cancelled, Delayed or Unfinished/Uncompleted Voyages**

To provide efficient shipping and/or transport services for the convenience and comfort of all the passengers particularly during cases of cancelled, delayed, or unfinished/uncompleted trips, this Circular hereby promulgates the **MARINA Circular No. 2018-07** approved on 20 September 2018, establishing a clear outline of the rights of the passengers, and the obligations of the operators in cases of cancelled, delayed, or unfinished/uncompleted voyages, pursuant to Presidential Decree No. 474, Executive Order No. 125 as amended, and Republic Act No. 9295 and its IRR and subsequent amendments (*see attached MARINA Circular*).

The salient provisions thereof are as follows:

1. In case of cancellation/delay/non-completion of the voyage attributable to the operator, a passenger has corresponding rights to information as to voyage status including its cause and new schedule, rights to refund or revalidation of ticket, rights to amenities including provision of snacks/meals, and rights to compensation.
2. All rights of a passenger except the refund and accommodation or its equivalent compensation, shall apply to and may be exercised by holders of complimentary tickets.
3. Persons scheduled to be or are on board but are not considered as passengers under this Circular are still entitled to the right to information and food provisions.
4. The operator does not incur any liability in cases of cancelled, delayed or unfinished voyages, if the cancellation, delay or non-completion is wholly attributable to the passengers themselves.
5. The right to refund or revalidation applies regardless of the nature of the cause of cancellation or delay, except for causes attributable to the passengers.
6. In case the voyage cannot be completed by reason of a fortuitous event, the obligation and liability of the operator is limited only to the free, comparable transport of the passengers to the intended or nearest destination.
7. The rights provided for under this Circular shall be the minimum entitlement of the passengers. The operator may grant more favorable conditions or recourses to passengers as it may deem appropriate.

8. The operator shall at all times take into account the needs of the passengers, particularly those of persons with disability, senior citizens, pregnant women, and children, and all other persons with reduced mobility or requiring assistance in accordance with relevant laws, rules and regulations. For this purpose, operators, in collaboration with relevant port authorities, shall ensure that there is a designated place at the point of departure/arrival at which all announcements, notifications and requests for assistance can be made.
9. All complaints for refusal by the operator to extend the benefits as herein provided shall be filed at the MARINA Office having jurisdiction over the operator's principal place of business for appropriate action.
10. The MARINA shall impose fines and penalties against operators who shall commit the violations enumerated under XI (a)- (i).

In view of the foregoing, you are hereby enjoined to adhere and observe the stipulations in the abovementioned circular, to act accordingly and provide the necessary services to passengers during cases of cancelled, delayed, or unfinished/uncompleted voyages.

For your information and guidance.



ISIDRO V. BUTASLAC, JR
Port Manager



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION



MARITIME INDUSTRY AUTHORITY

MARINA CIRCULAR NO. 2018-07

TO : ALL OWNERS/OPERATORS OF INTER-ISLAND LINER SHIPS AND ALL CONCERNED

SUBJECT : THE RIGHTS OF PASSENGERS AND OBLIGATIONS OF DOMESTIC OPERATORS IN CASES OF CANCELLED, DELAYED OR UNFINISHED/UNCOMPLETED VOYAGES

In order to intensify and ensure the protection of the public against inefficient shipping and/or transport services and in order to clearly establish their rights against the operator in cases of cancelled, delayed, or unfinished/uncompleted voyages, and pursuant to Presidential Decree No. 474, Executive Order No. 125, as amended, and Republic Act No. 9295 and its IRR and its subsequent amendments, the following rules are hereby adopted:

I. OBJECTIVE

This Circular serves to provide a clear outline of the rights of the passengers and the obligations of the operator in cases of cancelled, delayed, or unfinished/uncompleted voyages as well as the remedies available to the former in case of violations and/or non-compliance therewith by the latter.

II. COVERAGE

This Circular shall apply to passengers travelling on liner passenger ships registered under the Philippine laws and covered by a Certificate of Public Convenience (CPC), and plying the domestic waters of the Philippines, including the operators of such ships, whose voyage is:

1. cancelled;
2. delayed; or,
3. unfinished/uncompleted.

III. DEFINITIONS

For purposes of this Circular, the following terms and phrases shall have the meaning as herein below indicated:

1. "Amenities" refers to snacks or refreshments, meals, first aid/relief medicine, access to communication services or facilities,

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accommodation, transportation to the place of accommodation from the port and vice versa, and other benefits, services or facilities which passengers may avail of or may be entitled to.

2. "*Cancelled voyage*" refers to one that has been called off and deferred to the next day [more than twenty-four (24) hours from the scheduled departure or arrival of the ship] or to an indefinite date and time. This covers voyages where passengers have been displaced or denied boarding due to overbooking or errors in booking. The voyage is deemed cancelled as to such displaced passengers.
3. "*CPC*" refers to the Certificate of Public Convenience or the license or authority issued by the Maritime Industry Authority (MARINA) to a domestic ship operator to engage in domestic shipping.
4. "*Compensation*" refers to the amount paid to the passengers as an alternative to providing accommodation when such accommodation is not practicable, equivalent to the prevailing market price of a decent and clean accommodation in the immediate or adjacent locality of the ship's point of departure, which may be limited by the operator to a maximum of three (3) nights per passenger.
5. "*Delayed voyage*" refers to a voyage involving late departure of the ship from its port of origin or late arrival thereof to its port of destination for a period of time not exceeding twenty-four (24) hours from the CPC-authorized time of departure or arrival of the ship.
6. "*Extraordinary circumstances*" refers to situations beyond the control of the operator and includes, but are not limited to, port traffic and congestion and orders and decisions of competent authorities with regard to transport needs, public safety and interest, as well as environmental protection.
7. "*Fortuitous event*" or "*force majeure*" refers to the occurrence by chance without cause or relation or without human intervention and includes, but is not limited to, weather conditions endangering the safe operation of the ship and natural calamities such as fires and earthquakes, typhoons and floods.
8. "*Liner passenger ship*" refers to a ship engaged in the carriage of passengers in domestic shipping with regular ports of call/destination and fixed sailing schedules and frequency.
9. "*Operator*" refers to the ship owner or any other person, corporation, firm or association who undertakes to transport persons or things indiscriminately from one place to another, for a corresponding fee or compensation, or who has assumed such responsibility from the shipowner such as the Manager and the Bareboat Charterer.

10. "Passenger" refers to every person other than:

- a. The master and the members of the crew or other persons employed or engaged in any capacity on board a ship on the business of that ship;
- b. A person on board and carried either because of the obligation laid upon the master to carry shipwrecked, distressed or other person by reason of force majeure;

It shall refer to persons embarking, on board, or disembarking from, a ship engaged in domestic shipping to include the following such as, but not limited to, those who are paying, non-paying, minor, infant, holding discounted or complimentary tickets and/or accommodated passengers, including those passengers who are accompanying cargoes, vehicles or animals.

11. "PA" refers to the Provisional Authority or the temporary authority which may be issued pending the issuance of a CPC, provided the issuance falls under any of the circumstances enumerated under Section 15 of The 2014 Amendments to the Revised Rules and Regulations Implementing Republic Act 9295.

12. "Refund" refers to the reimbursement of full purchase value of the ticket price or the value corresponding to the untraveled part of a voyage, which may be paid in cash or in the form of vouchers or services.

13. "Revalidation" refers to the operator's acknowledgement that an unused ticket may be used for another voyage.

14. "Sailing Schedule" refers to the ship's authorized time of departure and arrival pursuant to and under its CPC/PA/SP or any other forms of authority to operate.

15. "Ship" refers to any kind, class or type of craft or artificial contrivance capable of floating in water, designed to be used, or capable of being used, as a means of floating in water transport in the domestic trade in the carriage of passengers or cargo, or both, utilizing its own motive power or that of another.

16. "SP" refers to the Special Permit or the temporary authority issued by the MARINA under Section 7.8.2, Rule III of the 2014 Amendments to the Revised Rules and Regulations Implementing Republic Act 9295, to a domestic ship operator with valid CPC to operate outside of its CPC-authorized route or schedule of trips under the circumstances therein enumerated.

17. "Ticket" refers to any valid document evidencing the agreement between the operator and the passenger for the former to transport the latter to his/her destination. This may be issued in an electronic format.

18. "*Unfinished/Uncompleted Voyage*" refers to a voyage that has been commenced but has failed to reach its port of destination.

IV. RIGHTS OF PASSENGERS IN CASE OF CANCELLED VOYAGES

In case of cancellation of the voyage for causes attributable to the operator, the passengers shall have the following rights:

1. Right to information. The operator shall, within thirty (30) minutes from receipt of information or from knowledge that the voyage shall have to be cancelled, but not later than one (1) hour before the CPC-authorized departure schedule, inform the passengers of the cancellation of the voyage and the cause thereof, as well as of the new sailing schedule.

The information shall be made by public announcement through the Public Announcement System, written and/or published notice or through SMS (short message service), electronic messaging or any other available means, as the case may be.

2. Right to refund. At their option, the passengers may have their tickets refunded. The operator shall make the refund upon request of the passenger and in no case more than seven calendar (7) days there from. Refund may be claimed for each cancelled part of the journey and may be made in cash or in the form of vouchers or services, at the option of the passenger. In a voyage where the ship has several ports of call, refund in the form of services shall include a return journey, free of charge, to the original or nearest point of departure.
3. Right to revalidate ticket. Instead of a refund, the passengers may opt to have their ticket revalidated. In this case, the operator shall:
 - a) Re-schedule the passenger's cancelled voyage at the earliest opportunity for the same route, or for an alternative route with the consent of the passenger, at no additional cost to the passenger;
 - b) Ensure that the "displaced" passenger shall be given priority over walk-in passengers to be accommodated in the operator's other ships bound for the same or the nearest alternative destination. In the event that the passengers cannot be accommodated in the operator's other ships, the operator shall make arrangements for the transport of the passengers onboard ships by another operator in the same route. In either case, transport of the passenger shall be made at the earliest opportunity and at no additional cost to the passenger.

4. Right to Amenities. The operator shall provide the passengers, while they are awaiting for their re-scheduled voyage, the following:

- a) Snacks or refreshments, or meals during mealtime;
- b) Free access to first aid/relief medicine, if necessary; and,
- c) Free access to communication facilities or services, if necessary.

In addition to the above, and subject to Section VIII hereof, the operator shall provide the passengers free, decent and clean accommodation that must be located near or accessible from the port, as well as free transportation to and from the port and the place of accommodation.

The passengers shall be entitled to these amenities for as long as may be required by the period for which they have to wait for their next scheduled voyage, without prejudice to the operator limiting the same to a maximum of three (3) nights per passenger.

5. Right to compensation. As an alternative to providing accommodation or whenever the provision of the same is not practicable, the operator may offer the passengers corresponding compensation in an amount equivalent to the prevailing market price of a decent and clean accommodation in the immediate or adjacent locality of the ship's point of departure, subject to the same limitation of a maximum of three (3) nights per passenger.

V. RIGHTS OF PASSENGERS IN CASE OF DELAYED VOYAGES

In case of delay of the voyage attributable to the operator, a passenger shall have the following rights:

1. Right to information. The operator shall, within thirty (30) minutes from receipt of information or from knowledge that the voyage shall be delayed, but not later than one (1) hour before the CPC-authorized departure schedule, inform the passengers of the delay and the cause thereof, as well as of the new departure or expected arrival time.

The information shall be made by public announcement through the Public Announcement System, written and/or published notice, or through SMS, electronic or any other available means.

2. Right to refund or revalidation. Should the delay be for more than three (3) hours, the passenger shall be offered by the operator the option to request a refund of the ticket price or for the revalidation of the ticket in the manner provided for under section IV (2) and (3) of this Circular.
3. Right to Amenities. The operator shall provide, free of charge, the passengers waiting for their re-scheduled trip with the following:

- a) Snacks or refreshments, or meals during mealtime;
- b) Free access to first aid/relief medicine, if necessary; and,
- c) Free access to communication facilities or services, if necessary.

In addition to the above, and subject to Section VIII hereof, the operator shall provide the passengers free, decent and clean accommodation that must be located near or accessible from the port, as well as free transportation to and from the port and the place of accommodation, should the delay would require a waiting time of more than 8, but not exceeding 24 hours.

The passengers shall be entitled to these amenities for as long as may be required by the period for which they have to wait for their next scheduled voyage.

- 4. Right to compensation. The compensation in lieu of accommodation as provided for under Section IV (5) of this Circular shall also apply should the provision of accommodation is rendered impracticable.

VI. RIGHTS OF PASSENGERS IN CASE OF UNFINISHED/UNCOMPLETED VOYAGES

In case of non-completion of the voyage attributable to the operator, a passenger shall have the following rights:

- 1. Right to information. The operator shall, within thirty (30) minutes from receipt of information or from knowledge of the impossibility to continue or complete the contracted voyage, but not later than one (1) hour before the expected arrival time, inform the passengers of the situation and the cause thereof.

The information shall be made by public announcement through the Public Announcement System, written and/or published notice, or through SMS, electronic or any other available means.

- 2. Right to comparable transportation to intended destination or to a place nearest thereto. At the option of the passenger, the passenger shall be transported to the intended destination of the ship whose voyage was not completed at the expense of the operator either through:

- a) Another ship of the operator; or
- b) An arrangement for a comparable transportation which would enable the passengers to arrive at their destination.

For unfinished/uncompleted voyage for causes due to fortuitous event or force majeure and extraordinary circumstances, the passenger is entitled to free transportation either through:

- a) Another ship owned by the operator; or
 - b) An arrangement for a comparable transportation bound for the same destination as that of the ship whose voyage was not completed or to a place nearest thereto.
3. Right to Amenities. The operator shall also be obliged to provide the amenities under Section V, paragraphs (3) and (4) of this Circular in the event that the passenger cannot be immediately accommodated in another ship.

VII. RIGHTS OF COMPLIMENTARY TICKET HOLDERS AND NON-PASSENGERS

All the rights of a passenger in case of a cancelled, delayed or unfinished/uncompleted voyage, except the refund and accommodation or its equivalent compensation, shall apply to and may be exercised by holders of complimentary tickets. They are, for all intents and purposes, considered as passengers under this Circular.

Persons scheduled to be or are on board a liner passenger ship but are not considered as passengers under this Circular are entitled to the following:

1. Right to information. To be informed of the cancellation, delay or non-completion of the voyage; and,
2. Right to food provisions. To be provided with refreshments or meals during mealtime while waiting for the next available voyage in which they can be accommodated.

VIII. EXCEPTIONS AND SPECIAL CONDITIONS

1. The operator does not incur any liability in cases of cancelled, delayed or unfinished voyages if the cancellation, delay or non-completion is wholly attributable to the passengers themselves.
2. The right to refund or revalidation applies regardless of the nature of the cause of the cancellation or delay, except for causes attributable to the passengers.
3. Refunds shall be computed based on the price of the ticket corresponding to the untraveled part of the voyage. The operator shall not, for any reason, deduct any processing fee or similar charge for any cost or expense incurred as a result of the cancellation or delay of the contracted voyage.

4. In case the voyage cannot be completed by reason of a fortuitous event, the obligation and liability of the operator is limited only to the free, comparable transport of the passengers to the intended or nearest destination.
5. When the passengers have exercised the right to revalidate their ticket and were given a new sailing schedule, the operator shall be answerable for any further deferment or delay of the new sailing schedule under the same conditions set forth in Sections V and VI of this Circular.
6. The right to amenities does not apply in the following instances:
 - a) if the displaced passengers may be accommodated in the voyage of the operator's other ships or in another operator's ship bound for the same destination or to the route nearest to the passengers' intended destination, where the departure schedule of the substitute ship is not more than four (4) hours from the CPC-authorized departure schedule of the passengers' cancelled, delayed or unfinished/uncompleted voyage;
 - b) if the passengers have been informed by the operator, through public announcement, written notification or advisory, electronic messaging or any other available means, of the cancellation or delay of the voyage at least four (4) hours before the CPC-authorized time of departure or arrival;
 - c) If the operator demonstrates that the cancellation, delay or non-completion of the contracted voyage is caused by a fortuitous event/force majeure or by an extraordinary circumstance as defined in this Circular.
7. The rights provided for under this Circular shall be the minimum entitlement of the passengers. The operator may grant more favorable conditions or recourses to passengers as it may deem appropriate.
8. The operator shall at all times take into account the needs of passengers, particularly those of persons with disability, senior citizens, pregnant women and children, and all other persons with reduced mobility or requiring assistance in accordance with relevant laws, rules and regulations. For this purpose, operators, in collaboration with relevant port authorities, shall ensure that there is a designated place at the point of departure/arrival at which all announcements, notifications and requests for assistance can be made.

IX. PROCEDURE FOR CLAIMING BENEFITS

1. In case of cancellation, delay, or failure of the ship to continue its voyage, the operator is under obligation to issue a written notification/advisory to the passengers or to post an official

announcement through the Public Announcement System or through SMS, electronic messaging or any other available means, setting forth the circumstances surrounding or leading to the cancellation, delay or inability of the ship to continue its voyage. The advisory or notification shall be issued within thirty (30) minutes from receipt of information or from knowledge that the voyage shall be cancelled or delayed, but not later than one (1) hour before the CPC-authorized departure schedule, or within thirty (30) minutes from determination of the impossibility to continue or complete the contracted voyage, but not later than one (1) hour before the expected arrival time.

2. To be eligible to claim the benefits accruing out of the cancellation, delay or non-completion of a ship's voyage, the passengers must be able to present the ticket as defined in this Circular.
3. The refund, compensation and other provisions to which the passengers are entitled shall be paid and/or given by the operator to the eligible passengers at the place where the cancellation or delay occurs. In the case of unfinished/uncompleted voyage, the payment or issuance of documents may be made at the main or branch office of the operator, or at any such place where the passengers may be subsequently transferred or transported.

In either case, payment or provision shall be made upon request of, or availment by, the passenger and in no case later than 7 days from such date. Payment may be made in cash, bank transfer or any other available money transfer means or services.

X. VENUE

All complaints for refusal by the operator to extend the benefits as herein provided shall be filed at the MARINA office having jurisdiction over the operator's principal place of business for appropriate action.

Any complaint filed in MARINA offices other than the operator's principal place of business shall be forwarded to the appropriate MARINA office having jurisdiction over the principal place of business of the operator.

XI. PROHIBITED ACTS

Upon a finding after due notice and hearing in accordance with the provisions of the MARINA Revised Rules of Practice and Procedure, the MARINA shall impose fines and penalties against operators who shall commit the following acts or omissions:

- a) Failure to provide information as provided in Sections IV(1), V(1) and VI(1) hereof;

- b) Failure to render assistance to passengers, particularly persons with disability, senior citizens, pregnant women and children and all other persons with reduced mobility or requiring assistance;
- c) Failure to grant refund or revalidation of ticket at the option of the passenger;
- d) Granting refunds beyond 7 days from the date the request of refund was made;
- e) Failure to provide a free comparable transport to intended or nearest alternative destination, whether on the operator's own ship or on another operator's ship in the same route;
- f) Failure to provide amenities as defined in this Circular;
- g) Imposition of unauthorized fees or charges on passengers availing of their rights under this Circular;
- h) Failure to give compensation in lieu of accommodation to the passenger;
- i) Other acts of similar or analogous nature that prevent the passengers from availing of their rights under this Circular.

XII. FINES AND PENALTIES

1. The following fines and penalties shall be imposed on operators who are found to have committed the acts enumerated in Section XI.

a)	First violation	=	P 100,000.00 for each voyage
b)	Second violation	=	P 200, 000 for each voyage and 5-day suspension of operations
c)	Third and succeeding violations	=	P 300, 000 for each voyage and 10-day suspension of operations

2. For purposes of counting all violations after the first violation, the computation shall be made on a per voyage basis regardless of which ship of the operator is involved.
3. In cases where the operator is found liable for committing the prohibited acts stated in Section XI (c), (f), (g), and (h), the operator shall give the offended passengers the equivalent amount of the refund, revalidation, amenities, unauthorized fees or charges, compensation or other sums involved in the

commission of the prohibited act. This amount shall be on top of the fines and penalties to be paid by the operator.

XII. REPEALING CLAUSE

All provisions of Memorandum Circular No. 112 and Memorandum Circular No. 120, insofar as the same applies to the refund/revalidation of passenger tickets in case of cancelled and unfinished voyages, are hereby repealed. All such other issuances, rules and regulations or parts thereof, which are inconsistent with the provisions of this Circular, are hereby amended or modified accordingly.

XIII. SEPARABILITY CLAUSE

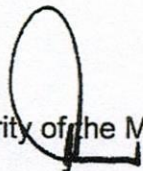
Should any provision or part of this Circular be declared by competent authority to be invalid and unconstitutional, the provisions or parts thereof not affected by such declaration shall remain in full force and effect.

XIV. EFFECTIVITY CLAUSE

This MARINA Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Philippines.

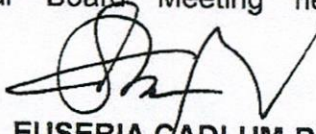
Manila, Philippines.

By Authority of the MARINA Board:


REY LEONARDO B GUERRERO
Administrator

SECRETARY'S CERTIFICATE

This is to certify that the foregoing MARINA Circular 2018-07 has been approved by the MARINA Board in its 261st Regular Board Meeting held on SEP 20 2018.


ATTY. EUSEBIA CADLUM-BOCO
Corporate Board Secretary

Date of Publication: 12 November 2018
Business Mirror

Date of Submission to ONAR: