

THE OFW SEAFARERS AND THEIR CONCERNS

March 16, 2008
Manila, Philippines

**Her Excellency President Gloria Macapagal Arroyo
Malacanang Palace, Philippines**

**Through: Hon. Cerge Remonde
Secretary, Presidential Management Staff**

Dear Madam President:

The OFW seafarers are continuously working hard in order to help the country achieve the goal of having a strong Republic. We comprise only 2.5% of the 10 million OFW contract workers and yet we are able to contribute \$4 billion of the \$14 billion remitted in 2007. We can do more if only we are treated and managed correctly.

We know that by 2010 there will be 8,000 new built ships to be launched in world shipping and we wish to board them all. Our rough estimate is that the additional crew requirements for these new vessels will be 64,000 officers and 80,000 ratings. If we add to this the 25% relieving crew then we are looking at 180,000 potential openings two years from now. This translates to a 55% net growth in the seafarer work force in addition to the multiplier effect to the country's economy as a whole.

The OFW seafarers are vital to the stability of our economy not only in terms of remittances. The country's export and import business relies heavily in sea transport such that any disturbance in world shipping due to manpower crisis affects directly the local trade in the same manner as every dollar increase of crude oil in the world market affects the local pump price. The OFW seafarers are also the regular users of air transport for three decades now that opened up air routes to all destinations around the globe and as a consequence our tourism industry benefits today.

We want to maintain our edge in world shipping but, unfortunately, we cannot meet the world requirements for as long as the flaws in our licensure and certification system are not corrected immediately. Bulleted list below are our major concerns. The index page of related explanation, analysis, and data is enclosed in parentheses.

- ◆ We are deeply concerned that the Professional Regulation Commission "PRC" is jeopardizing the employability of our ship officers by way of numerous training course requirements not mandated by RA 8544. At least 30,651 ship officers were unjustly displaced in 2001 and 2002 and the pillage continues up to this day. The manual written licensure examination greatly discouraged many potential officers. *(see explanations in Pages 3-5. Solutions in page 6)*
- ◆ We are concerned that the Maritime Training Council "MTC" and its sub-office the National Assessment Center "NAC" complicates the certification process of our ship

officers and deprive them of hassle-free employment. We find MTC as the central generator of confusing directives that led to overlapping, if not encroachment, of functions among council members. The officers have to rush back and forth between PRC-MTC-Training Centers-NAC just to comply to training course, authentication, and assessment in their quest for COC to be issued finally by PRC.(see *Solutions in page 7 & 8*)

- ◆ We are concerned that the numerous certificates issued by PRC, TESDA, MTC, NAC are inviting serious scrutiny in foreign ports causing inconvenience and delays to both the seafarers and employers. The respect to our certificates is eroding fast that Panama, for instance, issued directives disregarding MTC and NAC certificates. Even our professional license is already losing its value on board Panama flags. The problem here is that this matter can be a precedent to other flags that can lead to the closure of our maritime education and training programs. (see *Solutions in page 8 & 9*)

We ask politely your direct intervention to effect a lasting solution to our concerns.

Very truly yours,

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Concur:

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President, VMA Global College Alumni Foundation Inc., Sum – ag, Bacolod City

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Capt. Reynaldo Valeros, M.M.
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President – UFS, 4/F Room 402, Gedisco Terrace, 1148 Roxas Boulevard, Ermita, Manila

cc:

Usec. Elena H. Bautista, DOTC
Comm. Nona S. Ricafort, CHED
Capt. Gregorio S. Oca, AMOSUP

PRC Statistical Report on the Number of Registered Deck Officers (1999-2005)

1

SIMULATOR ASSESSMENT

made mandatory
 • PRC M.Circ. 01-03
 • Start: Jan. 19, 2001

2

INTERIM COURSE

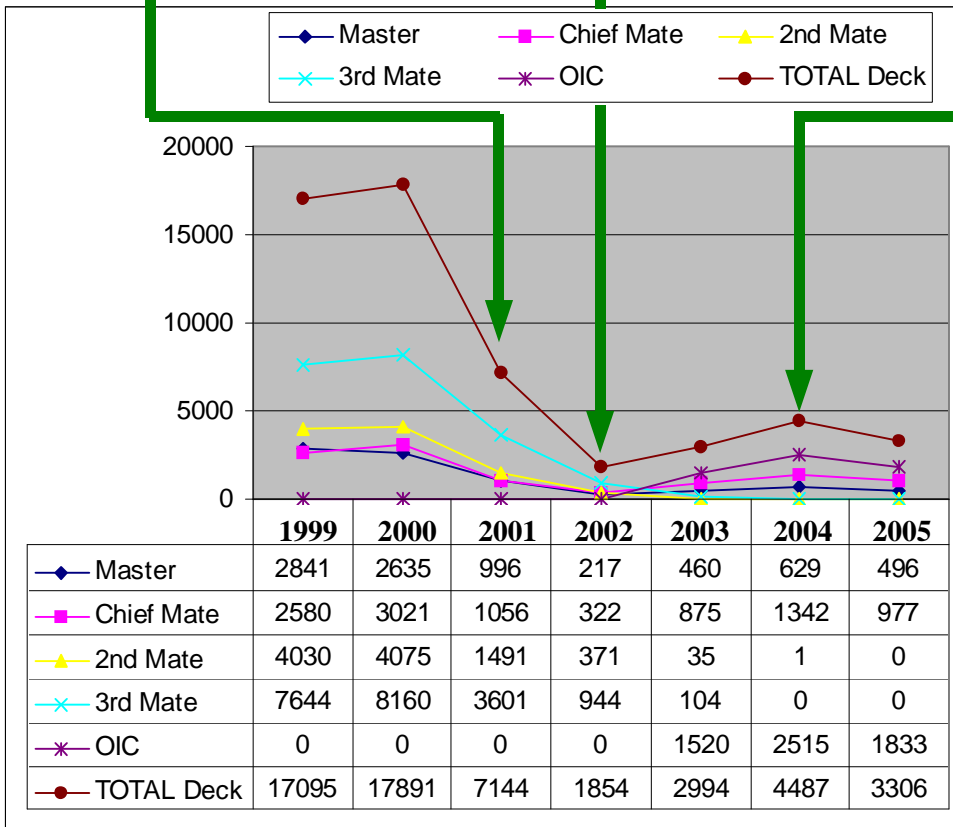
made mandatory

- MTC resolution 6 series of 2002
- PRC MC 2-12, series of 2002.
- Five courses for Deck
- Start: Jul. 18, 2002
- Expiry: Feb. 1, 2004

3

MANAGEMENT LEVEL COURSE "MLC".

A continuation of Interim Courses after Feb. 1, 2004
 Ship officers mounted protest.



- ◆ **10,747** Deck Officers were displaced in 2001
- ◆ **5,290** Deck Officers were displaced in 2002

Data Source: Professional Regulation Commission, 2006

- ◆ The number of ship officers dropped sharply in 2001 because the candidates were forcibly subjected to simulator, a machine completely alien to them and void of physical realism. Consequently this failures unjustly classified the experienced officers "incompetent". In that regard they were not issued COC's therefore they missed to board ships.
- ◆ This sharp drop by as much as 65% in a single year is indicative of abnormalities in the system and NOT that the quality of officers were deteriorating.

PRC Statistical Report on the Number of Registered Marine Engineer Officers (1999-2005)

1

SIMULATOR ASSESSMENT

made mandatory
 • PRC M.Circ. 01-03
 • Start: Jan. 19, 2001

2

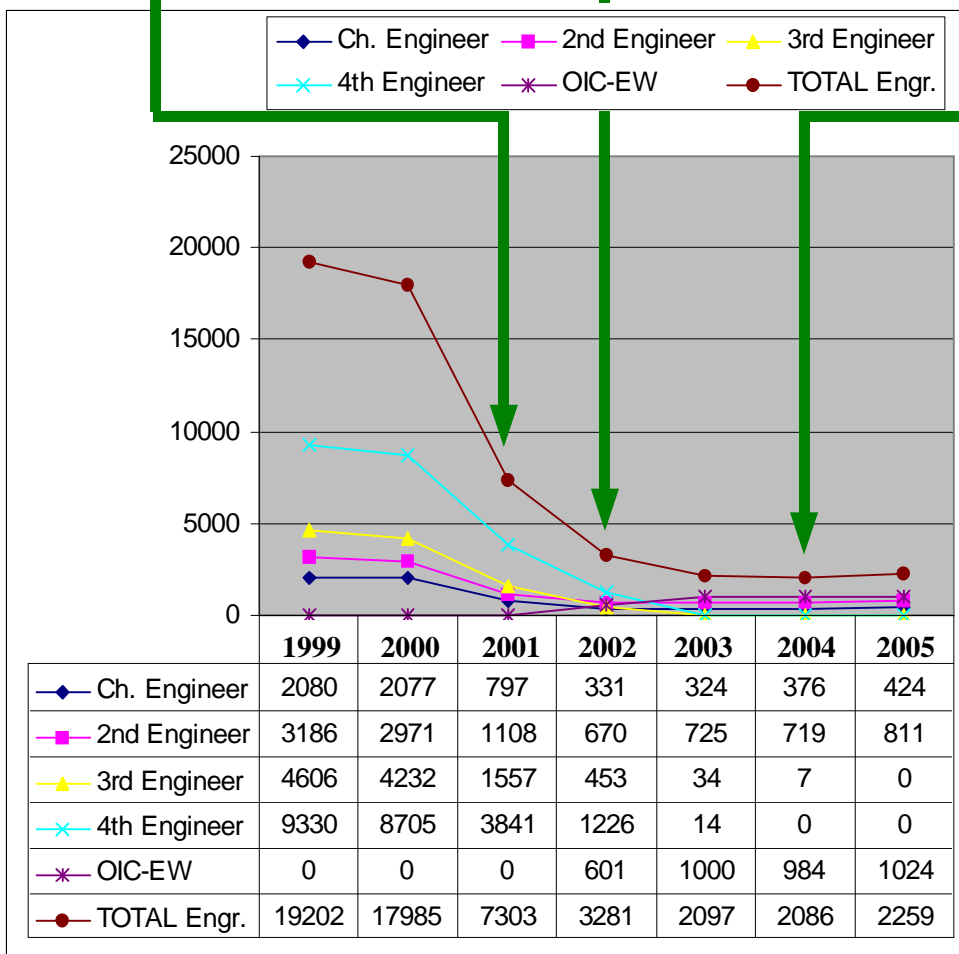
INTERIM COURSE

made mandatory
 • MTC resolution 6 series of 2002
 • PRC MC 2-13, series of 2002.
 • Eleven courses for Engine
 • Start: Jul. 18, 2002
 • Expiry: Feb. 1, 2004

3

MANAGEMENT LEVEL COURSE "MLC".

A continuation of Interim Courses after Feb. 1, 2004
 Ship officers mounted protest.

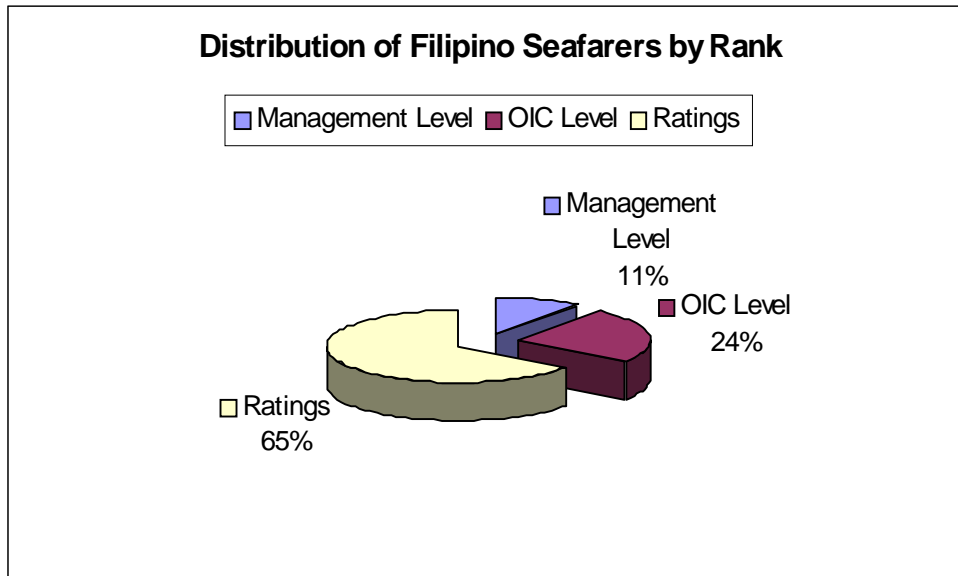


◆ **10,592** Marine Engineers were displaced in 2001

◆ **4,022** Marine Engineers were displaced in 2002

Data Source: Professional Regulation Commission, 2006

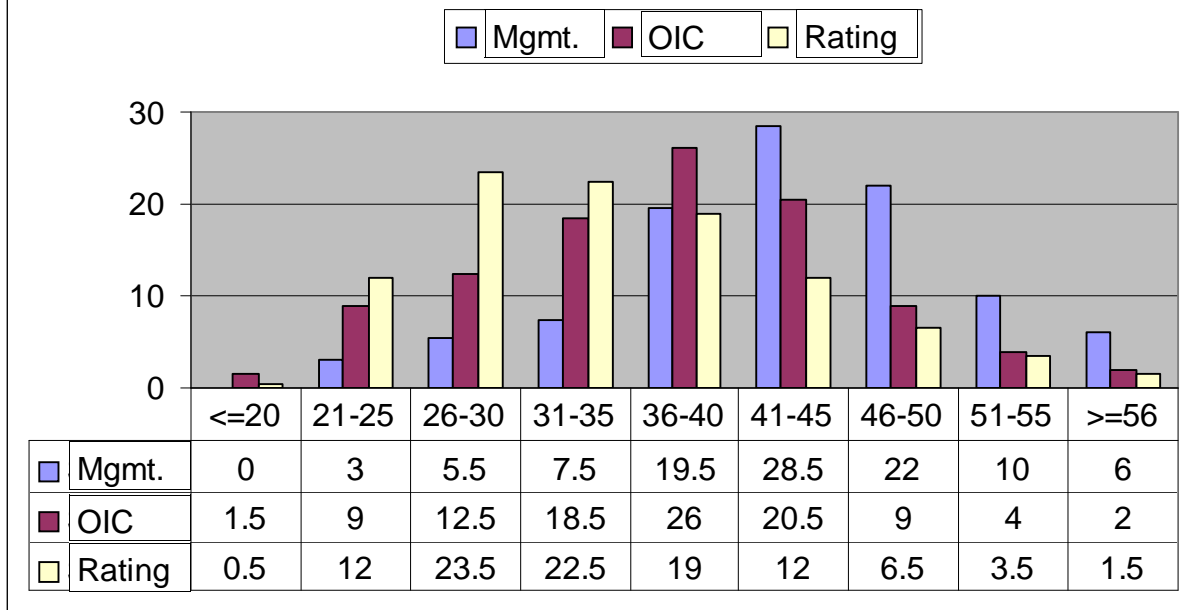
- ◆ The number of ship officers dropped further in 2002 due to the mandatory imposition of the Interim courses as pre-requisite prior to issuance of the certificate of competency.
- ◆ The Interim Courses (5 for Deck officers and 11 for Marine Engineers) were not required under RA 8544, nor were they explicitly demanded under STCW 95. Reading fully RA 8544 and RA 8981, the PRC mandate is strictly licensure and NOT the maritime education and training.



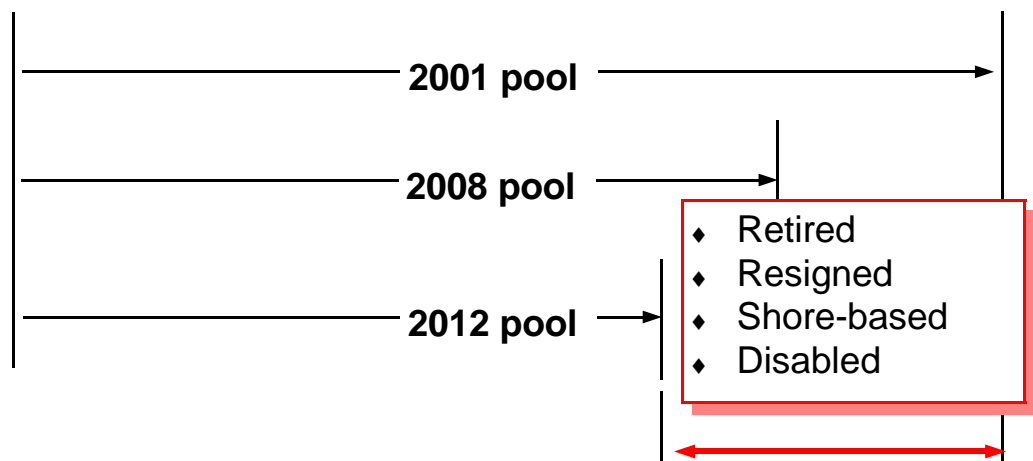
Data Source: Philippine Overseas Employment Agency, 2001

- ◆ **Both the practical assessment through simulator and the Interim courses disenfranchised at least 30,651 ship officers in 2001 and 2002.** Confusion reigned when those who passed the written licensure but failed the simulator assessment were not issued COC, therefore they were not registered and cannot practice the profession. On the other hand, those who gained the license (meaning they passed both the written exam and the simulator assessment) were still not issued COC unless they comply to the Interim course requirement. In the absence of COC these officers cannot board foreign vessels. The only option left for them was to board the ship using their old license and COC, provided their COC is valid (meaning they should not change ship type within the validity period), otherwise they will be asked to take Interim course prior to the renewal of their COC.
- ◆ Staying in the same rank continuously for five years proved more costly to ship officers. PRC doubted their capability for failing to get promotion. As a result, PRC virtually penalized the officers by requiring them to take training programs before their COC's can be renewed. Such is the basis of the Management Level Course "MLC". MLC was first meant for senior officers but due to mounting protests it was diverted to junior officers in 2005. This MLC squeezes further the remaining bulk of our officers; a very dangerous move against our pool.
- ◆ The strangulating factor in the officer's licensure and certification prevented the smooth transition of seafarers down the line. The ratings were derailed as well as the new maritime graduates.
- ◆ Considering that the pool of seafarers stagnated continuously for seven years (2001-2007), the 2008 pool must be energized without delay if the country wants to catch up with the world demand by 2010.

Age Profile of Filipino Seafarers, 2001

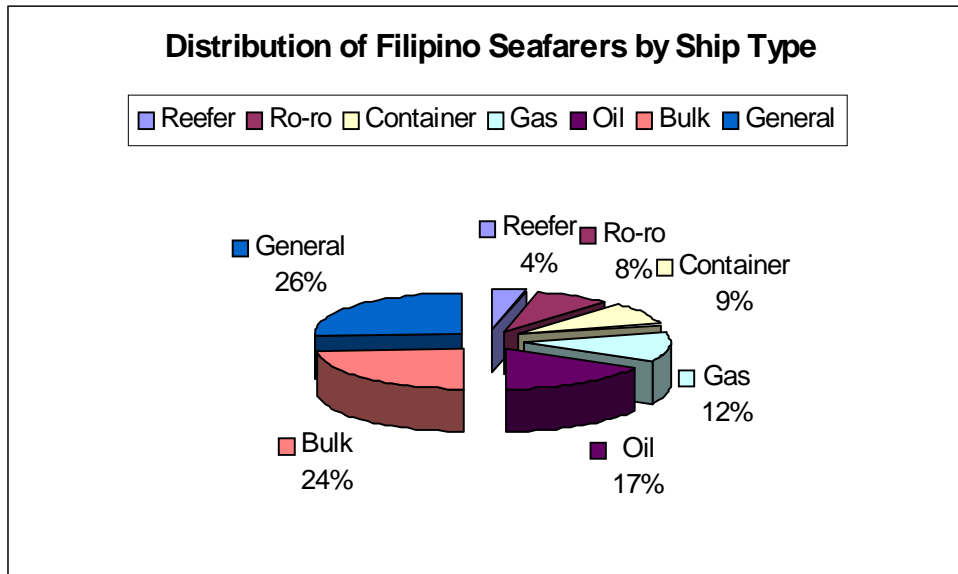


Data Source: Seafarers International Research Center, Cardiff University, 2001



Immediate Solutions:

- **PRC** must fully Implement the computerized walk-in examination in all ranks, both deck and engine, to make an efficient licensure process. The examination must be conducted daily so that those who pass can be quickly deployed. This quick movement will fill up the vacuum being left by aging seafarers. This WES saves time, saves cost, can be offered in all regions simultaneously, and minimize if not eliminate leakages.
- **PRC** must take priority to the in-service experience as form of compliance to STCW 95 practical assessment. This is in line with the STCW 95 recommendation putting in-service as the number method of demonstrating competence in column 3, part A of the Code. The practical assessment through simulator or SSBT with BRM training course must be made optional only.
- **PRC** must stop requiring the interim courses and management level courses in licensure and certification process. It is CHED's function.

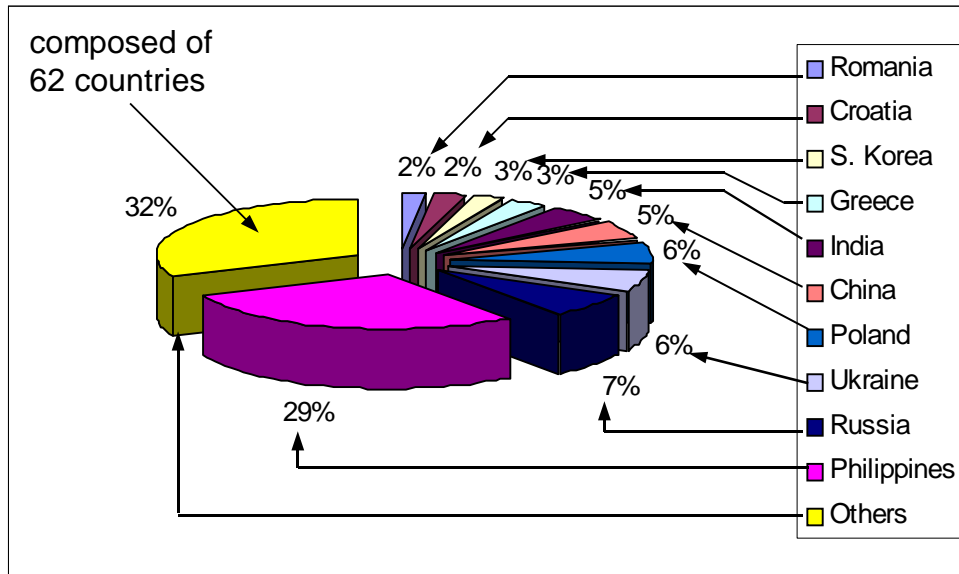


Data Source: Seafarers International Research Center, Cardiff University, 2001

- ◆ In 2001 there were 514,580 registered seafarers (*POEA*).
- ◆ 204,951 were on board foreign ships and 61% or 361,256 were in the reserve pool.
- ◆ 198,324 OFW seafarers were on board ships in 2000.
- ◆ 50,604 OFW seafarers were on board ships in 1984 reflecting 305% growth in 2001.
- ◆ The average growth rate per year from 1985 to 2001 was 9.6%.
- ◆ 1990-2001: OFW remittance through official banking channels amounted to \$47 Billion, 14% of which came from Filipino seafarers (*BSP*).

Continuation... Immediate Solutions:

- **PRC** should consider the two examination system: Management and OIC. This is in conformity with STCW 95 and the licensure practice of industrialized states. This will also provide speedier accession to top position by many of our highly experienced and motivated officers.
- **CHED** must take charge of the interim courses, the MLC, and other training programs to develop the national standard for maritime education and training “MET”. In addition, CHED must exercise authority over all training centers offering courses whether for officers or ratings. In matters where TESDA, NATELCOM, and DOH maybe involved, an inter-agency cooperation must be established with CHED as the sole authority formulating the policies. It would only be CHED who would monitor IMO developments on maritime education and training “MET” and immediately align the country’s programs with the support of underlying agencies.



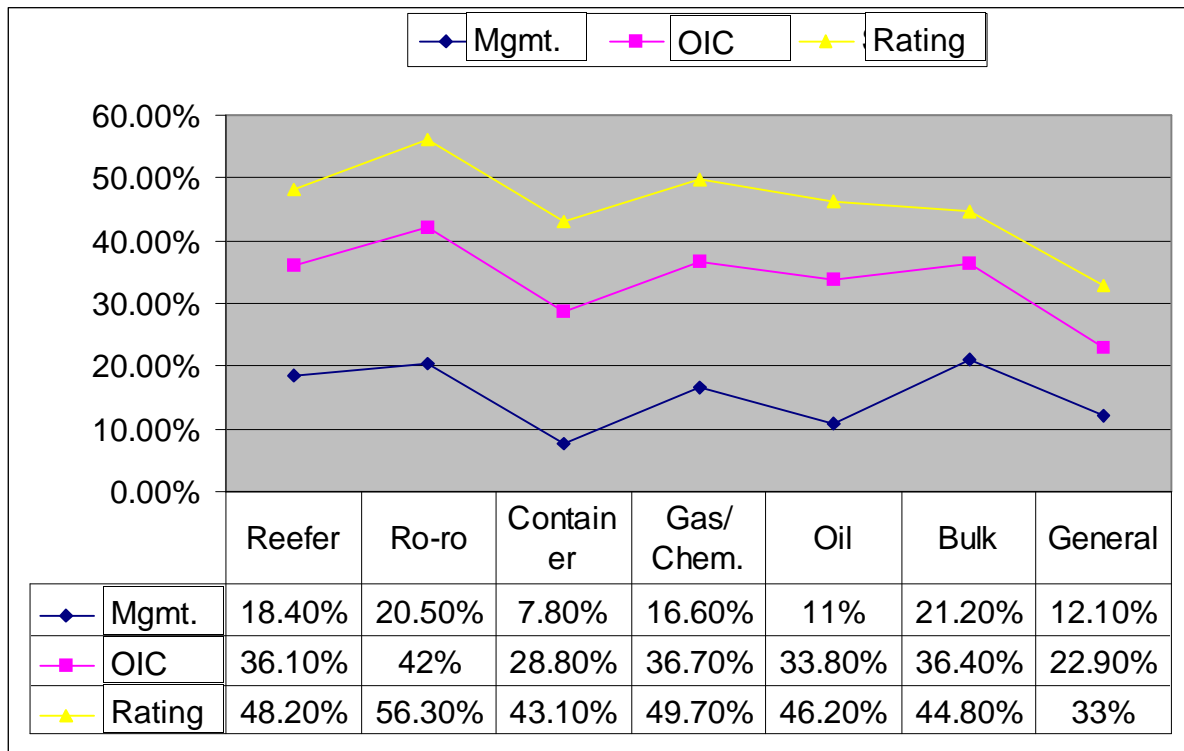
Data Source: Seafarers International Research Center, Cardiff University, 2001

- ◆ Shipping facilitates 80% of global trading activities (*Ships, Slaves and Competition, International Commission on Shipping, 2000*)
- ◆ Total seafarers in the world is estimated at 1.23 million which includes those on shore leave and waiting for employment. 404,000 officers and 823,000 ratings (*ISF 2000*).
- ◆ The number of seafarers on board ships sailing anywhere at any given time is estimated at 632,260. The top 10 labor supply countries are: Philippines 28.5%, Russia 7.3%, Ukraine 6.2%, Poland 5.9%, China 5.4%, India 5%, Greece 3.1%, South Korea 2.5%, Croatia 2.3%, and Romania 2%, and others 31.4%. (*SIRC 2001*).

Continuation... Immediate Solutions:

- **MARINA** must perform the role of central authority in certification as normally done by Flag Administrations. In this manner our certification process will be harmonized into a national certificate to be called the International Certificate of Competency and the International Certificate of Endorsement. This will enable the country to respond with dispatch should our seafarers be questioned or inspected by Port State controls. It does more harm than good when our seafarers present voluminous certificates in port control inspections as what is happening today.
- **MTC**, if there is a need to continue its function, should only coordinate policies in the council level, for instance when it finds vital seafarer concerns are being ignored or left behind. In other words, MTC must only facilitate between the government and private sector and must not in any manner perform acts inherent to authority created by law. The council members must perform their mandated functions without interference at all times. This will avoid confusion in seafarer certification process and provide a better system of accountability.

Distribution of Filipino Seafarers on board foreign vessel by Ship Type



Data Source: Seafarers International Research Center, Cardiff University, 2001

- ◆ Recommendation based on above data:
- ◆ Specialized training must first be focused to the rank and type where our seafarers are least. For instance on container ships, oil tankers, and general cargo ships. There is a need to balance the distribution vertically and horizontally in anticipation for future shipping requirements.
- ◆ Oversupply in one vessel type should be distributed to related type. For instance ratings in Ro-ro can be developed to increment General cargo.

Continuation... Immediate Solutions:

- **The Seafarers** through their organizations (in particular the alumni associations, labor unions, and professional organizations) must be consulted prior to new issuances affecting education, training, licensure, certification, and employment. This will facilitate greater coordination, cooperation, and awareness thereby making our seafaring industry a well-informed, well-prepared, and globally competitive sector. At present, thousands of our seafarers complain of abusive policies, processes, and treatments that deprive them of their hard earned incomes and quality time with their family. We have acute shortage of competent officers today because majority of our seafarers are unhappy the way they are treated and managed. There is a need to rekindle their interest and cooperation, that is if we want to meet the world seafaring demands, and the least costly way to do now is to hear them and address their concerns.