



International Group of P&I Clubs

To: Republic of the Philippines - Department of Labor & Employment

For the kind attention of:

Secretary, Rosalinda Baldoz
Undersecretary, Atty. Danilo Cruz

6th February 2014

INTERNATIONAL GROUP OF P&I CLUBS - GARNISHMENT - POSITION PAPER FILED WITH NLRC EN BANC - 3RD OCTOBER 2013

Dear Secretary and Undersecretary,

May we open by thanking you for the generosity of your time, in meeting on Wednesday 3rd December 2013 with Mr. Paul Johnson and Mr. Tony Nicholson, together with local P&I correspondents Mr. Herbert Tria of Del Rosario & Del Rosario and Capt. Andrew Malpass of Pandiman Philippines Inc. The meeting provided a valuable opportunity to discuss the significant concerns of our shipowner members regarding the adjudication of seafarer contractual claims. We were very encouraged to observe that the seriousness of the issue(s) raised within the IGP&I Position Paper and the need for an equitable solution to be found, has been recognised and appreciated.

During the meeting, it was understood that the DOLE would follow-up with the NLRC, in relation to the IGP&I Position Paper filed for the consideration of the Commission sitting En Banc in October 2013. We therefore believe the DOLE will already be familiar with the content of the attached En Banc Resolution No. 12-13 (Series of 2013), dated 10th October 2013, which we received on 17th December.

Whilst naturally disappointing, the Resolution does not come as any great surprise. However, we are encouraged that the Commission believe they alone lack the "jurisdictional competence to adopt the pleaded recognition of Escrow Agreement as a mode of executing the judgement award". As will be appreciated, the Shipping / Maritime industry have come together to highlight their genuine frustration and concern in relation to the issue of Garnishment, concerns that have been formally endorsed by IMEC (the International Maritime Employers' Council), and which are also recognised and/or supported by Unions representing seafarers. Similarly, we genuinely believe that an equitable solution will need to come from initiatives led by the DOLE, giving consideration to the desire to strengthen integrity and fairness in the system and eliminate the perception of corruption, as part of the reform on Labor Arbitration and Adjudication. The serious concerns raised within the IGP&I Position Paper, strike at the very issues of integrity and fairness in the system, which has regrettably had a detrimental impact on how the legal system within the Philippines is perceived.

In conclusion, we very much hope the concerns raised within the IGP&I Position Paper, which is receiving growing support from all sectors of the industry, will be embraced, with the DOLE taking the lead in seeking to address these concerns, by identifying and implementing an equitable



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solution, in a timely manner: one which finds harmony with the law and specifically how "enforcement" of the NLRC's decision, is interpreted.

We are grateful for having been given the opportunity to discuss our concerns and would welcome the opportunity to meet with the DOLE again, should that be thought to be of assistance. We are also more than willing to participate in any industry meetings, in order to discuss these concerns further with interested stakeholders.

Sincerely,

Martin Turner

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Chairman of the Personal Injury Subcommittee
International Group of P&I Clubs

cc: the NLRC Gerardo C. Nograles, Chairman
the POEA Hans Caddac, POEA Administrator