

# Albay's booming coal trade sizzling hot going up



White and yellow sacks determine ownership of coal be loaded at Batan Port.

**By Elmer James Bandol**

BACACAY, Albay (BicolToday.com) — The port, of this second class town at the eastern seaboard of Albay province has been serving as transshipment of extracted coal estimated by the Department of Energy (DOE) up to more than 18,000 metric tons unloaded daily coming from four mine operators in Batan Island, Rapu-Rapu town.

Most shippers coming from Rapu-Rapu are not keen in using Bacacay port as ideal for cargoes and passengers as this entails longer travel time compared traveling from the same origin to Legazpi City port which is only an hour and 43 minutes away. However, coal miners of Batan Coal Corp; Samaju Corp; Lima Coal Mining Corp and Ibalong Resources Development Corp. have to risk time travel with added efforts in their cargo handling, but made Bacacay Port as their "coal haven".

"We suspended the implementation of our ordinance here since I became Punong Barangay", said in dialect by Loreto B. Torre, the incumbent village chief executive of Poblacion Uno, who was re-elected for his last term in office last May 14, 2018 barangay elections. He claimed he has been in the government for more than 40 years.

## **ABSENCE OF LOCAL ORDINANCE**

"The implementation of our local ordinance in suspended animation is a way of giving considerations between port users and our baggage boys earning a living," he explained.



Torre is proud that his Barangay (Poblacion 1) has managed to increase its internal revenue allotment from more than P800,000.00 to P1.83 million annually due to increasing traffic of passengers and cargoes entering and leaving the pier.

He, however, did not mention the total revenues collected from coal shippers; by saying "Bahala na an municipio and mag report, total nag tatao man kami ki resibo" (It's up for the municipal government to report revenues collected from the port, as his office issues officials receipts).

He admitted that the local government of Bacacay is running the port and not the Philippine Ports Authority (PPA). He knows that revenues collected, 60% goes to his barangay, while 40% for the town.

Bacacay Port is not included on the website list as one of the 22 ports being managed by the PPA in Bicol. Insider, who refused to be quoted, said that "assigning personnel to this port would amount additional expenses on the part of the office", brushing aside that the revenue to be generated from the pier is not enough to compensate.



Sacks of coal unloaded from the boat to be emersed in seawater near Batan Port, Batan Island, Rapu-Rapu, Albay.

## INCREASED REVENUE

According to Bacacay Municipal Treasurer, Emma L. Badilla, more than P2 million collected from "fees and wharfage" alone for the first quarter of 2018, and translated the same as 125% increase in revenue collection compared last year. Badilla said, she assigned personnel to directly collect "pier fees" that are based on the town's Revenue Code of 2013.

Without an ordinance to show, Torre said his barangay is charging P2 as parking fee for vehicles instead of P7 and P1 per bag for cargoes since shippers have sought in



consideration to his intention pushing to maintain as "livelihood" for "baggage boys" the loading and unloading activities in the port.

Torre explained, sometimes "middleman" for manpower needed comes in and negotiates for at least P4 to P5 per bag of coal unloaded from the barges or watercraft to be loaded to closed vans and ten wheeler trucks. Porters and baggage boys working in the pier range from 40 to 50 persons. .

"Sabi P5 daa kada sako, pero an pigbabayad samo P4 man sana", (They said P5 per sack of coal for baggage, but P4 only are given to us), murmured Lando (not his real name), 57, married and has 5 kids, worked as baggage boy at Bacacay pier since he was single

### **DAMAGED ROAD, DRAINAGE**

The local government of Bacacay has yet to prepare a local ordinance regarding loading and unloading of coal in the port. The unexpected traffic of passengers and cargoes included to be regulated since its concrete roads leading to the highway are now undergoing repair. Local roads could not withstand heavy ten-wheeler trucks coming in and out of the port.

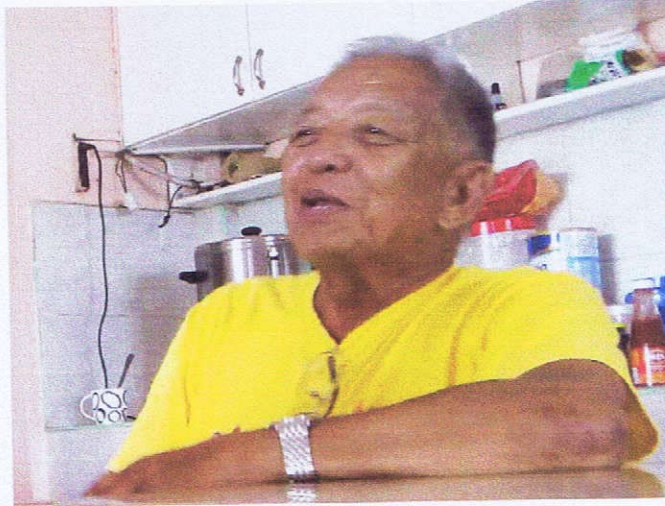
Re-blocking is ongoing to repair undetermined value of destroyed road portion of this town. Aside from coal, RO-RO ships, from Catanduanes, with at least 15 to 17 vehicles (trucks and vans) on board, also use Bacacay as gateway port, residents here noted.

Poblacion Uno and Dos residents have experienced "knee-deep" flooding in these two villages due to defective drainage canals which could no longer handle the amount of water during rainy season.

Former Punong Barangay Dante Cao said there was no formal barangay assembly made and officials always shied away from presenting the real situation regarding the pier, infrastructure drainage including the amount of money collected.

He said this "style of governance" tends to negate residents' priority needs, while whims and caprices of the local officials are followed". Torre could not accept nor deny negative issues from his critics except by saying: "politica lang yan!"





Punong Barangay Loreto B. Torre of Poblacion Uno saying politics behind issues on his leadership.

## LEGAL FEES

PPA issued domestic trade charges as “wharfage” fee for incoming or outgoing cargoes ranged from P15.00 as minimum charge, while P9.00 for those in sacks, bags, bulk, heavy lift per metric tons and P7 for revenue ton. Private arrastre & stevedoring companies handling cargoes peg rates from P25.65 up to P75.80 per metric ton, and 10% of which goes to the government coffer.

PPA Finance Department reported an increase in revenue collection for the first quarter of 2018 in Legazpi City Port following anchorage of ships loaded with coal from Thailand and Vietnam. Said high grade imported coal raging from 13,000 to 15,000 metric tons are consigned to Palanog Cement Factory in Camalig, Albay.

Before Samaju Corporation supplies the local coal needed in the manufacture of Palanog cement, however, for unknown reasons, said cement plant has stopped its order but concentrated instead on the use of imported coal.

It was learned also that Batan Coal Corporation owned by former Rapu-Rapu Mayor Odis Galicia has the biggest number of sacks piled and submerged in the seaport of Batan Island, followed by Samaju Corporation; Lima Coal Mining Corp of Daraga Mayor Awin Baldo while next is Ibalong Resources Development Corporation allegedly operated by a big-time contractor.

Mayor Baldo said, the market for his coal from Batan is another coal-fired power plant located in Quezon Province.

These coal haulers using Bacacay port as transshipment are being classified by DOE as “small scale” mining firms. Coal Production Report in 2011 mentioned, that Batan Island has 18,395 metric tons or 24% coal production from the four operators.

## COAL RESERVE



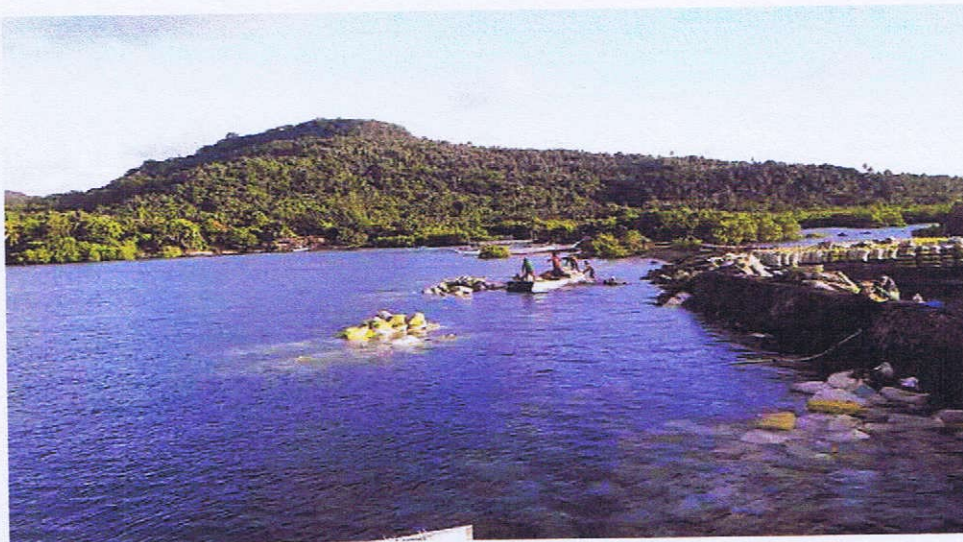
According to Ismael U. Ocampo, DOE head of Resource Development Bureau, the islands of Batan, Catanduanes, and Polilio have 3,627,000 metric tons mineable coal reserve.

Masbate has a reserve of 2,500,000 metric tons, according to Department of Energy Coal Reserves Survey in 2015, while the biggest on Semirara, 570,000,000 owned by DMCI. The same company constructing a coal-fired power plant in Mobo, Masbate.

Earlier, Environment Management Bureau (EMB) Director Eva Ocfemia said the Environment Clearance Certificate (ECC) of Small Scale Coal Mining of Lima Coal Development Corp. has already expired, but according to Baldo, he has renewed already his COC

Three others coal mining firms failed to comply with the ECC's provisions and cited for non-compliance failure to secure permits to operate, and failure to submit compliance monitoring reports, submission of proofs of training of personnel and semi-annual monitoring reports to EMB.

The DOE, however, has the sole authority to issue licenses to coal mining firms to operate but has no personnel or office in Bicol. This is the only national agency of the government without an office in the region.



Submerged sacks of coal in seawater near Batan Port.

## INCENTIVES

DOE Philippine Energy Plan enumerated specific programs, forecast coal project schedules although coal industry has never been so robust than these past years. From a historical yearly average of 1.5 million MT, local coal production began increasing at a steady rate since 2002. Within a span of 13 years, coal production has more than quintupled to an astounding 8.17 million MT in 2015, with a production high of 8.4 million MT in 2014.