

SPECIAL REPORT

The 'boom' that might dig deep

By Mark L. Garcia (First of two parts)

Change has come in Negros. Sugarcane is not the only thing growing in the province, infrastructures are rising as well. And towards the future, the sweetness of sugar might not be enough to boost the local economy.

Economic diversification has been one of the programs pushed by the provincial government to break away from its mono-crop industry, which is the sugar.

From the sugar crisis in the 1980's, the move to diversify was emphasized by the government's "Panaad", a Hiligaynon term for "Promise." This gave birth to a celebration to help the local government units to promote their products and services apart from sugar, which was eventually called "Panaad sa Negros Festival". After almost 25 years, the government have bragged that this "promise" have eventually expanded and lured more industries to flourish.

The province has been continuously diversifying as more retail, tourism, power and township industries rising in the highly-urbanized Bacolod and nearby cities. From the province's green landscapes, vast tracks of lands are now transformed into commercial, residential, and mixed-use areas placing the construction industry at its peak.

These projects include creating renewable energy plants, inter-connectivity roads between Negros Occidental and Oriental, to the rising condominiums and Information Technology-Business Process Outsourcing (IT-BPO) facilities, and to the implementation of the "Build, Build, Build Program" dubbed as the government's 'golden age' of infrastructure.

Both the government and the private sector have told that this situation created a 'construction boom' in the province that require a lot of materials. The high-demand in construction materials is also indicated by the number of private individuals applying for quarrying sand and gravel in the province.

Will it be enough?

The 'white gold'

Negros Occidental has been the home of the biggest sugar plantations and milling centrals in the country since the 1950's. With the rich agricultural lands, it was inevitable that these would create powerful families or 'sugar barons' for decades, indicating big margins on

social classes. Working at the backdrop are the farm workers who till the land where the sugarcane grows.

Sugar has become the 'white gold' driving the people.

The sugar crisis hit the province in the 80's due to the rise of artificial sweeteners and lowering of US sugar quota. This was a learning lesson for Negrenses to be resilient and diversify the economy dependent to sugar as the primary commodity.

The shift to diversify the economy have welcomed industries like mining to operate in the province during that time. With the rich mineral resources of Negros, big large-scale operators have entered to explore and mine mineral resources available.

Big trucks and bustling automobiles have ultimately replaced the iconic 'iron dinosaurs' or steam engines crossing the sugar roads. The trucks, do not only carry sugarcanes. Other are carrying sand, gravel, and other related minerals from quarry operations. Some still goes to the sugar milling centrals. The others to the construction, mine processing and industrial sites.

Above this, Negros maintained as the top sugar-producing province in the country with more than 50 percent of the agricultural lands are still sugarcane plantations.

Mining Situation

Mining became has been one of the major industries in the province decades ago. There were large scale mining operations in north and south Negros that contributed millions of revenue to the economy. However, they are now non-operational due to the opposition of the government and independent organization against its effects to the environment.

Mines and Geosciences Bureau-Western Visayas records how that as of last year, there are 12 metallic and non-metallic Mineral Production Sharing Agreement approved in Negros Occidental. These MPSA's of metallic commodities were only at its exploratory stage. The minerals being explored in the areas were gold, copper, silver, manganese, silica and molybdenum. Other non-metallic MPSAs were mostly sand and gravel located at the major rivers of the province.

If the area is more than 5 hectares, MGB is the one who monitors the operation, but if it is less than 5 has., the province down to the barangay council are the monitoring bodies of the area, referred ass a small-scale quarry. The monitoring and law-enforcement of mining laws and ordinances is the Provincial Environment Management Office.

PEMO also receives applications from these small-scale quarry operators, in which the trend of their record showed that applicants are increasing. As of April 11, the total number of permit holders in the province are 180, with close to 900 still applying for renewal and operation, and almost all of them would want to quarry sand and gravel, which is used in creating infrastructures.

PEMO Wilfred Ramon Peñalosa in an interview said that the applications will not rise if these applicants did not see any demand coming from the construction industry.

Construction Boom

Business group, Metro Bacolod Chamber of Commerce and Industry Chief Executive Officer Frank Carbon said the private sector in the different industries has now a favorable atmosphere, since the private investments from Manila and Cebu have caused more vertical constructions in Bacolod, and neighboring cities like Talisay and Silay.

Big players like the Ayala Group, Megaworld, Filinvest, Cebu Landmasters, among others have already pledged billion-peso investments that promised thousands of jobs for the province, starting from its construction of their facilities.

IT-BPO companies have also segmented various kinds of services that could be exported from to other parts of the world through fiber optics, like knowledge process outsourcing, medical billing, and high-end IT processes, that requires more infrastructures favorable to the industry.

Carbon said these private initiatives have allowed artificial increase of land and almost doubled the money circulation in the key cities.

In terms of government investments, more horizontal infrastructures like roads and bridges are now underway.

Last year, the Negros Island Regional Development has endorsed the P7.9 billion Tourism Road and Infrastructure Program (TRIP) to create and reconstruct 32 access roads of the two provinces. The Department of Tourism will download P700 million to start the 5-year project.

The Department of Agriculture have will also download about P200 worth of farm-to-market road projects for Negros this 2018.

Public Works and Highways Secretary Mark Villar have earlier told that one of the Build, Build, Build projects soon to be made in the region is the Panay-Guimaras-Negros Bridge,

which is eyed to cost about \$2 billion to become the longest inter-island bridge in the country with 19 kilometers.

Carbon said more inter-provincial roads are also needed to be constructed as government officials of both provinces have united to vouch for the Negros Federal State in the proposed federal form of government in the country.

Are the materials enough?

He also said that there will be more private and government-initiated infrastructure projects that might come in Negros and MBCCI eyes that this construction boom will extend up to 10 years, with the challenge that if that time will come, local construction materials might not be enough to supply.

Private sectors in Negros, especially the contractors are already looking to areas of other provinces to be a potential source for these materials as the provincial government has been implementing strict enforcement to ensure that the natural resources are sustained, Carbon said, who also sits as the committee chair on infrastructure in the Provincial Development Council.

"The demand for construction materials is very high in the province, which most local quarrying operators could supply," he said.

Metal materials, and cement to construct buildings and roads are usually imported from neighboring provinces but sand and gravel which cover most of the construction materials are sourced locally, he added.

Peñalosa said that foreseeing the high demand of construction materials, PEMO now is conducting river assessment to measure the availability of materials and determine if the river systems of the province are already abused due to these quarry operations.

With the results of the assessment, it will be the basis of creating more policies and regulations on quarrying in the province, he added. * *(To be continued. With sources from the DAILY STAR archive, PEMO, MGB, PDC, and MBCCI)*

Mixed materials from ground, mixed reactions from people

A special report on construction & quarrying below the Negros' sugarlandia

By Mark L. Garcia (Last of two parts)

For Alex Arroyo, 54, a hacienda overseer in Hda. Gabaldon in E.B. Magalona, quarry operations have given the community both smiling and a frowning face. Like the materials unearthed from the beds of Malogo River, the community's reaction towards quarry operations were also mixed, confused of whether to allow or stop the sand and gravel quarrying in their area.

The hacienda which has a vast sugarcane plantation is a boundary of Silay City and E.B. Magalona. It is more than 10 kilometers away from the highway or a 30-minute ride through a motorcycle.

Most of the passageways reaching the hacienda are only accessible through 'habal-habal' or a two-wheeled motorcycle taxi. The green landscapes of the hacienda, where the Malogo River pass through, is setting the boundary of Brgy. E. Lopez of Silay, and Brgy. Alacaygan, E.B. Magalona.

Both the barangay roads going to Alacaygan are to the two iconic sugar centrals in north Negros, the Hawaiian-Philippine Company, and the Victorias Milling Company, respectively.

"Because of quarrying, the river becomes wide as the land slips towards the center of the area where extracting was done," he said, adding "But the operators have helped us in sufficing our needs like medicine and school supplies for our kids and grandkids."

He referred to the five operators quarrying in Malogo River which was given cease and desist order (CDO) by the provincial government for operating outside of their area they declared in their work plan.

Apart from this, irregularities were also seen from other parts of Negros, with some having falsification raps, and others accused of being irresponsible quarry operator.

Increasing number

Provincial Environment Management Office records showed that Malogo River has the most number of small scale quarrying in the province with 19 permit holders. There are six barangays of E.B. Magalona that host these operations, and in Alacaygan alone, there are four active sites.

As of April this year, there are already 180 permit holders for small scale quarrying in Negros Occidental, with 5 large scale sand and gravel operations registered in the Mines and Geosciences Bureau-Western Visayas. Other rivers which has the most number of small scale operations are Himoga-an River (passing Sagay City), Maragandang river (in Bago City), Bago River (in Bago and Murcia), Binalbagan River (in Hinigaran, Moises Padilla, Isabela, and Binalbagan town), and Ilog-Hilabangan River (in Kabankalan City).

There are 12 registered large scale metallic and non-metallic quarrying operations in the province based on the records of MGB, with sand and gravel the on the top of the list of what is extracted.

Revenue collections of these large-scale industries have also increased with KrushRock Corporation located along the Bago River in Abuanan, Bago City topping other Negrense non-metallic mining companies with about P389 million in sales in the past two years.

2016 and 2017 is also a big year for small scale quarry operators as the sand and gravel tax collected by the province from them was P29M and P24M respectively compared to 2015 which is P21M. Forty percent of it will be divided to the barangays where the operations are located, 30 percent for the host city or town, and 30 percent for the province.

Local Revenue Collections Officer Jessie Gumapas said that this increase is probably because more constructions were made during these years.

The provincial tax ordinance stated that the sand and gravel share is at P30 per cubic meter of quarried materials.

Monitoring

PEMO Wilfred Ramon Peñalosa said that there are about five monitoring bodies created to put an eye on these operations, like the Task Force Balas Bato, Barangay and City Monitoring Team, Provincial Mining Regulatory Board, and the Multipartite Monitoring Team.

The monitoring bodies could apprehend any illegal activities found in the quarrying sites and might be endorsed to the provincial government to have it deliberated, he said.

Small scale quarrying has various kinds of permits including commercial Sand and Gravel (SAG), industrial SAG, special permits, and quarry permits. Commercial and Industrial are the most common type of permits applied by operators which is about 80 percent of the total registered this 2018.

Applications for the permits are, so far, increasing with a running total of 900 individuals and private groups complying the requirements set by the provincial tax ordinance, PEMO records show.

Barangays located in the major rivers in the province like Alacaygan, Don Jorge Araneta in Bago City, Malubon in Sagay City, and Orong in Kabankalan City, among others where the DAILY STAR visited have also told that they implement strict implementation in terms of monitoring and collecting coupon cards per transport of quarry materials.

Brgy. Capt. Rosendo Locsin of Don Jorge Araneta, and Teodoro Añalucas Jr. has formerly become a permit holder or permittee in small scale quarry and

said that with their experience, they are now implementing strict guidelines in monitoring the operations and transporting of materials from their vicinity.

Bago City is the local government unit in the province with the most number of quarrying sites as both Bago and Maragandang Rivers is passing through the city. Locsin said that their barangay monitoring team is active, especially if there is an ongoing operation.

The coupons represent the amount of sand and gravel (per cubic meter) are being transported from the barangay's river going to the operator's customers, mostly are infrastructure contractors. The number of coupons will also be the basis of acquiring the sand and gravel share.

Irregularities and Compliance

Apart from the CDO given to the five operators in Malogo River early this year, the provincial government through the treasurer's office have filed 3,049 counts of complex crime of estafa due to falsified Permits to Transfer of a certain operator in Hilabangan River in Brgy. Orong in Kabankalan City.

In Barangay Napoles, Bago City an alleged illegal extraction of sand and gravel in the non-operational quarry area of the Philippine Diversified Developers Corporation was also reported. Barangay tanods in the area said that they have identified that two small boats going to the site and quarry workers get loads of quarrying materials. By noon they go back to their area near the Bago bridge, they added.

Another area in the barangay, there was also an active quarry operation that gets its materials in the middle of the river and in the riverside in which the operator said that they do the digging in the side as they are creating fish ponds.

In the Ilog-Hilabangan River located in Orong, Kabankalan a conflict of a family and a landowner was also seen, involving payment for right of way of about P8,000 weekly, to allow a transport of quarry materials from the said river.

The other party said that they are accusing the land owner of land-grabbing by using 'armed militia', which was junked by the owner of the landholding in Orong, saying that they have legal documents proving that the contested land belongs to the company.

The quarry operator that pays for the right of way has also been faced with the resistance of some households along the Ilog River to allow them to operate to some areas within the boundary approved in their work plan.

These are only some reports collected through interviews of the DAILY STAR with the barangay officials and the community living in the area. Barangay heads also said that they are now working on a resolution to fix the irregularities and create possible settlements between involved parties.

What's next?

If there is a river with rich resources, a quarry operation might begin. Some quarry has created bridges, and some made boundaries. Some created opportunities, and some created conflict.

Part of the responsibilities of quarry operators is to conduct social development programs to help improve the community and protect the environment from destruction.

Some of the social development programs conducted by quarry operators are medical outreach programs, turning over of educational supplies to children, and even partnering with barangay council to create projects like small infrastructures.

Peñalosa said that the strict compliance of operators is needed for them not be sanctioned by fines and punishments stated in the tax ordinance.

With sand and gravel quarry operations mostly located at the areas inaccessible by regular automobiles, the people in the surrounding community are still deprived of basic services from the government. On the case of Hda. Gabaldon, Arroyo said that the people living there, mostly farmworkers, usually depend on what the operators will give to them.

“Our barangay captain has presented the idea that because of the quarry operations in Malogo, it benefited the people which is true. But in the downside, our river suffers,” he said.

In contrary, Rodolfo Riopay, 60, a resident in the riverside of Bago River where there is an active quarry said that because of the operation, flooding has lessened in their place.

“In almost 30 years he lives in the area, flooding has been reaching their doorstep until the quarrying came,” Riopay said.

Isabela Mayor Joselito Malabor also said that these quarrying, has been very important to reduce the siltation in the Binalbagan River, but despite the benefits, enforcement of the law will also be prioritized to ensure that the affected barangays in the municipality will not be put in a worse situation.

Riverbeds have been the primary sources of sand and gravel materials in the province, there are many rivers and tributaries passing across the 32 towns and cities of Negros Occidental with rich mineral and rock deposits. And this potential has attracted more operators with the demand from the construction sector is high.

Peñalosa said that with the influx of permit applications, assessment of major rivers is already ongoing to assure that the river systems could still accommodate more quarry operations for the coming years.

“We do not want any operations in our area. I know these operators have been a big help to us but our river have been changing its shape, as it goes deeper then wider the next day,” Arroyo said, while he sat in his small house or “payag” overlooking the 38-hectare sugarcane land, and the Malogo behind, that becomes closer to the neighboring houses as the land slips towards the river.**(With sources from PTO, MGB, DAILY STAR archives, and PEMO)*