



News Features

When Extracting Natural Wealth Hardly Brings Sustainable Development To Communities

Posted on May 13, 2018 Author: [Joenald Medina Rayos](#) Comment(0)

First Part of 3-Part Series

[The following article is the Second Part of the Series. The series is the product of a 2-month research and study conducted under the Philippine Press Institute – Philippine-Extractive Industry Transparency Initiative (PPI-Ph-EITI) Media Fellowship on Digging Stories that Matter.]

By **JOENALD MEDINA RAYOS**

TAYSAN, Batangas – “OUR town sourced most of its budget from the payment of taxes and regulating fees of quarries, but we also want our children to see the remaining mountains that we have.”

Thus Mamay Anastacio Curan quipped between sobs as he tends his pigs in their backyard that Friday afternoon.

Mamay Anastacio is a resident of Barangay Sto. Niño in Taysan town, province of Batangas. Very far from the environment full of lush vegetation conducive for farming and for feeding his domesticated animals, his village is now dotted with quarry sites. The hilly and mountainous areas that were towering their community in the past are now flattened and some others are even turn to crater-like image during summer, and become pond full of flood during rainy season.

“We’re born here and our parents lived here. We used to till the soil and sold our produce to support our living, but we are afraid that time will come that we have no more mountains to look up to and soil to till, he added.

But young engineer John Paulo Paz has a different view on the issue of quarrying in Taysan. “Quarrying is good if it primarily brings total development to the affected communities rather than problems,” Paz said.

Paz took note that quarrying industry is more destructive than productive in their town as he noticed the very poor condition of the majority of the road network connecting barangays with quarry operations. Artesian wells turn dry while the rural waterwork system hardly supply enough potable water to the communities.

“For so many years since my teenage years, people here in barangay San Marcelino are experiencing scarcity and sometimes total loss of water supply as the quarry operations in nearby Sto. Niño are cutting the pipelines supplying water in our villages. Most of our neighbors are sourcing their waters needs in our private concrete tank that most of the times we end up losing a supply for our own use. But we could not afford to build a bigger reservoir for our community,” Paz lamented.

Adjacent barangays Sto. Niño and San Marcelino are home to a number of quarry operations in Taysan town.

The town of Taysan lies in the south-eastern portion of Batangas province at some 120 kilometers south of Manila. This town of 38,007 inhabitants based on 2015 census is

bordered on the north by Rosario and Ibaan, east by a portion of Rosario, west by Batangas City, and south by Lobo. Majority of its 93.62 square kilometers (36.15 sq mi) land area is mountainous and is known to have copper deposits based on previous studies conducted.

There are several mineral deposits in the province of Batangas identified both by the Mines and Geo-Sciences Bureau and the Provincial Planning and Development Office (PPDO), most of which are non-metallic type concentrated within the Calatagan and Calumpang Peninsulas. Limestone, shale, sandstone and clay dominate the Calatagan Peninsula while clay of various types, gypsum and limestone can be found in Calumpang Peninsula. Lead ore could also be located in the Nasugbu area in the western portion of the province. Extraction of these non-metallic minerals like limestone and clay are usually through quarrying or open-pit mining.

Contribution to the economy

The National Internal Revenue Code (NIRC) imposes an excise tax on all non-metallic minerals, a tax of 2% based on the actual market value of the gross output thereof at the time of the removal, in case of those locally extracted or produced; or the value used by the Bureau of Customs in determining tariff and customs duties, net of excise tax and value added tax, in case of importation.

In 2016, the Philippine-Extractive Industries Transparency Initiative (PH-EITI) reported that mining and quarrying contributed 0.6% of the country's gross domestic product (GDP). Mining and quarrying have also contributed 4.45% of the total exports during the same year.

The Philippine Statistics Authority (PSA) also reported that mining and quarrying has contributed 0.3% in the total 61.9% share of the industry sector to the growth of economy in the CALABARZON Region in 2017.

Meanwhile, the Local Government Code provides that the province may levy and collect not more than 10% of fair market value in the locality per cubic meter of ordinary stones, sand, gravel, earth and other quarry resources, as defined under the NIRC, as amended, extracted from public lands or from beds of seas, lakes, rivers, streams, creeks, and other public waters within its territorial jurisdiction.

The prevailing fair market price of double white sand is Php 650 per cubic meter while that of gravel is Php 500 per cubic meter.

In Batangas, the provincial government has collected Php 1,676,309.04 taxes from quarrying and transport of minerals in 2016. In 2017, the province's collection almost doubled at Php 3,110,220.81 or recorded an increase of 85.5%. Taysan is one of the towns with most number of active quarrying operations regulated by the provincial government.

Not included in the collections reported by the provincial government is the amount of taxes and fees collected by the national government agencies from the quarrying operation of

Republic Cement & Building Materials, Inc. (RCBM) of the CRH-Aboitiz Group in Taysan town. The cement factory maintains a large-scale quarrying operation of limestone and shale in a 321.1700 hectares covered by MPSA No. 029-95-IV under its former corporate name Lafarge Republic, Inc.. Said concession will last for 25 years or until September 29, 2020. Per PH-EITI Report, RCBM has paid the government a total of Php 419,111,863 in terms of taxes in 2016 alone.

Data obtained from the Municipal Treasurer's Office disclosed that for the fiscal year 2017, Taysan town has generated a total revenue of P117,706,901.74. But the same Detailed Statement of Financial Performance – General Fund was silent as to how much did the municipal government has generated in terms of taxes from quarrying of sand and gravel and other quarry products as the Philippine Mining Act provides that the power to levy taxes on quarrying operations is with the provincial governor (or mayor of highly-urbanized cities), or with the MGB for operations exceeding five (5) hectares.

From the gross revenue generated, it only collected a total of P13,623,544.23 in terms of business taxes that includes Mayor's Permit issued to quarry operators. The same document also disclosed that Taysan's share from the national wealth amounted to Php 93,841,912.00 in the form of Internal Revenue Allotment (IRA).

Violations recorded

In September 2013, then Taysan mayor Victor "Dondon" Portugal Jr. and his father, also a former town mayor, were charged in court for allegedly assaulting two policemen and provincial guards belonging to Task Force Likas Yaman after conducting an Anti-Illegal Mining and Quarrying Operations at Barangay Sto. Nino, Taysan where they apprehended five dump trucks loaded with mineral or quarry materials owned by Maptan Corp.

The Task Force said the Maptan Corp, owned by the Portugals, were traveling without the necessary transport permits required by the mining law.

Police report revealed that task force member Juvy Fabicon was hit in the head and kicked in the stomach by then Mayor Portugal while Roberto Miagao was hit on the left shoulder by the former mayor. The said task force personnel were holed up in the company's motorpool area.

Through the intervention of then Taysan police chief Sr. Insp. Simeon Aldovino, the Portugals eventually released the police and provincial guards with their firearms after an hour of negotiations. The Portugals reportedly asked for the release of the trucks instead of having them impounded in exchange for the release of the law enforcers to which the town police chief heeded. After this, the provincial police director relieved Aldovino from his post.



In November 2017, the Mines and Geo-Sciences Bureau (MGB) – Regional Office IV-A in coordination with the National Bureau of Investigation (NBI) – Environmental Crime Division raided an alleged illegal quarry operation in Brgy. Sto. Niño. The team apprehended the backhoe and other heavy equipment operators of Maptan Construction and Equipment Rentals, Inc. caught in *flagrante delicto* in the site. Also arrested were the four drivers and conductors of trucks loaded with quarry materials. Per MGB assessment, the quarry has been in operation about 10 years already and no less than 20 trucks loaded of materials are being transported out of the site on a daily basis.

Lawyer Eric Nuqui, NBI-Environmental Crime Division chief, said their office has received complaints from among the residents of an alleged continued quarry operation without valid permits and leaving only less than a half of a mountain towering their area.

The operation resulted in the confiscation of all the heavy equipment found in the site and had the whole area ordered closed. Operators of heavy equipments and other personnel caught in the area – Nicolas Amul y Garcia, Mardie B. Rubio, Noel A. Evangelista, Raymond Maranan y Lopez, Edwin Luza y Llanes and Jason Pader y Maranan – were arrested and were criminally charged at the Office of the Provincial Prosecutor in Rosario, Batangas for violations of Section 103 of Republic Act 7942 otherwise known as Philippine

Mining Act and theft of minerals. The suit, docketed as Criminal Case No. 2018-0242 was then filed at the Municipal Circuit Trial court (MCTC) of Taysan-Lobo, Batangas, but the same was transferred to a Regional Trial Court branch in Lipa City being the designated environmental court in the province. The case is now pending in court and the next hearing is set in June 2018.

However, the NBI is also reviewing the responsibilities of the directors of the company for possible filing of separate charges against them.

Photos taken by this writer in the site last April 6 clearly shows that while the digging has stopped, a backhoe is still positioned in the site pushing downward the aggregates for a dump truck used in transporting the same out of the site which was ordered closed.

IN this portion a mountain used to stand before until it was mined out and left this hallow ground. | – Photo by BALIKAS

A follow-up visit on the site on April 25 again shows the same scene. But the mining engineer of the Community Environment and Natural Resources (CENRO) said that even though he is duly deputized by the MGB to help implement the laws on quarrying, he cannot apprehend one in the absence of a complaint to act upon with since his mandate is to act only in response to complaints filed with their agency. – *(To be continued)* |#BALIKAS_News



News Features

Extracting Natural Wealth: The Taysan Quarry Story

Posted on May 15, 2018 Author: [Joernald Medina Rayos](#) [Comment\(0\)](#)

Part 2 of 3-Part Series

[The following article is the Second Part of the Series. The series is the product of a 2-month research and study conducted under the Philippine Press Institute – Philippine-Extractive Industry Transparency Initiative (PPI-Ph-EITI) Media Fellowship on Digging Stories that Matter.]

By **JOENALD MEDINA RAYOS**

Seemingly, a local political dynasty in Taysan

The members of the Portugal family interchangeably held the highest position in town for 21 years beginning in 1995 when Victor Sr. was first elected municipal mayor. After he completed his three-term limit, his wife Anacorita ran for mayoralty in May 2004 elections while his son Victor Jr. ran for the municipal council. The wife won over businessman Hernando Villena who is also into a quarrying business.

In 2007, Victor Jr. or "Dondon" ran for the mayoralty and won. In 2010, he ran and won again for his second term while his brother Joel also ran and won a seat in the Sangguniang Bayan. It's just the same in 2013 local elections and his three-term tenure as mayor ended in 2016.

Meanwhile, shortly before the Portugals ended its two-decades old of the top position, the Sangguniang Bayan of Taysan passed an ordinance in June 26, 2016 (Municipal Order No. 2016-001) prohibiting the operation and or management of mining, quarrying and crusher within the territorial boundaries of Taysan, Batangas.

But it would be ironic that the ordinance was passed shortly before former mayor Dondon Portugal stepped down from power. Portugal (NPC) lost his bid for congressional post to now 4th District Representative Lianda Bolilia (Liberal Party) while his brother Joel also lost to now municipal mayor Grande Gutierrez, thus, ending the 21 years tenure of the Portugals in Taysan town.

The Bolilias of Padre Garcia town and Mayor Gutierrez are not into quarrying business.

Following the assessment of the MGB that the quarrying operation in Barangay Sto. Niño could have been in place for about 10 years prior to the raid made in November 2017, it can be noted that said period is the same years when the Portugals were at the helm of political power in Taysan town. Mamay Anastacio, however, declined to comment to the supposed involvement of the Portugals in the MGB-NBI raid.

"While it is a public knowledge here in our town that the company is owned by the Portugals, we are not privy as to the legality of their operation," he said.

Other than Sto. Niño and San Marcelino, quarrying operations also abound in barangays, Bacao, Piña, Mapulo and Mataas na Lupa, among others. This makes 30% of the total 20 barangays of Taysan are into quarrying.

Also last year, the Lopez family was also figured out during the confirmation hearings of then Environment Secretary-designate Gina Lopez where a University of the Philippines geology professor Carlos Arcilla asserted that Lopez' family was also into mining industry in Taysan town. It turned out however that the Lopez-owned First Balfour has applied last year for a permit from the Department of Environment and Natural Resources to operate an aggregates quarry in Taysan but such permit has not been granted.

Quarry for cement industries

Taysan town is also a home to a cement factory of Republic Cement & Building Materials, Inc., a CRH-Aboitiz company. The factory sourced much of its materials from its quarry site in Brgy. Mapulo, approximately 125 kilometers south of Metro Manila and in the southwestern tip of the town near Batangas City.

The company is quarrying limestone, shale and pozzolan, with estimated annual material movement of two (2) million metric tons. The current operation contracted to another party that started on January 1, 2014 will last for 10 long years, data from the company's information system revealed.

Scope of work includes preparation of mining plans, drilling & blasting, loading and hauling of broken materials to the crusher or stockpile, loading and hauling of waste overburden to the waste dump, waste dump maintenance, access road maintenance, and maintenance and improvement of the drainage and dewatering system.



Formerly known as Fortune Cement Corporation, the company's dual facility in Taysan has initially produced a total annual-rated capacity of approximately 1.80 million MT (on the basis of 300 working days per year). With the exception of the province of Rizal, this plant is the only cement plant within the Calabarzon area. In July 2000, Fortune temporarily shut

down Line 1 due to the slump in the cement industry due to the unpromising cement demand but has resumed operations few years after until it became Republic Cement.

But for Grace Beredo De Vera of Barangay Mapulo, Republic's presence in Taysan has brought development not only in the area but also in other parts of the town. With the regulated quarry operations, the locals are assured that correct taxes are being paid and that development spur sustainably in this second class municipality. On top of the millions of pesos it paid in terms of taxes, the RCBMI has plenty of Social Development Programs (SDP) being implemented in the community – from health programs to infrastructure projects, educational assistance and environmental projects.



Over a thousand students from four different barangays in Batangas are the chosen beneficiaries of Kusina ng Kalinga, Republic Cement's partnership project with Gawad Kalinga, part of its campaign against hunger and malnutrition. The Kusina ng Kalinga will offer free nutritious lunches for one school year to pupils from kindergarten to grades 1-3 of Taysan Central, Mapulo, Bilogo, and Pag-asa elementary schools.

“This company provides employment to hundreds and there are lots of them from our town. The community is also benefiting from the same workers allowing housewives sell meals and snacks in their carinderias across the street,” De Vera said.

As an organization dedicated to contributing significantly to nation building, RCBM adopts an inclusive view that it is in our schools our future as a country is born. By helping students achieve their nutrition needs, RCBM in return helps in shaping their potential.

With the robust cement production of RCBMI in Taysan, another company is also applying for another limestone quarrying in the western tip of Batangas province.

The conglomerate of food and beverage magnate Ramon Ang is keen on operating limestone quarrying in 2,336.8042 hectares in Calatagan town in the western tip of the Batangas facing the Balayan and Talin Bays. The proposed project to be undertaken by Asturias Chemical Industries, Inc. is covered by MPSA 071-97-IV and is valid until 2022.

At least hundreds of families have already been displaced from the barangays of Baha and Talibayog. The local folks living in the said barangays and were relocated in the adjacent Balayan town.

The Asturias Foundation – the socio-development arm of Asturias Chemical Industries – has already released hundreds of land Transfer Certificate of Titles (TCTs) to most of the families displaced from Baha and Talibayog, but no development yet has to commence as there are none a single permit that has been granted by the authorities.

“But it would be very hard for Ang’s group to push for such project. There are so much opposition from the affected communities,” MGB-CALABARZON regional director Samuel Paragas said. “Such kind of project must be properly endorsed by the Sangguniang Barangay and Sangguniang Bayan concerned in the affected areas; sans these basic documentary requirements, the application cannot be granted,” the official added.

Another permittee, Landtech Mining Resources, Inc. (MPSA 206-2004-IV until 2029), is also eyeing the rich Calatagan deposits of limestone, shale, tuff and aggregates.

Other than Taysan and Calatagan, quarrying operations can also be found in the towns of Mabini, Balayan, Lemery, Calaca, Agoncillo, Laurel, Talisay, Balete, Calaca, Nasugbu and Batangas City.

In Batangas City, Vulcan Materials Corp. (MPSA 091-97-IV valid until November 2022) is exploring for aggregate and andesite in 332.3980 hectares in Barangay San Miguel. – *To be continued* –



News Features

Extracting Natural Wealth: Boon Or Bane?

Posted on May 20, 2018 Author [Joernald Medina Rayos](#) Comment(0)

Last Part of 3-Part Series

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By **JOENALD MEDINA RAYOS**



NO TO COMMERCIAL MINING. During his inauguration as newly-elected chief executive of Batangas, Governor Hermilando I. Mandanas publicly declared that his administration will not allow commercial mining operation in the province. Thus, he said, “However, we will not allow any more power plants using coal as fuel, and we will protect and conserve our natural resources by prohibiting commercial mining.”

The legal framework

Simply stated, mining operation means the extraction or removing of minerals and metals from earth. Mining activities involve exploration, feasibility, development, utilization, and processing. Large scale mining is often undertaken by big companies using many employees and a huge labor force covering a wider area and under the privilege of Mineral Product Sharing Agreement (MPSA).

Open-pit mining is the most common mining technique, when it comes to new mines. Through this technique the soil is completely excavated, and the separation of the minerals and the remaining soil happens completely above ground.

Meanwhile, “quarrying” means the process of extracting, removing and disposing quarry resources found on or underneath the surface of private or public land. To do this, the operator must be armed with a quarry permit or a document granted to a qualified person for the extraction and utilization of quarry resources on public or private lands. In some cases, quarrying in certain degrees amount to small-scale mining,

Quarry resources refers to any common rock or other mineral substances as the Director of Mines and Geosciences Bureau may declare to be quarry resources.

Section 43 of the Republic Act No. 7942 otherwise known as Philippine Mining Act provides that applications for the issuance of quarrying permit may be filed with the Office of the Provincial Governor or a line agency under his direction. Said law also provides that the provincial governor shall grant the permit after the applicant has complied with all the requirements as prescribed by the rules and regulations, including the payment of the required fees.

The applicant for a quarry operation must file a an application with the Provincial Mining and Regulatory Board (PMRB) headed by the provincial governor with the Provincial Government-Environment and Natural Resources Office (PG-ENRO) chief as head of the secretariat. The application must clearly identify, among others, the company of the applicant, the area identified for the proposed operation, that it has a valid business permit issued by the host town or city, and it has paid the necessary quarry permit and regulation fees.

The same law also provides, however, that the maximum area which a qualified person may hold at any one time shall be five hectares (5 has).

However, in large-scale quarry operations involving cement raw materials, marble, granite, sand and gravel and construction aggregates, a qualified person and the government may enter into a mineral agreement as defined herein. The applications for permits for those operations covering more than five (5) hectares have to be filed with the Mines and Geo-Sciences Bureau (MGB) of the DENR.

To qualify for such a permit, the applicant must submit the following:

1. Duly accomplished application form (MGB Form 8-4);
2. Location map of the proposed permit area showing geographic coordinates and boundaries in relation to major environmental features and other projects using NAMRIA topographic map in scale 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;
3. Sketch Plan of the proposed permit area showing geographic coordinates of corners in an appropriate scale duly prepared, signed and sealed by a deputized Geodetic Engineer;
4. Five-Year Work Program (MGB Form 6-2) duly prepared, signed and sealed by a licensed Mining Engineer;
5. Certificate of Environmental Management and Community Relations Record;
6. Environmental Compliance Certificate;
7. Environmental Protection and Enhancement Program;
8. Proof of technical competence including among others, curricula vitae and track records in mining operations and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted work program and environmental protection and enhancement program;
9. Proof of financial capability to undertake activities pursuant to submitted work program and environmental protection and enhancement program, such as the following: a. For individual – Statement of assets and liabilities duly sworn and certified by a CPA, credit lines and income tax return for the preceding three (3) years and b. For corporation, partnership, association or cooperatives – Latest audited financial statement and where applicable, Annual Report for the preceding year, credit lines, bank guarantees and similar negotiable instruments.
10. Photocopy of Articles of Incorporation/Partnership/Association, By-Laws and Certificate of Registration duly certified by the SEC;
11. For corporation/partnership/association/cooperative, Secretary's Certificate on Resolution of the Board of Directors identifying and authorizing their representative to deal, sign, execute and deliver with regards to ISAG permit;
12. Other supporting papers as the concerned Regional Office/Provincial/City Mining Regulatory Board may require or the applicant may submit. Corp Indiv
13. Fees: Filing fee – Php 10,000.00 10,000.00* Registration fee of Articles of Inc. – Php 1,000.00 – Registration fee of By-laws – Php 1,000.00 – Application Fee for CEMCRR– Php 5,020.00 5,020.00* Verification Fee – Php 6,000.00 6,000.00 Area Clearance Fee – Php 2,000.00 2,000.00* Registration Fee (Permit) Php 5,000.00 5,000.00

As of this writing, there is no active large-scale mining in the whole province of Batangas. However, there are several explorations permits issued by the DENR-MGB for possible

mining activities in the future. An exploration permit grants the right to conduct exploration for all minerals in specified areas. The Bureau shall have the authority to grant an exploration permit to a qualified person. An exploration permit is embodied in the MPSA which is an agreement where the Government grants to the contractor the exclusive right to conduct mining operations within a contract area and shares in the gross output. The contractor shall provide the financing, technology, management and personnel necessary for the implementation of this agreement.

As of June 15, 2015, there are at least five (5) active exploration permits issued by the DENR-MGB in the province of Batangas. The most controversial among these are the exploration permits of Egerton Gold Phils., Inc. (MPSA 176-2002-IV & MPSA 177-2002-IV) both for exploration of gold and copper in a total of 2,175.1629 hectares in Lobo town and will expired in November 21, 2027.

Exploration, however, is the process of searching for valuable minerals and quantifying them. It enables the mining company to determine whether there is a feasible deposit for mining development and production. It may involve drilling to discover that is below the surface in varying methods at different stages of the process.

While Egerton has filed an application for commercial operation after a series of explorations confirm the existence of gold deposits in the area, said application remains to be a dot in the blank wall due to massive opposition of different sectors of the community.

While the Provincial Government of Batangas through Governor Hermilando I. Mandanas has declared its unequivocal opposition to large-scale mining within the province, the Provincial Government-Environment and Natural Resources Office (PG-ENRO) has issued at least 17 quarry permits and permit to transport and dispose issued to small-scale mining firms. Of this number, four (4) permittee are located in Taysan town. Said number, however, does not include another two permits issued for mechanical extraction of sand and gravel.

As of March 22, 2018, the MGB-CALABARZON Regional Office has also issued three (3) separate permits for same mechanical extraction of sand and gravel in nearby Lobo town.

Counteracting violations

Per records of the PG-ENRO, still there are plenty of violations of the Philippine Mining Act and the public are now starting to realize that they too can actively participate to curb these proliferations of illegal quarrying activities by filing their complaints or providing information to the law enforcers.

The combined personnel of PMRB and PG-ENRO are exerting efforts to monitor all quarrying and mining activities in the province. Documents obtained at the PG-ENRO revealed that the there are several quarrying activities being monitored and violators are being fined and were instructed to secure permits.