

MINERAL PROCESSING PERMIT COMPLIANCE MONITORING

REGION VIII

REGION VIII								
TOTAL NO. OF MPP HOLDERS:								
	COMPANY	MPP NO.	DATE APPROVED	EXPIRY DATE	DATE LAST AUDITED	FINDINGS	RECOMMENDATIONS	REMARKS
1	Kenith Builders Development Inc.	2010-000002	October 5, 2010	October 5, 2015	October 5 - 9, 2015	<p><b>A.</b> As of October 2015, a total of Three (3) MPP's were issued by the MGB-RO VIII. Two (2) holders of which are engaged in sand and gravel operations and One (1) holder engaged in processing limestone for the production of hydrated lime as summarized below: 1. Kenith Builders Development, Inc. (KBDI) - Sand and Gravel, 2. MAC Builders - Sand and Gravel, and 3. Pheschem Industrial Corporation (PIC) - Limestone. Most pertinent document contained in the "carpetas" that were audited/validated by the tea, for each for each approved MPPs in the area were found to be incomplete. Documents such as Environmental Compliance Certificate (ECC), Environmental Management Record and Community Relations Record, Proof of Financial Capabilities, Environmental Protection Enhancement Program, Social Development Management Program, Supply Contract Agreement and other mandatory requirements were not found in the individuals "carpetas" during validation. According to MGB-RO, missing documents were caused by the super typhoon Yolanda. Representative of the MGB-RO VIII assured the audit team that they will notify all MPP holders to re-submit all documents that should be contained in the carpeta and these documents will be submitted to Mines and Geosciences Bureau-Central Office (MGB-CO). <b>C.</b> KBDI already ceased its operation since November 8, 2013 due to the devastating effect of typhoon Haiyan (Yolanda). The company had suffered inconceivable damage (submerged machineries &amp; equipment and looting of electrical system, batteries &amp; fuels). An affidavit was submitted to MGB-RO VIII dated April 30, 2015 by the President/General Manager to attest that the company is no longer capable of operating again. <b>D.</b> During the course of validation of MPP documents at the site, the audit team noticed late and/or non-submissions of the reportorial requirements such as Power Station's Energy Consumption Report and the Monthly Report on Production, Sales and Inventory of Metallic Minerals and Employment. As prescribed in MGB Form No. 29-18 and MGB Form No. 29-1, these reports should be submitted to the MGB regional office within fifteen (15) days after the end of each calendar quarter and fifteen (15) days after end of each calendar month, respectively. <b>E.</b> Based on the audited "carpetas", records show that the MGB-RO VIII penalized KBDI for failure to comply with terms and condition of the MPP particularly on the non-submission of the reportorial requirements. However, MAC Builders was also found not to have submitted any of the reportorial requirements and no notification was made by MGB-RO VIII. <b>F.</b> MAC Builders was found to have operated in a different area with respect to its application. It is currently operation in Tolosa, Leyte wherein it should be operating in Barangay Tagkip, Julita, Leyte. The company explained that during the November 18, 2013 super typhoon Yolanda, the processing plant was destroyed and the company decided to transfer in Tolosa, Leyte where they had also a supply agreement in Tolosa. They explained further that they had formally notified MGB-RO VIII about the transfer of location. However, the said letter cannot be located up to the time of audit. <b>G.</b> Incomplete files of books of accounts and reports were presented during the audit at the respective sites of the permit holders.</p>	<p>From the foregoing findings, the following are the recommendation actions on some of the leniency on the part of the Regional Office and the non-compliances of the terms and conditions of the MPP of the permittees: <b>A.</b> The MGB-RO VIII should submit to the MGB-CO a copy of the "carpeta" with complete documentary requirements for each MPP holder in the region. It should periodically update the MGB-CO on the status of all these approved MPPs in the region. Last update made by MGB-RO VIII was in June 2012. <b>B.</b> The MGB-RO VIII with its mandate to regularly monitor the compliance of the MPP holders should impose appropriate penalties to infractions/violations committed thereof. For late submission of required report, a fine of Php 1,000/report should be imposed and Php 2,000/report fine for non-submission of required reports to MGB-RO VIII. <b>C.</b> MPP holders who intend to cease its operation should notify MGB-RO VIII as soon as possible to avoid from various penalties under its MPP's terms and conditions. <b>D.</b> Permit holder should file and keep books of accounts, reports and correspondences which should be available at all times for verification by the Secretary/MGB Regional Director of his/her authorized representative/s. <b>E.</b> For the Social Development and Management Program (SDMP), the companies should submit regular reports especially on the updates of the projects and activities specified in its five-year work program. <b>F.</b> MGB-RO should be the forefront in enforcing the formation of Multipartite Monitoring Team (MMT) of each MPP holder. Permit of Pheschem Industrial Corporation already expired last September 21, 2015 with no MMT created. Expiration of the permit does not release the company from any environmental obligations.</p>	
2	MAC Builders	2011-000001-VIII	May 3, 2011	May 3, 2016				
3	Pheschem Industrial Corporation	2010-000001-VIII	September 22, 2010	September 22, 2015				