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INQUIRER SOUTHERN LUZON

Inquirer Southern Luzon : This land is mined

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Inquirer

Posted date: August 08, 2007

PUERTO PRINCESA CITY – Amay Bongkas has heard the stories many times before. Outsiders, some with guns and chainsaws, have been roaming their ancestral lands in the Anipahan range of southern Palawan, drilling strange-looking holes on the ground at least a square meter wide.

Until recently when close encounters with what they began to collectively tag as “mga tigamina” (people from the mines) rapidly spread throughout their village, the usual suspects behind the excavations were the occasional treasure hunters from town.

But Amay, a leader of the Tagbanua tribes in Sitio Boong, has heard talks, and he knows that the mining companies have reached their area. They have come to dig samples of dirt from deep down as far as 30 meters in order to prospect for minerals.

The tribesmen have been told by men in city clothes that mining is good for the community because it will provide jobs and economic opportunities to them. “They said mining is good as it will improve our lives,” Amay, president of the Samahang Nag-uyong Tagbanua Kat Boong (Nagtagbo), said in Filipino.

Amay said his group was opposed to the mining project because they depended on the land for their livelihood. He claimed that the Nagtagbo was applying for government recognition of their area as ancestral domain.

“We were surprised to see the holes that had been dug. They also placed company initials on the trees that seemed to imply they owned these properties,” he said.

Amay and his followers took pictures of the exploration activities in Dumangueña that pointed at a company called Tesoro Mining and Development Corp. Last week, they decided to come down to the city to file a complaint against the company before government agencies, claiming they were not consulted properly.

Denial

The reaction from Tesoro Mining and Development Inc. was categorical. It claimed that it was not involved in any exploration activity in Amay's land in Barangay Dumangueña, Narra, Palawan.

TMDI executive director Hermes Dichosa expressed complete surprise at the pictures taken of the excavation activities and denied that his personnel had anything to do with it. He also noted that the pictures showed TMDC as the name of the company and not TMDI, his company's initials. “It could be that this group is just using our name,” he added.

“Yes, these are indeed signs of exploration activities. But I'm categorically denying that we are involved in that. We have no mining claim or exploration activities in Dumangueña,” Dichosa said. He pointed out that the company's mining claims were in nearby areas of Princess Urduja and Malinao.

Mining rush

The Provincial Mining Regulatory Board (PMRB) admitted that it could not monitor or even figure out who might be conducting illegal exploration activities in Dumangueña or, more importantly, curb illegal mining activities that have become rampant, according to environmental watchdogs, because of the nickel rush in southern Palawan.

“It is the responsibility of the Mines and Geosciences Bureau since it oversees the PMRB,” said Andronico Baguyo Jr., who heads the board's technical secretariat. He explained that while the final permit for small-scale mining was granted by the governor, compliance of monitoring was a function retained by the Department of Environment and Natural Resources, through the MGB.

A small-scale mining permit (SSMP) gives the holder the right to operate a 20-hectare concession for two years. In the case of nickel mining operations, it imposes a cap of 50,000 dry metric tons of nickel ore as the annual maximum production allowed.

The PMRB has begun to cleanse its record of over 200 SSMP applications all over Palawan, but a stream of new applications has kept coming. “So far, we have 176 active applications for small-scale mining permits. We have our hands full. Unfortunately, compliance monitoring is not a devolved function,” Baguyo said.

This writer has sent e-mail inquiries to the PMRB regional office on its monitoring of SSMP in Palawan but has so far received no

reply.

Records of the Palawan Council for Sustainable Development, which grants a separate permit to mining projects in the province, did not show any new applicant in Dumangueña, creating a mystery as to who was behind the construction of a workers' bunk house and at least three test pits.

Asked if the PMRB is checking on possible irregularities involving dummies of foreign companies who are awarded SSMPs, Baguyo said the only relevant requirement his office demanded from applicants is their registration with the Securities and Exchange Commission. Even nonresidents had applied and were granted mining claims, he added.

Legal loophole

Environmental experts are pointing to the government's "confusing policy" on small-scale mining as the trigger to the rush for nickel that has encouraged abuses of the mining sector and instigated social division, especially among tribal communities.

"It is here in Palawan where large mining companies are able to lock in strategic mineral areas by securing SSMPs that are supposed to be for artisanal purposes but which are really smoke screen for large-scale operations," lawyer Gidor Manero of the Environmental Legal Assistance Center (Elac) said.

The Palawan NGO Network Inc. has claimed that national and local regulatory bodies are "turning a blind eye" on the fact that many companies who apply for an SSMP in Palawan "are actually dummies of transnational companies."

"The province is just too willing to accommodate the big companies by granting small-scale permits without ensuring that these companies operate within bounds," PNNI executive director Offie Bernardino said.

Manero pointed out that while the government had a policy to promote small-scale mining as a poverty alleviation program by the implementation of Republic Act No. 7076 or the People's Small Scale Mining Program, the same law had been used by big mining companies to generate profit and push aside the artisanal miners.

"Both RA 7076 and the old presidential decree that it had preceded point out that small-scale mining should pertain to artisanal scale of mining that primarily employ local labor and small-scale operations," he explained.

Self defeating

In the case of Narra, Manero pointed out that Canadian company MBMI Resources Inc., which is not registered in the Philippines, controlled three local mining companies granted an SSMP by the provincial government.

MBMI Resources claims in its website that it owns 60 percent of Narra Nickel Mining and Development Corp., Alpha South Mining and Development Corp., and Tesoro Mining and Development Inc.

Granted only 20 hectares each by the PMRB and a permit to have a small-scale mining operation for two years, renewable by another two years, the MBMI subsidiaries have been able to lock in the vast nickel deposits of southern Palawan.

"MBMI jointly controls a 100-percent interest in four nickel laterite projects in Palawan, Philippines and four additional nickel projects in Samar province, Philippines. These properties cover an area in excess of 22,000 hectares," MBMI said in its Internet website.

The company, moreover, said its subsidiaries were working to convert its Palawan mining projects into a consolidated large-scale operation under a Financial and Technical Assistance Agreement (FTAA). An FTAA is provided by the Philippine Mining Act (Republic Act No. 7942), which allows wholly owned foreign corporations to invest in a mineral extraction project under a negotiated profit-sharing scheme with the government.

Its constitutionality was questioned by civic sectors, but it was upheld by the Supreme Court two years ago.

Tesoro Mining Corp., an MBMI subsidiary, insists its operations are "transparent and above board."

"We are not a fly-by-night company. We have long-term goals. If anything bad happens, we're not going to run away from it," Dichosa said. He confirmed that the Narra consortium run by the MBMI was applying for an FTAA.

MBMI is publicly listed in the TSX Venture bourse in Canada and is actively being traded.

The PNNI and Elac said they would ask the provincial board to probe the practices of small-scale permit holders in Palawan in order to avoid mineral over-extraction and other violations.

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