



Republic of the Philippines  
Department of Environment and Natural Resources  
**MINES AND GEOSCIENCES BUREAU**  
**MIMAROPA Region**

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30 January 2023

**Mr. Pedrito M. Nepomuceno**

Marinduque First Saturday Movers, Inc.  
4F R.G. Castelo Building  
219 Apo Street, Barangka Ilaya (EDSA)  
1550 Mandaluyong City, Metropolitan Manila

**Dear Mr. P. M. Nepomuceno:**

This refers to your Letter dated 24 January 2023 addressed to the President of the Philippines on the alleged illegal quarrying in Marinduque.

The said letter was forwarded to our Office by the Department of Environment and Natural Resources – Action Center on 30 January 2023 to address the issue raised.


Please be advised that the *Sangguniang Panlalawigan* of Marinduque enacted Provincial Ordinance No. 149, series of 2019 establishing a local economic enterprise that will govern the commercial sand and gravel (SAG) activities in the province of Marinduque (copy attached).

Hence, all SAG activities in the province is now under the jurisdiction of the provincial government of Marinduque.

Thank you.

Very truly yours,

By Authority of the Regional Director:

  
**EDWIN M. MOJARES, PhD**  
Chief, Geosciences Division  
OIC, Office of the Regional Director

Enc'l: As stated

cf: **8888 Citizens Complaint Center**  
Office of the President  
Malacañang, Manila  
Ticket Reference No. W20230126-819-7-1

**The DENR Action Center/Holline**  
Department of Environment and Natural Resources  
[denr@8888.gov.ph](mailto:denr@8888.gov.ph)

**The PENRO**  
Marinduque  
Boac, Marinduque

**The Regional Executive Director**  
Department of Environment and Natural Resources  
MIMAROPA Region

**The Director**  
Mines and Geosciences Bureau  
North Avenue, Diliman, Quezon City

**"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT  
IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE."**



Republic of the Philippines  
PROVINCE OF MARINDUQUE  
Boac



OFFICE OF THE SANGGUNIANG PANLALAWIGAN

EXCERPT FROM THE MINUTES  
21<sup>st</sup> REGULAR SESSION, 15<sup>TH</sup> SANGGUNIANG PANLALAWIGAN  
SP SESSION HALL, DECEMBER 17, 2019

*Present:*

Hon. Romulo A. Bacorro, Jr.	Vice-Governor & Presiding Officer
Hon. Adeline M. Angeles	SP Member
Hon. John R. Pelaez	SP Member
Hon. Theresa P. Caballes	SP Member
Hon. Gilbert L. Daquioag	SP Member
Hon. Melgabal R. Encabo	SP Member
Hon. Mercedes R. Rejano	SP Member
Hon. Ishmael DP. Lim	SP Member
Hon. Juan R. Fernandez, Jr.	SP Member
Hon. Aurelio J. Leva, III	SP Member (PCL)
Hon. Lauren R. Rosales	SP Member (SK)

*Absent:*

Hon. James Marty L. Lim	SP Member (Liga)
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**Resolution No. 240 Series 2019**

**RESOLUTION  
ENACTING PROVINCIAL ORDINANCE NO. 149  
SERIES 2019**

**WHEREAS**, the COA on its Management Letter on the Province of Marinduque for the period ended June 30, 2019 provides that there is *laxity in the monitoring of extraction and imposition and collection of taxes on sand, gravel and other quarry resources in accordance with section 39 and 41 of the Provincial Tax Code of Marinduque as amended by Provincial Ordinance No. 117 s. 2014, only P537,825.00 was collected from such taxes as of June 30, 2019 hence, losing the opportunity to generate an estimated total of P9,477,046.30 from quarrying activities of concessionaires and contractors;*

**WHEREAS**, to address the monitoring and collection of taxes on sand, gravel and other quarry resources that was brought to the attention of the Provincial Government by COA, the Governor, in its letter which was received by the Sangguniang Panlalawigan on July 30, 2019 requested for the creation of a local economic enterprise (LEE) for the *provincial government to engage in the quarry operation, of extraction and sale of commercial gravel and sand from any suitable area in the province;*

**WHEREAS**, in the same letter, the Governor, informed the Sangguniang Panlalawigan that there is no existing valid permit for any quarry operations in the province, and the request for the creation of an LEE will address the availability of sand and gravel to contractors undertaking construction projects in the province;

**WHEREAS**, there are steps to be followed in the creation of an LEE as provided for in DBM LBC No. 111 s. 2016, hence, the Sangguniang Panlalawigan in the interim, adopted SP Resolution No. 32 s. 2019, entitled: **RESOLUTION**



AUTHORIZING THE PROVINCIAL GOVERNMENT THRU THE HONORABLE GOVERNOR PRESBITERO J. VELASCO, JR., TO TEMPORARILY TAKE OVER THE OPERATION OF QUARRY SITES AS URGENT TEMPORARY MEASURES AMONG OTHERS TO ENSURE THAT ADEQUATE SUPPLY OF AGGREGATES FOR GOVERNMENT PROJECTS AND COMMUNITY OF PRIVATE USE ARE NOT HAMPERED PENDING THE ESTABLISHMENT AND OPERATION OF FORMAL LOCAL ECONOMIC ENTERPRISE FOR QUARRY OPERATION BY THE PROVINCIAL GOVERNMENT;

**WHEREAS**, to implement the adopted resolution, the Governor issued on August 19, 2019 Executive Order No. 15-2019, entitled: *AN ORDER TO OBSERVE THE TEMPORARY TAKE-OVER OF THE PROVINCIAL GOVERNMENT OF MARINDUQUE OVER THE COMMERCIAL SAND AND GRAVEL (CSAG) ACTIVITIES*;

**WHEREAS**, in order to make accord with the environment vis-a-vis the operation of quarry sites and commercial sand and gravel operations, provisions of PD 2146 regarding the environmentally critical areas should be adhered and implemented to the fullest;

**WHEREFORE**, be it enacted by the 15<sup>th</sup> Sangguniang Panlalawigan of Marinduque:

**AN ORDINANCE  
ESTABLISHING A LOCAL ECONOMIC ENTERPRISE  
(LEE) THAT WILL GOVERN THE OPERATION  
COMMERCIAL SAND AND GRAVEL (CSAG) ACTIVITIES  
IN THE PROVINCE OF MARINDUQUE, DEFINING ITS  
POWERS AND FUNCTIONS, THE SOURCE OF  
CAPITALIZATION AND FOR ALL OTHER PURPOSES**

***Sponsored by: Hon. ISHMAEL DP. LIM***


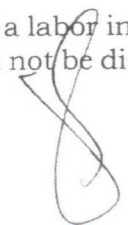
*Chairman, Committee on Local Economic Enterprise  
and Public Utilities*

**SECTION 1. TITLE.** This Ordinance shall be known as *AN ORDINANCE ESTABLISHING A LOCAL ECONOMIC ENTERPRISE (LEE) THAT WILL GOVERN THE OPERATION COMMERCIAL SAND AND GRAVEL (CSAG) ACTIVITIES IN THE PROVINCE OF MARINDUQUE, DEFINING ITS POWERS AND FUNCTIONS, THE SOURCE OF CAPITALIZATION AND FOR ALL OTHER PURPOSES* or the **CSAG Ordinance**.

**SECTION 2. DECLARATION OF POLICY.** It is hereby declared the policy of the Provincial Government of Marinduque to develop its full potential as a self reliant and viable governmental organization in accord with the principle of fiscal and local autonomy. In line with this, it shall embark on and pursue economic programs that will strengthen its capacity to generate revenues to enable it to respond to the demands of local governance, particularly in the delivery of basic services.

Since the Local Government Code of 1991 (RA 7160) has opened the gates for the LGUs entrepreneurial vehicles to come and join in the caravan ride towards economic sufficiency, the Provincial Government of Marinduque will also embrace this entrepreneurship mandate.

Towards this end, the Provincial Government shall utilize a labor intensive program so that those working manually in the quarry areas will not be displaced





and secure their source of livelihood but at the same time use the available mechanized equipment in order to swiftly address the aggregate requirement of large infrastructure projects, both, of the public and private contractors without compromising the impact in the environment.

**SECTION 3. LEGAL BASIS.** A major aspect of local administration that is expected to effectively attain autonomy and self reliance is in the delivery of public services, utilities and economic enterprises. The LGUs are granted with the powers and authority to undertake necessary ways and means to carry out this mandate. Section 3, 15, 17 and 22 of the Local Government Code of 1991 (RA 7160) in connection with DENR Administrative Order No. 2015-03 (*revised IRR of RA 7076 (People's Small Scale Mining Act)*) and RA 7942 (*Philippine Mining Act of 1995*) granted the LGUs full autonomy in the exercise of its propriety functions in the management of economic enterprise.

Likewise, in the 1987 Constitution while establishing the primacy of private enterprises in the development of the economy, it also states that government must engage in activities like infrastructure, utilities and services in the name of development.

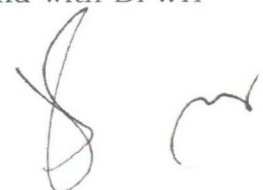
LGUs have the full power and authority to create and to operate as real business establishment and generate revenues at a profit for the operation of the enterprise base on the above-mentioned mandates. LGUs are also authorized to exercise such powers and discharge such other functions and responsibilities that are necessary, appropriate, or incidental to efficient and effective provision of the basic services and facilities. As such, public enterprises are authorize to collect fees and charges, both, for public service to the people and for viability of its operation.

**SECTION 4. PURPOSE.** Inadequate budgetary resources and further constrained by the formula-based IRA share fund release, LGUs are threatened by the predicament of having enormous functions to implement aside from the functions that were devolved by virtue of RA 7160 thus they have to be innovative in gazing for an alternative fund sources. This is where the arena of economic enterprises is most relevant.

The Provincial Government of Marinduque with its entrepreneurial mandate will be operating its economic enterprise through sand and gravel mining project with the objective of making the enterprise as 1) an alternative source of income of the provincial government in order to sustain the development and social projects, 2) intensify and increase the local revenue generation sources for the realization of a self-reliant LGU, 3) provide employment opportunities to local labourers without compromising the environmental integrity, and 4) ensure the availability/supply of construction aggregate materials at affordable cost for the fast completion of all infrastructure development projects, both, by the government and private contractors.

#### **SECTION 5. ESTABLISHMENT OF THE ECONOMIC ENTERPRISE.**

**A.** There is hereby created an economic enterprise under the Office of the Provincial Governor to be known as Marinduqueno Sand and Gravel Economic Enterprise (MSGEE). MSGEE shall cover seven (7) river channels in the province that have been identified with abundant volume of aggregates and with DPWH approved source of construction materials, namely:





1. Boac River in Boac;
2. Sabang River in Buenavista;
3. Libtangin River in Gasan;
4. Mogpog River in Mogpog;
5. Buangan River in Torrijos; and
6. Cabuyo River in Torrijos.

Sta. Cruz has no approved quarry site for concrete aggregate construction material, however, Tawiran River channel has available base coarse and filling materials.

**B.** Initially, the MSGEE herein created shall cover the two (2) project sites located along the downstream portion of Boac River channel and within the government land of the river bed with a consolidated quarry area of 18 hectares and has an approximate of 117,970 cu.m. quantity of aggregates. These two project sites are the Tampus-Sawi quarry site and the Balimbing-Boton quarry site.

No forest land and protected area is within the 10-kilometer radius from the identified quarry sites and is far enough to the declared Marinduque Wildlife Sanctuary. Also, both quarry sites are distant enough from existing bridges and will not be in conflict to the DPWH distance requirements.

The locations of quarry sites along Boac River are well connected with the nearest Boac Interior National Road, Bantad-Sawi-Balimbing-Bantay route.

**B.1. The Tampus-Sawi Quarry Site.** The Tampus-Sawi quarry site is approximately 2.0 kilometer away from Boac town proper and within the government land along downstream of Boac River and is located at 13°26'15.3" latitude and 121°52'18.26" longitude. It is bounded on the North by Barangay Sawi, on the South by Barangay Tampus, on the East by Boac River upstream, and on the West by Boac River downstream.

**B.2. The Balimbing-Boton Quarry Site.** The Balimbing-Boton Quarry site is approximately 3.50 kilometer away from Boac town proper and within the government land along downstream of Boac River and is located at 13°26'24.9" latitude and 121°52'14.4" longitude. It is bounded on the North by Barangay Balimbing, on the South by Barangay Boton, on the East by Boac River upstream, and on the West by Boac River downstream.

**C.** The main MSGEE Office shall be located in one of the existing office space in the Provincial Capitol Compound, Boac, this province. While Field Offices that may serve as office area and rest shelter for workers shall be provided beside the quarry area equipped with first aid facility, drinking water and toilet.

## **SECTION 6. ORGANIZATION AND STAFFING.**

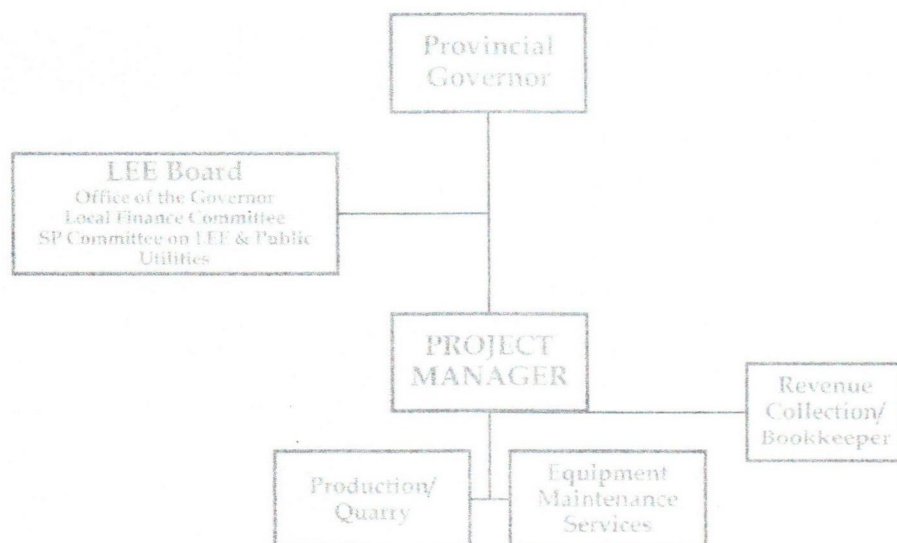
**A.** The MSGEE herein created shall be headed by a **Project Manager**, a co-terminous position with the appointing authority, with the rank of a Division Chief and a holder of a second level position in the provincial government plantilla. The **Project Manager** shall be responsible to the Governor and to the Sangguniang Panlalawigan on the development plans and programs of the enterprise to ensure its continued viability and sustainability.



The MSGEE Project Manager shall exercise the following powers and functions:

1. Exercise management control over the operation of the MSGEE as well as its support services;
2. Advise the Governor, the Sangguniang Panlalawigan and other special body that may thereafter be legally constituted, on all matters involving economic enterprise development;
3. Develop policies and formulate rules and regulations, standards and procedures to improve and enhance revenue generation based on sound financial concept and principles for adequate delivery of services, subject to the approval of the Sangguniang Panlalawigan;
4. Prepare the annual operational budget of the MSGEE for submission to the Provincial Budget Office;
5. Exercise management and supervision over the unit and personnel under the MSGEE;
6. Shall be responsible in securing the necessary permit/s to national and/or local government authorities if rules and regulations so requires.
7. Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance incidental and necessary to the position.

**B.** The PHRMO in coordination with the Office of the Governor, the Provincial Budget Officer and the Project Manager of MSGEE shall prepare a workable organizational structure and staffing pattern taking into consideration the following and the needed budgetary appropriations:



**C.** In the interim and in the initial implementation of this Ordinance, the Governor may detail official/employees personnel from the organic personnel of the provincial government or hire additional manpower thru Job Order to carry out the mandate of MSGEE. Regular positions may be created therein when the income derived from its business operations can already sustain the absorption of such personnel services cost.

**D.** Within the five (5) year period, the MSGEE must endeavour to staff itself by full-time personnel charged against the enterprise's budget. Personnel detailed to MSGEE, whether full time or part time, should be gradually be weaned out within this period.

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## **E. External Human Resource.**

1. Provincial Legal Officer – to serve as the legal counsel of the MSGEE, represent the enterprise of the province in any judicial, quasi-judicial and administrative proceedings, render legal opinion and advice on resolutions and other matters referred to by the enterprise.
2. Department of Labor and Employment (DOLE) – provide technical assistance for project development, conduct entrepreneurship development training, project monitoring and evaluation.
3. Department of Environment and Natural Resources – Mines and Geosciences Bureau (DENR-MGB) – issue special quarry permit, technical training for deputation.

**SECTION 7. CAPITALIZATION AND SOURCE OF FINANCING.** To implement the CSAG Ordinance, the Capital Outlay may be sourced out from the 20% Development Fund, and Capital Outlay and Maintenance and Other Operating Expenses (MOOE) may be sourced out from the General Fund Proper (Office of the Governor) for its five (5) years of operation in the form of subsidy.

For this purpose, a maximum period of five (5) years, reckoned from the date the MSGEE is made officially operating, is hereby provided as transition for the enterprise to attain full economic independence or sustainability. The amount that may be extended will be in accordance with the following schedule:

1 <sup>st</sup> year	Not to exceed	100%	(excluding Personal Services cost in accordance with Local Budget Circular Nos. 100 & 100-A and Manual on the Setting-up and Operations of Local Economic)
2 <sup>nd</sup> year	Not to exceed	90%	
3 <sup>rd</sup> year	Not to exceed	70%	
4 <sup>th</sup> year	Not to exceed	50%	
5 <sup>th</sup> year	Not to exceed	25%	

Unless otherwise provided in this Ordinance or by subsequent legislation by the Sangguniang Panlalawigan, the date of the commercial operation of MSGEE shall be reckoned in computing the 5-year transition period prescribed herein. However, such period may be shortened if it can be established that the enterprise is already capable of sustaining its own operations.

## **SECTION 8. PRICING.**

- A.** The MSGEE shall manage the sand and gravel operations as a viable income generating facility of the provincial government cognizant of the interests of the business locators, the consumers and the public in general. The requirement of fees, regulations and operations shall conform to the provision of Provincial Ordinance 117 s. 2014 (Revised Provincial Tax Code), Article 11, however, it will be categorized further into:

KIND	PRICE/M <sup>3</sup>	10% TAX/M <sup>3</sup>
Boulders (size 40 to 100 mm)	500.00	50.00
Gravel G1 (size 20 mm to 40 mm)	500.00	50.00
Gravel 3/4 (size 10 mm to 20 mm)	500.00	50.00
Sand	400.00	40.00
Ordinary sand & gravel (river mixed)	300.00	30.00