

MINERAL PROCESSING PERMIT COMPLIANCE MONITORING

REGION II

TOTAL NO. OF MPP HOLDERS:									
COMPANY	MPP NO.	DATE APPROVED	EXPIRY DATE	DATE LAST AUDITED	FINDINGS			RECOMMENDATIONS	REMARKS
1 San You Philippines Mining Trade Ltd. Inc.	000006-II	November 9, 2010	November 8, 2015	March 9-11, 2013	Terms and Condition of the MPP			The company was not prepared during the conduct of audit. All of the documents needed for validation by the team were not presented instantaneously. The team were advised to visit on another date for the said audit. Allegedly, the person in charge to meet the audit team was not around during the conduct of the audit. Despite the advance notice by the MGB-Co of the audit schedule, the company still fails to comply with the schedule. The said notice dated January 21, 2013 was received by the company with the company through phone calls one days before the team arrived. Operation of the company is in an on and off mode. A Stoppage Order dated July 4, 2012 by the provincial Government of Cagayan was issued due to swelling of the Cagayan River. Frequent plant modification and maintenance added to numerous shutdowns of plant operations. The company has not fully complied with the terms and conditions on granting of its MPP. Foremost of which is the monthly submissions of its Monthly Report on Production, Sales and Inventory of Metallic Minerals and Employment as prescribed in MGB Form No. 29-1 that is within fifteen (15) days after the end of each calendar month. No reports were represented by the company. Records from the MGB regional office showed that the company has submitted reports before but the submission ceased when the MGB-RO-II personnel in charge resigned for almost a year now. Though the plant production is still monitored by the MGB-RO-II through its OTP, still the company has to submit these reports. Moreover, the regional office must continue to monitor these reports. No quarterly reports of its Power Station's Energy Consumption were submitted to the MGB-RO-II. As prescribed in MGB Form No. 29-18, these reports should be submitted to the MGB regional office. Records of MGB-RO-II also showed that no reports has been submitted from the start of the operation. The company failed to present document from Human Resources Department for the list of employees (local and alien employment). It also failed to present any trainings, workshops and seminars to its employees. No production data (both daily and monthly) were presented during the conduct of the audit. This prevents the team to properly assess the efficiency of its operation. The company should know the importance of an MPP audit. Its officers and employees should be made to understand the importance of religious compliance with the terms and conditions stipulated in its MPP. It should notify all concerned personnel on the submissions of various reports (MGB Form No. 29-1 and 29-18, reports) MGB-RO-II should imposed appropriate penalties to the company. It should also regularly check and monitor the commitment of the company with regards to the terms and condition of its MPP.	
					A. Environmental Concerns				
					That the Permit Holder shall assume Full responsibility and be liable for damages to and/or public property that may be occasioned by its operation under the Permit;	Complied	An erosion of the river embankment was reported on the October 2012 MMT report but was rectified by planting of bamboos.		
					That the Permit Holder shall effectively use the best available appropriate anti-pollution technology and facilities to protect the environment in compliance with the requirements of ECC and P.D. No. 984.	Complied	No reported/recorded damages as of date of audit. No recorded complaints from the Barangay.		
					The Permit Holder shall abide by the provisions of its ECC, including statements made later in support thereof which shall be considered as internal part of this permit;	Complied			
					B. Reportorial Requirements				
					That the Permit Holder shall comply with the reporting requirements pursuant to Section 270 of DAO No. 96-40 as amended;				
					1. Monthly Report on Production Sales and Inventory of Metallic Minerals and Employment as prescribed in MGB FOrM No. 29-1 within fifteen (15) days after the end of each calendar month;	Partially complied	The company ceased to submit these report for almost a year now.		
					2. Quarterly Energy Consumption Report as prescribed in MGB Form No. 29-18 within fifteen (15) days after the end of each calendar quarter, and	Not complied	No reports have been submitted to MGB-RO-No.II		
					3. Intergrated Annual Report as prescribed in MGB Form No. 29-16 within two (2) months after the end of each calendar year;	Not complied	No report were presented.		
That the Permit Holder shall file and keep books of accounts, reports and correspondences which shall be opened at all times for verification by the DENR Secretary/MGB Director or his/her duly authorized representative/s;	Partially complied	Most of the documents needed for validation by the audit team were not presented instantaneously.							
C. Payment of Taxes									
That the Permit Holder shall fully and timely pay all taxes, including excise tax, and fees due, and other fiscal obligations in accordance with existing laws, rules and regulations;	Complied								
D. Employment									
That the Permit Holder shall not discriminate on the basis of gender and that the Permit Holder shall respect the right of women workers to participate in policy and decision processes affecting their rights and benefits;	Not Complied	No employment record were presented even after the conduct of audit.							
That the Permit Holder shall give preference to goods and services produced and offered in the Philippines of comperative quality and in particular, shall give preference to Filipino construction enterprises, shall erect buildings which can be constructed by using materials and skills available in the Philippines, shal employ Filipino subcontractors for road construction and transportation and shall purchase Philippine household equipment, furniture and food;	Complied	the company claims that it has prioritized goods and services offered by Filipinos.							
That the Permit Holder shall give preference to Filipinos in all types of employment for which they are qualified and that technology shall be transferred to the same through trainings, symposia, seminars and workshops, among others;	Not complied	No training, workshop and seminar were presented.							

That alien employment shall be limited to technologies requiring highly specialized training and experience subject to the required approval under existing laws, rules regulations;	Not complied	Several Chinese people were noticed by the team during the visit and the company fails to present any legal documents with regards to the presence of these foreign people.
E. Efficient Processing Technology		
That in every cases where foreign technologies are utilized and where alien executives are employed, an effective program of training understudies shall be undertaken.	Not complied	No training programs both for the Rank and File and the Junior Staff were presented.
That the Permit Holder shall utilized the best available appropriate and efficient processing technology and that for purposes of value-adding, it is encourage to pursue downstream processing.	Not complied	No production data (both daily and monthly) were presented to the team for evaluation of the process.
F. Others		
That the Permit Holder shall hold the Government free and harmless from all claims and accounts of all kinds, as well as demands and actions arising out of accidents or injuries to persons or properties caused by its operations, and indemnify the Government for any expenses or costs it incurs by reason of any such claims, accounts, demands or actions;	Complied	
That the Permit Holder shall comply with the provisions of the Act and DAO No. 96-40, as amended, and other applicable laws, rules and regulations governing health, safety, sanitation, pollution control, zoning, labor and those pertaining to environmental protection, enhancement and rehabilitation. Violation of any of these applicables laws and	Complied	Committed
A. Environmental Concerns		
That the Permit Holders shall assume full responsibility and be liable for damages to and/or public property that may be occasioned by its operation under the Permit;	Partially Complied	No report/ recorder damages as of date of audit. Submitted only one (1) copy of MMT report.
That the Permit Holder shall effectively use the best available appropriate anti-pollution technology and facilities to protect the environment in compliance with the requirements of ECC and P.D. No. 984.	Partially Complied	No Daily Production Report was presented to the audit team. Submitted only one (1) copy of MMT report.
The Permit Holder shall abide by the provisions of its ECC, including statements made later in support thereof which shall be considered as internal part of this permit;	Partially Complied	No Daily/Monthly Production Reports, and Employment Records were presented to the audit team. Only EMB permits were presented. Submitted only one (1) copy of MMT report.
B. Reportorial Requirements		
That the Permit Holder shall comply with the reporting requirements pursuant to Section 270 of DAO No. 96-40 as amended;		
1. Monthly Report on Production Sales and Inventory of Metallic Minerals and Employment as prescribed in MGB Form No. 29-1 within fifteen (15) days after the end of each calendar month;	Not complied	No reports have been submitted to MGB-RO-No.II
2. Quarterly Energy Consumption Report as prescribed in MGB Form No. 29-18 within fifteen (15) days after the end of each calendar quarter, and	Not complied	No reports have been submitted to MGB-RO-No.II
3. Intergrated Annual Report as prescribed in MGB Form No. 29-16 within two (2) months after the end of each calendar year;	Not complied	No reports have been submitted to MGB-RO-No.II
That the Permit Holder shall file and keep books of accounts, reports and correspondences which shall be opened at all times for verification by the DENR Secretary/MGB Director or his/her duly authorized representative/s;	Partially Complied	No Daily Production and Intergrated Annual Reports was presented to the audit team. Submitted only one (1) copy of MMT report.
C. Payment of Taxes		
That the Permit Holder shall fully and timely pay all taxes, including excise tax, and fees due, and other fiscal obligations in accordance with existing laws, rules and regulations;	Not complied	Only copies of local taxes paid were presented during the audit
D. Employment		

1. Some of the documents needed by the audit team were not presented right away during the conduct of the validation.
2. The company has not fully complied with the terms and conditions on its MPP. Documents such as Agreement/Supply Contract, Monthly Report on Production, Sales and Inventory of Metallic, Minerals and Environment, Quarterly Report on Energy Consumption, Annual Intergrated Report, and Human Resources Department Record were not presented during the conduct of the validation.
3. The importance of the MPP audit should be taken seriously by the company through compliance with all the terms and conditions stipulated in the agreement. Submission of documents should be done on the required time and it should be accurate.
4. MGB-Regional Office No. II should impose appropriate penalties to the company. Also, they should see to it that all MPP holders in their area of responsibility should submit on time all the required documents pertaining to the said contract.

<p>That the Permit Holder shall not discriminate on the basis of gender and that the Permit Holder shall respect the right of women workers to participate in policy and decision processes affecting their rights and benefits;</p>	<p>Not complied</p>	<p>GSMMC was not able to submit its employment records.</p>	
<p>That the Permit Holder shall give preference to goods and services produced and offered in the Philippines of cooperative quality and in particular, shall give preference to Filipino construction enterprises, shall erect buildings which can be constructed by using materials and skills available in the Philippines, shall employ Filipino subcontractors for road construction and transportation and shall purchase Philippine household equipment, furniture and food;</p>	<p>Partially Complied</p>	<p>No reports were submitted to the audit team though several Filipino employees were observed in the work site during the visit.</p>	
<p>That the Permit Holder shall give preference to Filipinos in all types of employment for which they are qualified and that technology shall be transferred to the same through trainings, symposia, seminars and workshops, among others;</p>	<p>Not complied</p>	<p>GSMMC was not able to submit documents on training and seminars.</p>	
<p>That alien employment shall be limited to technologies requiring highly specialized training and experience subject to the required approval under existing laws, rules and regulations;</p>	<p>Not complied</p>	<p>No report of any alien employment was made during the audit</p>	
<p>That in every cases where foreign technologies are utilized and where alien executives are employed, an effective program of training understudies shall be undertaken.</p>	<p>Not complied</p>	<p>GSMMC was not able to submit documents on training and seminars.</p>	
<p>That the Permit Holder shall utilized the best available appropriate and efficient processing technology and that for purposes of value-adding, it is encourage to pursue downstream processing.</p>	<p>Not complied</p>	<p>No reports were submitted during the audit</p>	
<p>F. Others</p>			
<p>That the Permit Holder shall hold the Government free and harmless from all claims and accounts of all kinds, as well as demands and actions arising out of accidents or injuries to persons or properties caused by its operations, and indemnify the Government for any expenses or costs it incurs by reason of any such claims, accounts, demands or actions;</p>	<p>Partially Complied</p>	<p>No reported incident(s) within the audit period. Submitted only one (1) copy of MMT report.</p>	