

When Mt. Pinatubo erupted in 1991, it spewed volcanic ash and rock materials which buried several barangays in Pampanga Province. But those same destructive materials were soon deemed as excellent concrete mixtures for high rise buildings. And the lucrative quarrying of the sand began.

There were reportedly as much as 3,000 trucks of sand that were hauled from quarrying sites in different municipalities of the province of Pampanga during the construction boom in Metro Manila as well as during the construction of the Subic-Clark-Tarlac Expressway and the upgrading of the North Luzon Expressway. Those involved in the quarrying and hauling of the sand were apparently enjoying huge profits but the province did not seem to be earning a corresponding increase in its revenues.

This sorry state of affairs led to friction between the vice-governor and the governor. The case remained unresolved until the election period of 2007. Aspiring candidate Eddie T. Panlilio emphasized the issue of proper

Pampanga Province From Ash to Cash

quarry levy collections during his successful campaign for the post of governor.

Upon assuming his post, Gov. Panlilio immediately issued Executive Order No. 2-ETP, constituting the *Biyaya A Luluguran At Sisikapan* Committee (BALAS). Incidentally, *balas* is the Kapampangan word for sand. The BALAS program aimed to improve tax collection from quarry operations. On the very first day of implementation, the Provincial Treasurer's Office was able to collect P1.2 million in tax revenues.

In implementing the program, the provincial government recruited and deployed checkers to the roadside outposts. These checkers were also given increased salaries and orientations on transparency and accountability as functions of good governance. The recording systems were streamlined and thoroughfares traversed by the

trucks were identified and guarded.

The preceding measures led to a dramatic increase in the quarry collection of the province. From 2002 to 2006, the province was only earning an average of P22.5 million yearly in quarry taxes. With the advent of the BALAS Program, quarry collections rose to P119 million during the second half of 2007 and P111 million in the first half of 2008.

Yet the same amount of levy was being collected at P300.00 per truck. Of this amount, P150.00 was retained by the province to cover operational expenses. The other P150.00 was divided at a ratio of 30%-30%-40% respectively among the province, the municipality and the barangay where the quarry operations were conducted. Thus, with the marked increase in collections, there was also a corresponding increase in



the quarry levy shares of the municipalities and barangays. To date, 10 municipalities and barangays with quarry operations have received a total amount of P72.9 million representing their shares from July 1, 2007 to May 15, 2008. These earnings have increased the capacity of the local units to deliver programs and projects.

The success of the BALAS Program stemmed largely from the participation of the different stakeholders in the quarry industry. The people contributed their share by monitoring and reporting suspected illegal quarrying or mineral extraction in their areas through a telephone hotline to the office of the governor. They also monitored the BALAS checkers in the field and provided feedback



about their performance to the provincial government.

Subsequently, the involvement of the Environment and Natural Resources Mining and Geological Board was revived. The authority to supervise large-scale quarry operations was given back to the Board. The program also paved the way for the reconvening of the previously moribund Provincial Mining and Regulatory Board.



For years, the province was earning an average of only P22.5 million yearly in quarry taxes. Through the BALAS Program, quarry collections rose to P230 million in the first year alone.

CONTACT

Governor Eddie T. Panlilio
Telfax. No.(045)961-4713

In compliance with the Mining Act, quarry operators were obliged to renew or secure permits. Illegal quarry operators were identified and were given ample time to legalize their operations. The exact boundaries of quarry operations were also delineated.

The BALAS program made the people more aware of their rights and duties as stakeholders of the

resources of the province. The program also entailed a review of laws governing the scraping of agricultural lands, dredging and de-silting.

Currently, the provincial government is working hard to sustain its gains and studying ways to further rationalize the levy collection to adapt to the changing market values of the sand. They are also planning to revise the schedule of revenues with the *Sangguniang Panlalawigan*. At present, P300.00 is being collected by the province per truckload regardless of the truck capacity or of the kind of mineral extracted. They are also undertaking a trend analysis of market forces and their impact on extraction so that the collection benchmarks could be properly established.

With the success of the BALAS Program, the provincial government of Pampanga has proven that transparent and accountable governance is possible. And this has encouraged officials from other provinces to study or conduct a *Lakbay-Aral* on the possibility of replicating the program. 