

DEPARTMENT CIRCULAR NO. DC 2019- _____

GUIDELINES ON COAL HANDLING, TRANSPORT, STORAGE AND DISTRIBUTION

WHEREAS, Republic Act No. 7638, as amended, otherwise known as "*The Department of Energy (DOE) Act of 1992*", mandates the DOE to establish and administer programs for the exploration, development and production, transportation, marketing, distribution, utilization, conservation, stockpiling and storage of energy resources of all forms, whether conventional or non-conventional;

WHEREAS, PD 972, as amended, otherwise known as "*The Coal Development Act of 1976*" declared as a policy of the state to immediately accelerate the exploration, development, exploitation, production, and utilization of the country's coal resources and vested the Energy Development Board (now the DOE) with the authority to promulgate rules and regulations implementing thereof;

WHEREAS, the DOE issued Department Circular No. DC2012-05-0006, otherwise known as "*Guidelines on the Accreditation of Coal Traders and Registration of Coal End-Users*" to establish the rules and regulations on coal trading and utilization;

WHEREAS, entities engaged in coal operations, including coal trading and utilization, and undertaking coal handling, transport, storage and distribution activities are mandated to ensure that current best practices in health, safety and environmental management are implemented to mitigate its impacts thereby effectively and efficiently protecting the environment;

NOW, THEREFORE, the foregoing premises considered, and pursuant to its statutory mandate, the DOE hereby promulgates the following guidelines in coal handling, transport, storage and distribution:

Section 1. Scope and Application. This Circular shall apply to all Coal Traders, Coal Logistics Service Providers, Coal End-Users, holders of Coal Operating Contracts (COCs) and Small-Scale Coal Mining Permits (SSCMPs) and all other persons engaged in coal operations.

Section 2. Definition of Terms. As used in this Circular, the following terms shall be defined as follows:

1. **Coal Operating Contract (COC)** – refers to the Coal Operating Contract issued by the DOE under PD 972, as amended;
2. **Coal End-User** –refers to any person or business entity requiring the supply and delivery of coal for its own use or utilization such as, but not limited to,

power generation, cement, steel, chemical, canning, paper, rubber, garments, food and beverage, and other manufacturing industries;

3. **Coal Logistics Service Provider** – refers to any person, partnership, cooperative or corporation engaged by a Coal Trader or Coal End-User for the loading, unloading, temporary stockpiling and/or transporting of coal;
4. **Coal Trader** – refers to any person, partnership, cooperative or corporation engaged in the business of buying, selling, importing, exporting, marketing, transporting, distributing, retailing, handling, stockpiling and storage of coal, and all other related activities;
5. **Small-Scale Coal Mining Permit** – refers to the permit issued by the DOE for small-scale coal mining operations;
6. **Coal Operations** – shall refer to activities that involve any type of coal handling, transportation, storage, distribution, including coal exploration, development and production by Coal Traders, Coal End-Users, holders of Coal Operating Contracts (COCs) and Small-Scale Coal Mining Permits (SSCMPs) and all other persons engaged in similar activities such as transporting/hauling/delivery using vessels and other contracting services.

Section 3. General Guidelines. All Coal Traders, Coal Logistics Service Providers, Coal End-Users, holders of COCs and SSCMPs and all other persons engaged in Coal Operations shall strictly comply with the following general guidelines:

1. All workers shall undergo health, safety, and environment orientation prior to performing their assigned tasks.
2. Emergency preparedness and response plan shall be established and implemented to address any untoward incident/s.
3. Appropriate mitigating measures shall be implemented to prevent spontaneous combustion in all stages of coal handling, transportation, storage and distribution.
4. In addition, the following shall be strictly complied with:
 - a. **Safety and Security**
 - i. All workers shall be provided with appropriate Personal Protective Equipment (PPE).
 - ii. Spotters and guards shall be assigned during handling, loading and unloading of coal.
 - iii. Trucks, vessels and other coal conveyances shall be provided with appropriate fire-fighting equipment.

- iv. Proper housekeeping shall be maintained at all times, including appropriate lighting during night operations.
- v. Trucks, vessels and other coal conveyances shall not be overloaded and shall be driven or operated within specified speed limit.

b. Environmental Regulation and Pollution Control

- i. Dust control system such as, but not limited to, water spray, sprinkler, misting machine, dust arrester or cover to prevent emission of fugitive coal dust shall be provided and installed.
- ii. Truck's cargo box shall be properly secured to prevent escape of fugitive coal dust and/or coal spillages along the road.
- iii. Tire bath shall be installed in front or near the exit gate to rinse truck tires to prevent dust / mud from being carried and scattered along access roads and other areas of operations.
- iv. Coal stockpile shall be properly maintained. Any hazardous condition in or around such area shall be immediately reported, and appropriate corrective and control measures shall be implemented.
- v. Construct and maintain settling pond with appropriate drainage system to capture run-off coal and other operational spoils.
- vi. Ensure continuous cleaning, sweeping, sprinkling and water spraying of roads to prevent the accumulation of dust and other operational spoils within the working area and other applicable areas of the operation.
- vii. Ensure that appropriate measures are implemented to prevent emission of foul odor (as nuisance) from coal stockpile.

In addition, all Coal Traders, Coal Logistics Service Providers, Coal End Users, holders of COCs and SSCMPs and all other persons engaged in Coal Operations shall comply with other responsibilities for the different stages of coal handling, transportation, storage and distribution as provided under the subsequent provisions.

Section 4. Different Stages of Coal Handling, Transportation and Distribution

A. Coal Handling and/or Transport Within COC or SSCMP Area

- 1. Wind breaker such as, but not limited to, suitable trees and vegetation and/or fence which shall always be higher than the stockpile height shall be provided and maintained along the perimeter of the stockpile area.

2. The equipment operator shall be protected from heat, dust and coal particles coming from stockpile.

B. Coal Handling and/or Transport of Coal from Mine Stockpile to Staging Area or Loading Port

1. Ensure safe loading of coal into trucks, mine cars, loading bins via conveyor system, and roll-on-roll-off using trucks directly into barges or landing craft transport (LCT), including other means of conveyances.
2. Truck's cargo box shall be provided with appropriate cover in case of roll-on-roll-off operation.
3. Tarpaulin shield shall be installed in between the vessel and pier apron to capture coal spillages from trucks.
4. Avoid temporary storage of coal on the pier apron to prevent coal run-off especially during heavy rain.
5. Avoid congestion at the mine stockpile area, staging area, and loading port to ensure safe and smooth movement of trucks and other vehicles.

C. Coal Handling and/or Transport of Coal by Land or Sea from Staging Area or Loading Port to Unloading Port or Area

I. Transportation by Land

1. Trucks shall be equipped with adequate brakes, lighting, audible backing horn, and early warning devices.
2. Truck mufflers shall be provided with silencer or any device to prevent generation of excessive noise.
3. Unauthorized person and/or extraneous materials shall not be allowed to ride or be transported by trucks during coal transport.
4. Truck tires shall be cleaned before leaving the staging area or loading port.
5. Employ a street sweeper to clean coal spillages in any barangay, municipal, or national road used by the conveyance.

II. Transportation by Sea

1. Ensure that the vessel and pier has adequate lighting devices.
2. Coal cargo shall be trimmed as leveled as possible and the coal container of the vessel shall be properly secured with appropriate cover to prevent coal spillages at sea.
3. Unauthorized person and/or any other extraneous materials shall not be allowed to ride or be transported by vessels during coal transport

D. Coal Handling or Discharging in Unloading Port or Area

1. Only authorized personnel shall be allowed to perform coal unloading in the port/unloading area.
2. Adequate lighting devices shall be provided when unloading operations will be done at night.
3. Ensure safe unloading of coal into the unloading port / area by close supervision of movement of equipment and personnel designated for unloading operation.
4. Prevent coal spillages during unloading into the unloading port / area by properly securing vehicles, equipment and other devices used in unloading operation.
5. All handling equipment shall be maintained in good working condition and shall be made readily available within the area to immediately address stockpile management requirement.

E. Coal Handling and/or Transport from Unloading Port or Area to End – User/Coal Trader’s Storage Facility

1. Truck helper shall monitor the loading operation of his truck and signals the operator when to stop.
2. Truck helper shall ensure proper loading distribution to maintain coal stability during transport.
3. Truck’s tires shall be cleaned using water jets or tire bath to remove dirt and mud before leaving the unloading port or area.
4. Coal shall be unloaded only on its designated location in the storage facility.

Section 5. Coal Handling and Storage. All Coal Traders, Coal Logistics Service Providers, Coal End Users, holders of COCs and SSCMPs and all other persons

engaged in Coal Operations shall have the following additional responsibilities in coal handling and storage:

1. Construct and maintain covered warehouse to appropriately store coal.
2. Ensure that coal is stored in a distinct area that has controls to prevent washout and contamination.
3. Design, manage and maintain stockpile such that coal can be safely stored and handled.
4. Install concrete perimeter fence to prevent propagation of dust and other operational spoils to its neighboring establishments.

Section 6. Compliance Requirements. All existing Coal Traders, Coal Logistics Service Providers, Coal End-Users, holders of COCs and SSCMPs and all other persons engaged in Coal Operations shall comply with this Circular within a period of six (6) months from the effectivity hereof through the submission to DOE through the Energy Resource Development Bureau (ERDB) or DOE Field Offices (FO) of a sworn certification by a responsible officer stating that it has complied with the requirements under this Circular and shall attach a checklist (Annex “A”) of its compliance and supporting documents.

Thereafter, all existing Coal Traders, Coal Logistics Service Providers, Coal End-Users, holders of COCs and SSCMPs shall submit the sworn certification and the checklist prior to January 30 of every year of operation.

After the submission of the sworn certification and checklist, the ERDB and/or DOE FO shall validate on site and ensure compliance.

Section 6a. Findings of Non-Compliance. Should a non-compliance to any of the provisions of this Circular is determined as a result of on-site validation of the sworn certification and/or complaints against the person or entity as per Section 1 hereof, the following guidelines shall be implemented:

1. DOE shall issue a Notice of Non-Compliance Findings and request for an official reply within seven (7) working days as to why the findings shall not be considered as non-compliance.
2. If no response is received within the specified time, DOE shall issue a Show Cause Letter as to why penalty or fine will not be imposed.
3. If a response is received, a Technical Conference shall be conducted to clarify issues and request additional information, if deem necessary.
4. Depending on the result of the conference, DOE shall issue a Notice of Violation and Order of Payment or a Clearance Letter.
5. DOE shall conduct an on-site follow-up of the compliance.

Section 7. Administrative Fines and Penalties. Failure to comply with any of the provisions of this Circular shall result to the following administrative fines and penalties:

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| First Offense | - | Fifty thousand pesos (Php50,000.00) and/or suspension of operations for six (6) months, at the discretion of the DOE |
| Second Offense | - | One Hundred thousand pesos (Php100,000.00) and/or suspension of operations for one (1) year, at the discretion of the DOE |

Succeeding violations shall result to the immediate suspension of operations unless lifted by the DOE on meritorious grounds.

Multiple violations shall result to the indefinite suspension of operations and cancellation/revocation of registration as coal end-user and accreditation as coal trader with the DOE, including the suspension or cancellation of COCs or SSCMPs, as applicable.

Failure to submit the sworn certification and checklist within six (6) months under Section 6 hereof shall be considered as a First Offense under this section.

Imposition of fines and penalties is vested on the Directors of ERDB or DOE FO.

Section 8. Environmental Protection and Liability. All existing Coal Traders, Coal End-Users, holders of COCs and SSCMPs and other persons engaged in coal operations shall strictly comply with all environmental laws, rules and regulations from other government agencies including those imposed by local government units.

In case of any environmental impact and damage such as, but not limited to, coal spillages, pollution, contamination, fire, spontaneous combustion, coal run-off into seas and rivers, the concerned Coal Trader, Coal Logistics Service Providers, Coal End-User, holder of COC and SSCMP and all other persons engaged in coal operations shall be responsible and held liable thereto. Immediate emergency response shall be undertaken to address the occurrence of any of these incidents.

The ERDB Director shall be notified within twenty-four (24) hours using the fastest available means of communication in case of any of these incidents. Thereafter, a formal report in writing shall be submitted within a period of five (5) working days.

Failure to notify within 24 hours and/or failure to submit formal report in writing within 5 working days shall be considered as First Offense under Section 7.

Coal Traders, Coal Logistics Service Providers, Coal End-Users and holders of COCs and SSCMPs shall have, at all times, direct responsibility over their transporters/haulers/delivery vessels and over-all operations.

Section 9. Other Regulations. All existing Coal Traders, Coal Logistics Service Providers, Coal End-Users, holders of COCs and SSCMPs and other persons engaged in coal operations shall strictly comply with applicable rules, regulations and issuances by other government agencies and entities, both local and national, in relation to coal operations, coal trading, including its handling, transportation, storage and distribution.

Section 10. Separability Clause. If for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 11. Repealing Clause. All circulars, orders and issuances contrary to or inconsistent with this Circular are hereby repealed, amended or modified accordingly.

Section 12. Effectivity. This Circular shall take into effect **fifteen (15) days** following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

A copy of this Circular shall be filed and registered immediately with the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR).

Issued this _ day of _____ 2019 at Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila.

ALFONSO G. CUSI
Secretary