Committee Report No. 285

Submitted by the Committee on Natural Resources on MAR 1 1 2020.
Re: House Bill No. 6563

Recommending its approval, in substitution of House Bill No. 1124.
Sponsors: Representatives Elpidio F. Barzaga, Jr. and Joel Mayo Z. Almarion

Mr. Speaker:

The Committee on Natural Resources, to which was referred House Bill No. 1124, introduced by Representative Joel Mayo Z. Almarion, entitled:

AN ACT
DECLARING DAVAO ORIENTAL A MINING-FREE ZONE

has considered the same and recommends that the attached House Bill No. 6563 entitled:

AN ACT
DECLARING DAVAO ORIENTAL A MINING-FREE ZONE AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF

be approved in substitution of House Bill No. 1124 with Representatives Almarion and Barzaga, as authors thereof.

Respectfully submitted,

REP. ELPIDIO F. BARZAGA JR.
Chairperson
Committee on Natural Resources

THE HONORABLE SPEAKER
House of Representatives
Quezon City
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6563
(In substitution of HB No. 1124)

Introduced by Representatives Joel Mayo Z. Almario and Elpidio F. Barzaga Jr.

AN ACT
DECLARING DAVAO ORIENTAL A MINING-FREE ZONE AND
PROVIDING PENALTIES FOR VIOLATIONS THEREOF

Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:

SECTION. 1. Short Title. – This Act shall be known as the “Davao
Oriental Mining-Free Zone Act.”

SEC. 2. Statement of Policy. – It is the policy of the State to protect
and advance the right of the people to a balanced and healthful ecology in
accord with the rhythm and harmony of nature.

It is likewise the responsibility of the State to promote the rational
exploration, development, utilization, and conservation of the mineral
resources of the country in a way that effectively safeguards the
environment and protects the rights of affected communities.

Towards this end, the State shall institute measures to protect the
people and the environment in the Province of Davao Oriental from the
adverse effects of mining.

SEC. 3. Mining-Free Zone. – The Province of Davao Oriental is
hereby declared a mining-free zone. All forms of mining operations and
activity, whether large-scale or small-scale, within its jurisdiction are
hereby prohibited. The provisions of Republic Act No. 7942, otherwise
known as the “Philippine Mining Act of 1995,” Republic Act No. 7076,
otherwise known as the “People’s Small-Scale Mining Act” and other laws,
rules and regulations on mining inconsistent with this Act shall have no
application within the territorial jurisdiction of the locality.

SEC. 4. Coverage. – This Act covers all mining operations and
activities, including quarrying, within the territorial jurisdiction of the
Province of Davao Oriental.

As used in this Act, “mining” shall refer to the extraction of valuable
minerals or other geological materials from the earth and shall include such
mining activities as exploration, conduct of geological feasibility studies and
surveys, development, utilization and processing, as well as quarry
operations involving cement raw materials, marble, granite, sand and
gravel construction aggregates, and other similar activities related to the
excavating and quarrying of minerals and ores.

SEC. 5. Recognition of Existing Mining Contracts, Agreements and
Permits. – All valid and existing mining contracts, exploration permits,
licenses, technical and financial agreements and mineral production
sharing agreements in accordance with Republic Act No. 7942, otherwise
known as the “Philippine Mining Act of 1995,” covering any area within the
Province of Davao Oriental at the date of effectivity of this Act, shall be
recognized by the Government and shall remain valid until the expiration
or termination thereof. Thereafter, no further extension or renewal of the
contract, permit, license or agreement shall be granted. Moreover, the
government shall not issue new exploration permits nor enter into new
mineral agreements or similar other agreements covering lands within the
jurisdiction of the Province.

SEC. 6. Prohibition Against Exploration Activities in Areas Covered
by Mineral Agreements. – At the date of the effectivity of this Act, no
exploration permit to conduct further exploration activities or application
for extension thereof shall be granted even during the lifetime of existing
mining contracts, technical and financial assistance agreements and
mineral production sharing agreements.

SEC. 7. Dormant Exploration Permits and Mineral Agreements. –
Exploration activities and mining operations under existing exploration
permits, mineral agreements and other similar agreements shall be
undertaken immediately by the permittee or contractor. In case of failure
to initiate or undertake any exploration activity or mining operation within
two (2) years from the effectivity of this Act, the exploration permit or
mineral agreement shall be declared dormant by the Department of
Environment and Natural Resources (DENR).

Dormant permits and agreements shall *ipso facto* be cancelled upon
declaration of dormancy.

**SEC. 8. Non-renewal of Small-scale Mining Contracts.** — All small-
scale mining contracts covering any area within the Province of Davao
Oriental, shall not be renewed upon the effectivity of this Act.

**SEC. 9. Quarry Permits.** — Issuance of a quarry permit in the mining-
free zone shall be under the direct supervision of the DENR. Existing
quarry permits issued by the provincial government at the time of the
approval of this Act shall likewise be recognized. Thereafter, quarry permits
issued by the provincial governor shall be reviewed and monitored by the
DENR.

The maximum area which a qualified person may hold for quarrying
purposes at any time within the territorial jurisdiction of the province shall
be five (5) hectares. The DENR shall impose strict regulations in ensuring
that no more than one (1) quarry permit is granted to the same person,
corporation or its affiliates or subsidiary, or any entity that has essentially
the same legal personality as the applicant or holder of an existing quarry
permit in the province.

A quarry permit shall immediately be canceled by the provincial
governor for areas up to five (5) hectares, or the DENR for areas above five
(5) hectares, when, in the guise of quarrying activities, the holder of a
quarry permit engages in activities that are properly authorized by
exploration permits, mineral agreements or mining contracts, upon
investigation conducted by the DENR for the purpose.
SEC. 10. *Penal Provisions.* – Any person, natural or juridical, or any public officer, who violates the provisions of this Act shall suffer the penalty imprisonment of not less than six (6) years but not more than twelve (12) years, and a fine of not less than One million pesos (₱1,000,000.00), but not more than Ten million pesos (₱10,000,000.00).

In addition, a public officer who violates this Act, shall also be dismissed from service and perpetually disqualified from holding public office.

If the offender is a juridical entity, the highest ranking official and the members of its board of directors or board of trustees who authorized the violations therein shall suffer the penalty imposed under this Act.

SEC. 11. *Implementing Rules and Regulations.* – Within three (3) months from the passage of this Act, the DENR shall promulgate the necessary rules and regulations for its effective implementation.

SEC. 12. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

SEC. 13. *Repealing Clause.* – All laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby amended or modified accordingly.

SEC. 14. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,