

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Second Regular Session
13th Congress

House Bill No. 4953



Introduced by Representatives ANTONIO C. ALVAREZ & ABRAHAM KAHLIL B. MITRA

EXPLANATORY NOTE

This bill seeks to integrate the socio-economic development plan as part of the obligations of contractors vying to utilize energy resources. This should be seen as a process, which needs to be conceived as part of phases of a petroleum project operations. This is to assure that though the government has been promoting the discovery and development of the country's indigenous petroleum resources, it is also serious in its mandate for a sustainable development with great emphasis on social and economic progress.

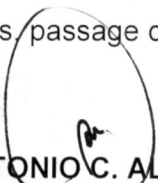
Socio-Development programs would have a far-reaching impact if they were initiated as part of a pro-active policy of government. However, the impact tends to be superficial and short-lived when the processes are driven by the fact that socio-development and management plan could sometimes appear as permit requirement rather than a commitment from a proponent. Thus, the very essence of supplementing the loss from displacement of communities, impact of lifestyle change and alteration of norms and values that has been with the host communities for centuries is not fully addressed.

Through a more elaborate plan for socio-economic development of host communities for the production period of indigenous petroleum resources with involvement of the local government unit, the overall strategy for ensuring macroeconomic stability and durable development in the Republic of Philippines will be achieved.

Being responsible for planning, coordination and management of petroleum production related activities, it is but a great responsibility also of the contractor to gear up to the following priority directions: 1) reduce fatalities and injuries caused by petroleum production incidents; 2) promote economic returns to the community that will be displaced because of the project; 3) facilitate rehabilitation and reconstruction of infrastructure; 4) provide food safety, and 5) in other cases, when such intervention required.

These all will allow employment of a great number of local residents and become bases for rapid and effective development and rehabilitation of unproductive rural areas.

Thus, passage of this bill is earnestly sought.


ANTONIO C. ALVAREZ
Representative, First District, Palawan


ABRAHAM KAHLIL B. MITRA
Representative, Second District, Palawan

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Second Regular Session
13th CONGRESS

House Bill No. 4953

Introduced by Representatives ANTONIO C. ALVAREZ & ABRAHAM KAHLIL B. MITRA

AN ACT
RATIONALIZING THE CREATION OF A SOCIO-ECONOMIC DEVELOPMENT
PLAN FOR THE IMPACT COMMUNITIES OF PETROLEUM OIL AND GAS
DEVELOPMENT AND PRODUCTION PROJECTS AS ADDITIONAL
OBLIGATIONS OF CONTRACTOR IN SERVICE, AMENDING FOR THE
PURPOSE SECTION 8 OF PRESIDENTIAL DECREE NO. 87 OTHERWISE
KNOWN AS THE OIL EXPLORATION AND DEVELOPMENT ACT OF 1972.

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

Sec. 1. Section 8 of the Oil Exploration and Development Act of 1972 is hereby amended to read as follows:

"Sec. 8. Obligations of the Contractor in Service. XXX

a) XXX;

b) XXX;

c) XXX;

d) Once petroleum in commercial quantity is discovered, operate the field on behalf of the Government in accordance with accepted good oil field practices using modern and scientific methods to enable maximum economic production of petroleum; avoiding hazards to life, health and property avoiding pollutions of air, land and water; [and] pursuant to an efficient and economic program of operation; **AND ASSUMING RESPONSIBILITY TO COMPENSATE HOST COMMUNITIES THROUGH THE CREATION OF A SOCIO-DEVELOPMENT AND MANAGEMENT PLAN EQUIVALENT TO 1% OF THE TOTAL PRODUCED OIL AND GAS AS ACCORDED TO THE PREVAILING NEEDS BASED ON COMMUNITY CONSULTATIONS AND SHALL CONSIDER THE COMPREHENSIVE FRAMEWORK PLAN OF THE LOCAL GOVERNMENT UNITS AND CONGRESSIONAL DISTRICT REPRESENTATIVES.**

e) XXX;

- f) XXX;
- g) XXX;
- h) XXX;
- i) XXX;
- j) XXX;
- k) XXX.

Sec. 2. *Implementing Rules and Regulations.* – The Petroleum Board as chaired Department of Environment and Natural Resources shall promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

Sec. 3. *Repealing Clause.* – All other law, Presidential Decrees, Executive Orders, Rules and Regulations or parts thereof, which are inconsistent with any of the provisions of this Act are hereby repealed, amended or modified accordingly.

Sec. 4. *Separability Clause.* – In case any provision of this Act or any portion thereof is declared unconstitutional, other provisions shall not be affected thereby.

Sec. 5. *Effectivity Clause.* – This Act shall take effect upon its approval.

Approved,