



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Seventeenth Congress

First Regular Session

HOUSE BILL NO. **5674**

Introduced by Honorable Luisa Lloren Cuaresma

EXPLANATORY NOTE

Republic Act No. 7942, otherwise known as the Philippine Mining of 1995, provides for several ways by which mining companies can be granted mining concessions such as the Financial and Technical Assistance Agreement (FTAA) and the Mineral Agreement as stated in Sections 27 and 33 of RA 7942.

However, it is observed that these contracts are only entered into between the mining company and the officials of the Mines and Geosciences Bureau, the DENR and the Office of the President. No legislative franchise is required of mining large-scale mining projects despite the fact that these projects have large-scale environmental impacts. Mining adversely affects not only the environment but the community where it is located. It would seem that the mining law was written to avoid the requirement of a legislative franchise to make it much easier for miners to avoid the scrutiny of the members of Congress and make the approval process for mining contracts easier to navigate.

As I have stated during my privilege speech sometime in August of 2016, “If the telecommunications industry, which does not cause too much environmental impact; which does not cause displacement of Filipinos from their homes; which does not result in contamination of water sources; and which does cause massive deforestation, requires a legislative franchise to operate, then with more reason that we should impose the same requirement to an inherently destructive industry like mining.”

This bill is part of the legislative commitments and environmental advocacy of this representation and the present administration, meant to provide better scrutiny for mining projects and protection of our environment.

With this, support for this measure is earnestly sought.


LUISA LLOREN CUARESMA



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AN ACT
REQUIRING A LEGISLATIVE FRANCHISE AS A PRE-REQUISITE TO
THE ISSUANCE OF A MINERAL AGREEMENT OR FINANCIAL AND
TECHNICAL ASSISTANCE AGREEMENT (FTAA) FOR ANY MINING
PROJECT IN THE PHILIPPINES, AMENDING FOR THIS PURPOSE
SECTIONS 27 AND 33 OF RA 7942 OTHERWISE KNOWN AS THE
MINING ACT OF 1995.

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

SEC 1. – Section 27 of Republic Act No. 7942 is hereby amended to read as follows:

“Section 27. Eligibility - A qualified person may enter into any of the three (3) modes of mineral agreement with the government for the exploration, development and utilization of mineral resources after the passage of a legislative franchise granting said qualified person the franchise to undertake exploration, development, and utilization of mineral resources in the

Philippines.: Provided, That in case the applicant has been in the mining industry for any length of time, he should possess a satisfactory environmental track record as determined by the Mines and Geosciences Bureau and in consultation with the Environmental Management Bureau of the Department. Any mineral agreement entered into by any government office without such legislative franchise shall be void.”

SEC. 2. – Section 33 of Republic Act No. 7942 is hereby amended to read as follows:

“**Section 33. Eligibility** - Any qualified person with technical and financial capability to undertake large-scale exploration, development, and utilization of mineral resources in the Philippines may enter into a financial or technical assistance agreement with the Government after the passage of a legislative franchise granting said qualified person the franchise to undertake large-scale exploration, development, and utilization of mineral resources in the Philippines. Any financial or technical assistance agreement, exploration permit, entered into by any government office without such legislative franchise shall be void.”

SEC. 3. Repealing Clause. - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with any provision of this Act is hereby amended or modified accordingly.

SEC. 4. Effectivity clause. - This Act shall take fifteen (15) days following its publication in the *Official Gazette* or in at least two (2) newspaper of general circulation.