

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
1st Regular Session

HOUSE BILL NO. 6195



Introduced by Representative ALEXANDER T. PIMENTEL

EXPLANATORY NOTE

The Sierra Madre mountain range stretches along the eastern coast of Luzon, spanning over 540 kilometers across ten provinces, including Cagayan, Isabela, Nueva Vizcaya, Quirino, Nueva Ecija, Aurora, Rizal, Bulacan, Laguna, and Quezon.

This natural fortress is home to **40 percent of the Philippines' forest cover** and is abundant in biodiversity and natural resources. Crucially, the Sierra Madre acts as Luzon's strongest storm barrier, effectively weakening typhoons before they reach inland areas, thereby protecting the lives and livelihoods of over 50 million Filipinos.

Historical events, such as Super Typhoon Lawin and Typhoon Ompong, demonstrate this protective role, as the winds slowed significantly upon crashing into the mountain range. However, continuous deforestation, illegal logging, and outdated forestry laws threaten this vital ecosystem. Furthermore, the mountain range's location across numerous Local Government Units (LGUs) presents a complex challenge for unified, long-term conservation planning. To address these urgent threats and ensure the constitutional right of Filipinos to a healthful and balanced ecology, there is an immediate need to enact measures that conserve and protect the Sierra Madre.

This Bill seeks to create the **Sierra Madre Conservation and Development Authority**, which will lead the formulation and implementation of a comprehensive long-term plan for the sustainable development and protection of the region, safeguarding the storm barrier for both present and future generations

The passage of this measure is earnestly sought.


REP. ALEXANDER T. PIMENTEL

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**AN ACT ENHANCING THE PROTECTION AND DEVELOPMENT OF THE
SIERRA MADRE RANGE IN THE ISLAND OF LUZON, CREATING FOR
THE PURPOSE THE SIERRA MADRE CONSERVATION AND
DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND
FUNCTIONS, AND PROVIDING FUNDS THEREFOR**

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

SECTION 1. Title. – This Act shall be known as the “**Sierra Madre Conservation and Development Authority Act**”.

SECTION 2. Declaration of Policy. – It is declared policy of the State to promote and accelerate the balanced growth of the Sierra Madre Mountain Range, including environmental management, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances and illegal activities. The policy also seeks to enhance the benefits derived from the natural resources to promote economic and social development in the region and the country.

SECTION 3. Creation of the Sierra Madre Conservation and Development Authority. – A government corporation named the Sierra Madre Conservation and Development Authority (Authority) is hereby created, to be organized within ninety (90) days after the approval of this Act. The Authority’s jurisdiction covers the Sierra Madre Range and its surrounding areas, encompassing the provinces of Cagayan, Isabela, Nueva Vizcaya, Quirino, Nueva Ecija, Aurora, Bulacan, Rizal, Laguna, and Quezon.

SECTION 4. Purposes and Functions of the Authority. – The Authority shall perform the following functions: (a) Establish the boundary and conduct a comprehensive survey of the physical, natural, and socio-economic resources of the Sierra Madre Region. Based on this, the Authority shall draft a comprehensive, detailed plan to conserve and utilize resources, promoting the rapid social and economic development of the area, subject to the approval of the Department of Economy, Planning, and Development (DEPDev). The management of protected areas shall remain under existing laws, subject to the monitoring and supervision of the Authority. (b) Provide necessary planning, management, and technical assistance to prospective and existing investors in the Region. (c) Make recommendations to appropriate agencies on providing financial, technical, or physical support and assistance to agricultural, industrial, and commercial

projects, generally according to the level of priority accorded by the Authority. (d) Pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices, public corporations, private persons, or enterprises within the Region that are related to the Authority's vision. The Authority must issue clearance for approved plans within thirty (30) days. (e) Engage in agriculture, industrial, or other activities contributing directly to the socio-economic development of the Region, including organizing, financing, or investing with private persons or entities, but excluding activities that engage the public interest unless specified by law. (f) Plan, program, finance, or undertake infrastructure projects like river control, flood control, waterworks, sewerage works, and resettlement of populations within the Region. The Authority may collect reasonable fees for projects, subject to DEPDev approval. (g) Lend or facilitate financial assistance or act as surety/guarantor to agricultural, industrial, and commercial enterprises. (h) Require cities and municipalities in the Region to pass appropriate zoning ordinances and other regulatory measures necessary to carry out the Authority's objectives. (i) Carry out the Authority's projects and programs, notwithstanding existing water rights over public waters within the Region. (j) Undertake studies on the conservation, preservation, exploration, development, and maintenance of the Sierra Madre Region, subject to DEPDev approval, with support from national and local government units.

SECTION 5. Regulatory Fees. – The Authority is empowered to collect fees for the beneficial use of all resources, including recreational use, resource extraction, energy development, and waste disposal. These fees shall be used for the management and development of the Region, and the rates must be approved by the President of the Philippines.

SECTION 6. Corporate Powers. – The Authority shall have the power to: (a) Succeed on its corporate name; (b) Sue and be sued; (c) Adopt, alter, and use a corporate seal; (d) Adopt, amend, and repeal its by-laws; (e) Enter into contracts; (f) Acquire, buy, purchase, lease, sell, or otherwise dispose of real and personal property; (g) Exercise the right of eminent domain necessary to achieve its objectives; (h) Borrow funds from local or foreign financial institutions; (i) Purchase, hold, or dispose of shares of capital stock or any bond, securities, or other evidence of indebtedness, provided it does not invest its funds in any highly risky debt instruments, commercial banks, or highly speculative stocks; (j) Carry on its business; (k) Issue rules and regulations to implement the powers and purposes of the Authority, subject to DEPDev approval and subsequent publication.

SECTION 7. Capitalization and Financing. – The Authority shall have an authorized capital of **One billion pesos (P1,000,000,000.00)**. The initial operating capital is set at **One hundred million pesos (P100,000,000.00)**, authorized to be appropriated out of the National Treasury.

SECTION 8. Operating Expenses. – For operating expenses, **One hundred million pesos (P100,000,000.00)** is appropriated annually for five (5) years from the general fund, unless the DEPDev recommends a higher amount.

SECTION 9. Tax Subsidy. – The Authority may avail of the tax expenditure subsidy administered by the Fiscal Incentives Review Board (FIRB).

SECTION 10. Guarantee by the Government. – The Republic of the Philippines guarantees the payment by the Authority of the principal and interest of bonds,

debentures, collateral, notes, or other obligations. Should the Authority fail to pay, the Secretary of Finance shall pay the amount and recoup it from the Authority.

SECTION 11. Subsidiaries. – The Authority has the power to form, establish, organize, and maintain subsidiary corporations. The Authority shall initially own fifty-one percent (51%) of the capital stock of a subsidiary and shall hold the majority seats on the subsidiary's Board of Directors.

SECTION 12. Board of Directors: Composition. – The corporate powers are vested in a Board of Directors composed of nine (9) members: the Executive Secretary, the Secretaries of DEPDev, DENR, DTL, and DOE, the Chairperson of the NCIP, a Provincial Governor, a City or Municipal Mayor, and the General Manager. All members are appointed by the President of the Philippines.

SECTION 13. Board Meetings. – The Board shall meet at least once a month.

SECTION 14. Quorum; Effect of Vacancies. – A majority of members constitutes a quorum. Vacancies do not impair the powers of the Board as long as a quorum exists.

SECTION 15. Per Diems and Allowances. – Members shall receive per diem for every meeting attended, not to exceed fifty percent (50%) of their basic monthly pay.

SECTION 16. Power and Functions of the Board of Directors. – The Board shall formulate rules and regulations, appoint and fix compensation for officials, suspend or remove members, approve the annual or supplemental budgets, and perform other necessary functions.

SECTION 17. Power and Functions of the General Manager. – The General Manager, who is the Chief Executive Officer, shall submit policies for Board consideration, execute and administer approved policies and projects, and supervise the internal operation of the Authority.

SECTION 18. Residence. – The General Manager shall establish residence within the Sierra Madre Region and shall not engage in any business or profession that conflicts with official duties.

SECTION 19. Activities of the Authority: Key Officials. – The General Manager shall be assisted by a Senior Deputy General Manager. The Authority shall have departments covering Administrative, Legal, Finance, Project Management, Planning and Project Development, and Engineering and Technical Services.

SECTION 20. Audit. – The Board shall appoint an Internal Auditor. The Commission on Audit (COA) shall be the full-time auditor of the Authority and its subsidiaries.

SECTION 21. Compensation. – All personnel benefits and compensation shall be subject to the rules of the Civil Service Commission.

SECTION 22. Authority of the Governance Commission on GOCCs. – The Authority shall be under the general supervision of the Governance Commission on GOCCs (GCG).

SECTION 23. Legal Counsel. – The Government Corporate Counsel shall serve as the ex-officio legal counsel of the Authority.

SECTION 24. Supervision. – The Authority shall be under the direct control and supervision of the President of the Philippines.

SECTION 25. Implementing Rules and Regulations. – The Board shall promulgate the necessary rules and regulations for the effective implementation of this Act within ninety (90) days of approval, and publish them in the Official Gazette or a newspaper of general circulation.

SECTION 26. Separability Clause. – If any provision of this Act is held unconstitutional or invalid, the other unaffected provisions shall remain in full force and effect.

SECTION 27. Repealing Clause. – All laws, executive issuances, or parts thereof that are inconsistent herewith are hereby repealed or amended accordingly.

SECTION 28. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.