



Republic of the Philippines
Department of Environment and Natural Resources
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MEMORANDUM

FOR : **The Bureau Directors**
Forest Management Bureau
Biodiversity Management Bureau
Land Management Bureau
Ecosystems Research and Development Bureau

The Directors
Legal Affairs Service
Policy and Planning Service
Climate Change Service

The Regional Executive Directors
Regions II, III, IV-A

FROM : **The Director**
Legislative Liaison Office

SUBJECT : **REQUEST FOR COMMENTS AND INVITATION FROM THE
COMMITTEE ON GOVERNMENT ENTERPRISES AND
PRIVATIZATION OF THE HOUSE OF REPRESENTATIVES**

DATE : 18 November 2022

In reference to the electronic mail received by our office on 18 November 2022, The Committee on Government Enterprises and Privatization of the House of Representatives will have a virtual meeting on **November 22, 2022 (Tuesday), at 1:30 PM** via Zoom for the deliberation of the following bills:

1. **House Bill No. 1214**, entitled: "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" by Rep. Faustino "Inno" A. Dy V, and
2. **House Bill No. 1972**, entitled: "AN ACT TO ENHANCE THE PROTECTION AND DEVELOPMENT OF THE SIERRA MADRE REGION, CREATING THE SIERRA MADRE DEVELOPMENT AUTHORITY FOR THE PURPOSE, DEFINING ITS POWERS AND FUNCTIONS AND PROVIDING FUNDS THEREFORE, AND FOR OTHER PURPOSES" by Rep. Juan Fidel Felipe F. Nograles.

In this regard, we are **requesting comments and recommendations on the said bills on or before November 21, 2022, at 5 PM** via email at denrlegislative@yahoo.com. Further,

your or your representative's attendance at the mentioned meeting is requested as the agenda will deliberate on bills that are of significance to your mandates.

Attached herewith are the invitation letter and copies of the bills for your reference.

Your attendance is highly encouraged.

ROMIROSE B. PADIN

cc: Undersecretary for Legal, Administration, Human Resources, and Legislative Affairs
Undersecretary for Policy, Planning, and International Affairs
Assistant Secretary for Administration and Legislative Affairs



COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION

CTSS-I, Committee Affairs Department

3rd Floor, RVM Building, House of Representatives, Constitution Hills, Quezon City

Direct Line/Fax No.: 951-3028, Trunk Line: 931-5001 loc.7727

E-mail: committee.governmententerprises@house.gov.ph

17 November 2022

SECRETARY MARIA ANTONIA YULO LOYZAGA

Department of Environment & Natural Resources

Diliman, Quezon City

Dear Sec. Loyzaga:

The Committee on Government Enterprises and Privatization would like to invite you to its virtual meeting via *Zoom*, on the date and time indicated hereunder:

22 Nov. 2022 (Tuesday)	ZOOM LOG-IN DETAILS: https://us02web.zoom.us/j/82839832602?pwd=TIVnWllkVExuOFE2elFEaWdOdUVqUT09
1:30 P.M.	Meeting ID: 828 3983 2602 Password: 851401

Attached are the detailed Agenda and copies of the measures on the *Creation of a Development Authority for Sierra Madre* (HB Nos. 1214 & 1972), for your comments and recommendations.

Your attendance or your duly authorized technical representative's manifestation is highly appreciated.

Thank you very much.

Very truly yours,

EDWIN L. OLIVAREZ

Chairperson

For the Chairperson:

MARLON T. VALENCIA

Committee Secretary



NINETEENTH CONGRESS

First Regular Session

Committee on Government Enterprises and Privatization

22 November 2022 (Tuesday), 1:30 P.M.

Via Zoom

<https://us02web.zoom.us/j/82839832602?pwd=TlVnWllkVExuOFE2elFEaWdOdUVqUT09>

Meeting ID: 828 3983 2602 **Passcode:** 851401

AGENDA

- I. CALL TO ORDER/ROLL CALL
- II. APPROVAL OF THE MINUTES OF THE LAST MEETING
- III. ACKNOWLEDGMENT OF GUESTS
- IV. OPENING REMARKS

REP. EDWIN L. OLIVAREZ
Chairperson

V. DELIBERATION OF THE FOLLOWING MEASURES:

A. CREATION OF THE SIERRA MADRE DEVELOPMENT AUTHORITY

- a. **House Bill No. 1214**, entitled: "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" by **Rep. Faustino "Inno" A. Dy V**
- b. **House Bill No. 1972**, entitled: "AN ACT TO ENHANCE THE PROTECTION AND DEVELOPMENT OF THE SIERRA MADRE REGION, CREATING THE SIERRA MADRE DEVELOPMENT AUTHORITY FOR THE PURPOSE, DEFINING ITS POWERS AND FUNCTIONS AND PROVIDING FUNDS THEREFORE, AND FOR OTHER PURPOSES" by **Rep. Juan Fidel Felipe F. Nograles**

B. STRENGTHENING THE GSIS

- a. **House Bill No. 647**, entitled: "AN ACT FURTHER STRENGTHENING THE GOVERNMENT SERVICE INSURANCE SYSTEM introduced" by **Rep. Joey Sarte Salceda**
- b. **House Bill No. 1778**, entitled: "THE REVISED CHARTER OF THE GOVERNMENT SERVICE INSURANCE SYSTEM" introduced by **Rep. Johnny Ty Pimentel**
- c. **House Bill No. 4014**, entitled: "AN ACT FURTHER STRENGTHENING THE GOVERNMENT SERVICE INSURANCE SYSTEM" introduced by **Reps. Luis Raymund "Lray" F. Villafuerte, Jr., Miguel Luis R. Villafuerte, Tsuyoshi Anthony G. Horibata, and Nicholas C. Enciso VIII**

C. INSTITUTIONALIZING THE RIGHTS AND BENEFITS OF GSIS MEMBERS

- a. **House Bill No. 3188**, entitled: "AN ACT INSTITUTIONALIZING THE RIGHTS OF GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) MEMBERS, PROVIDING THEM ADDITIONAL REPRESENTATION IN THE GSIS BOARD, ENSURING PROMPT PAYMENT OF ALL THEIR BENEFITS, AND FOR OTHER PURPOSES" introduced by **Rep. Ralph G. Recto**

D. EXPANDING THE MEMBERSHIP AND BENEFITS OF THE GSIS TO COVER BARANGAY OFFICIALS

- a. **House Bill No. 1210**, entitled: "AN ACT AMENDING REPUBLIC ACT NO. 8291, ALSO KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997, EXPANDING THE MEMBERSHIP AND BENEFITS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM TO COVER BARANGAY OFFICIALS" introduced by **Rep. Faustino "Inno" A. Dy V**

- b. **House Bill No. 3107**, entitled: "AN ACT AMENDING REPUBLIC ACT NO. 8291, ALSO KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997, EXPANDING THE MEMBERSHIP AND BENEFITS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM TO COVER BARANGAY OFFICIALS" introduced by **Rep. Rosanna "Ria" V. Vergara**
- c. **House Bill No. 3355**, entitled: "AN ACT MANDATING THE INCLUSION OF BARANGAY OFFICIALS WITHIN THE COVERAGE OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 8291 ENTITLED "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997", AS AMENDED, AND FOR OTHER PURPOSES introduced by **Rep. Patrick Michael D. Vargas**
- d. **House Bill No. 6095**, entitled: "AN ACT MANDATING THE INCLUSION OF ELECTED AND APPOINTED BARANGAY OFFICIALS AS COMPULSORY MEMBERS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM, AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE NO. 1146, AS AMENDED, OTHERWISE KNOWN AS THE "REVISED GOVERNMENT SERVICE INSURANCE ACT OF 1977"" introduced by **Rep. Romulo "Kid" Pena, Jr.**

E. LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT WORKERS

- a. **House Bill No. 206**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT WORKERS FROM SIXTY (60) YEARS TO FIFTY-SIX (56) YEARS, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"" introduced by **Reps. France L. Castro, Arlene D. Brosas, and Raoul Dannie A. Manuel**
- b. **House Bill No. 634**, entitled: "AN ACT LOWERING THE MANDATORY RETIREMENT AGE OF GOVERNMENT EMPLOYEES, AMENDING FOR THE PURPOSE SECTIONS 13(B) AND 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997, AND FOR OTHER PURPOSES" introduced by **Rep. Maria Carmen S. Zamora**
- c. **House Bill No. 1644**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT WORKERS FROM SIXTY (60) YEARS OLD TO FIFTY-FIVE (55) YEARS OLD AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE ACT OF 1997"" introduced by **Rep. Marlyn L. Primicias-Agabas**
- d. **House Bill No. 1988**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT WORKERS FROM SIXTY (60) TO FIFTY-SIX (56) YEARS, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"" introduced by **Rep. Joseph Stephen "Caraps" S. Paduano**
- e. **House Bill No. 2232**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE FOR GOVERNMENT WORKERS FROM SIXTY (60) YEARS TO FIFTY-SIX (56) YEARS, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"" introduced by **Rep. Christopherson "Coco" M. Yap**
- f. **House Bill No. 3480**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT WORKERS FROM SIXTY (60) YEARS OLD TO FIFTY (56) YEARS OLD, AMENDING FOR THE PURPOSE, SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"" introduced by **Rep. Lorna C. Silverio**
- g. **House Bill No. 3653**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT WORKERS FROM SIXTY (60) TO FIFTY-SIX (56) YEARS. AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"" introduced by **Rep. Edwin L. Olivarez**
- h. **House Bill No. 5213**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT WORKERS FROM SIXTY (60) YEARS TO FIFTY-SIX (56) YEARS, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"" introduced by **Rep. Joseph Gilbert F. Violago**
- i. **House Bill No. 5678**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF GOVERNMENT EMPLOYEES FROM SIXTY (60) TO FIFTY-SIX (56) YEARS, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS "THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997"" introduced by **Rep. Edgar M. Chatto**

F. LOWERING THE RETIREMENT AGE OF PUBLIC SCHOOL TEACHERS

- a. **House Bill No. 1640**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF PUBLIC SCHOOL TEACHERS FROM SIXTY (60) YEARS OLD TO FIFTY-FIVE (55) YEARS OLD AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT 8291, OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE ACT OF 1997" introduced by **Rep. Marlyn L. Primicias-Agabas**
- b. **House Bill No. 3920**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF PUBLIC SCHOOL TEACHERS FROM SIXTY (60) YEARS OLD TO FIFTY-FIVE (55) YEARS OLD, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997" introduced by **Rep. Reynante U. Arrogancia**
- c. **House Bill No. 4003**, entitled: "AN ACT LOWERING THE COMPULSORY AND OPTIONAL RETIREMENT AGE OF PUBLIC SCHOOL TEACHERS" introduced by **Reps. Luis Raymund "Lray" F. Villafuerte, Jr., Miguel Luis R. Villafuerte, Tsuyoshi Anthony G. Horibata, and Nicholas C. Enciso VIII**
- d. **House Bill No. 4069**, entitled: "AN ACT LOWERING THE OPTIONAL RETIREMENT AGE OF PUBLIC SCHOOL TEACHERS FROM SIXTY (60) YEARS OLD TO FIFTY-FIVE (55) YEARS OLD, AMENDING FOR THE PURPOSE SECTION 13-A OF REPUBLIC ACT NO. 8291, OTHERWISE KNOWN AS THE "GOVERNMENT SERVICE INSURANCE SYSTEM ACT OF 1997" introduced by **Rep. Patrick Michael D. Vargas**

G. ADJUSTMENT OF PENSION FOR RETIRED GOVERNMENT WORKERS COVERED BY GSIS

- a. **House Bill No. 5723**, entitled: "AN ACT PROVIDING FOR AUTOMATIC ADJUSTMENT OF THE BASIC MONTHLY PENSION FOR RETIRED PUBLIC SCHOOL TEACHERS COVERED BY THE GOVERNMENT SERVICE INSURANCE SYSTEM" introduced by **Rep. Rodolfo "Ompong" M. Ordanes**
- b. **House Bill No. 5917**, entitled: "AN ACT PROVIDING FOR THE AUTOMATIC ANNUAL ADJUSTMENT OF THE PENSIONS OF RETIREES FROM THE GOVERNMENT WHO ARE MEMBERS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM" introduced by **Reps. Salvador A. Pleyto and Romeo S. Momo**

H. 13TH AND 14TH MONTH BENEFITS FOR PENSIONERS

- a. **House Bill No. 718**, entitled: "AN ACT MANDATING 13TH AND 14TH MONTH BENEFITS FOR ALL PENSIONERS OF THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS) AND SOCIAL SECURITY SYSTEM (SSS)" introduced by **Rep. Ron P. Salo**

I. ESTABLISHING A COLLEGE EDUCATION TRUST FUND FOR CHILDREN OF GSIS AND SSS MEMBERS

- a. **House Bill No. 6025**, entitled: "AN ACT ESTABLISHING A COLLEGE EDUCATION TRUST FUND FOR CHILDREN OF GSIS AND SSS MEMBERS" introduced by **Rep. Gabriel H. Bordado, Jr.**

J. INSURANCE OF ALL GOVERNMENT PROPERTIES

- a. **House Bill No. 675**, entitled: "AN ACT MANDATING THE INSURANCE OF ALL GOVERNMENT PROPERTIES AND INTEREST WITH THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), AND FOR OTHER PURPOSES" introduced by **Rep. Joey Sarte Salceda**

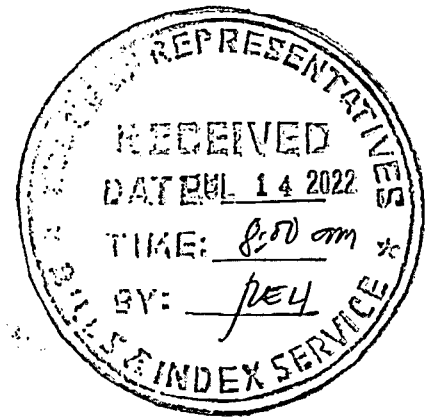
K. FOREIGN SERVICE RETIREMENT PROGRAM

- a. **House Bill No. 4077**, entitled: "AN ACT ESTABLISHING THE FOREIGN SERVICE RETIREMENT PROGRAM UNDER THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), IMPLEMENTING SECTION 62 OF REPUBLIC ACT NO. 7157, ALSO KNOWN AS THE "FOREIGN SERVICE ACT OF 1991" introduced by **Rep. Marcelino C. Libanan**
- b. **House Bill No. 4452**, entitled: "AN ACT ESTABLISHING THE FOREIGN SERVICE RETIREMENT PROGRAM UNDER THE GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), IMPLEMENTING SECTION 62 OF REPUBLIC ACT 7157 ALSO KNOWN AS THE "FOREIGN SERVICE ACT OF 1991" introduced by **Rep. Gus S. Tambunting**

V. OTHER MATTERS

VI. ADJOURNMENT

Republic of the Philippines
Congress of the Philippines
Metro Manila
Nineteenth Congress
First Regular Session



House Bill No. 1972

Introduced by Rep. Juan Fidel Felipe F. Nograles
Fourth District
Province of Rizal

EXPLANATORY NOTE

The 1987 Constitution provides for the people's right to a healthful and balanced ecology in accordance with the rhythm and harmony of nature as declared in Article 2, Section 16 thereof. The goals of national patrimony and economy as enshrined in Art 12 of the 1987 Constitution allows for the exploitation and development of indigenous natural resources for the benefit of the people subject to certain regulatory controls and limitations for the greater interest of the nation. These provisions of the Constitution, when harmonized and properly balanced can help the country in its quest to leapfrog from the current state and transform to a developed country.

At the forefront of our daily sustenance, utilization of our indigenous resources and economic development is the longest mountain range in the country, known as the Sierra Madre Mountain Range. It is located in the eastern side of Luzon is spanning about 500 kilometers from the province of Cagayan to the north and Quezon to the south lying along the eastern part of Luzon in the Pacific coast. With the highest peak standing at a height of 6,069 feet, it has a land area of approximately 1.4 million hectares covering 10 provinces of Cagayan, Isabela, Nueva Vizcaya, Quirino, Nueva Ecija, Aurora, Rizal, Bulacan, Laguna and Quezon.

The continuous forest landscape with remaining tract of old-growth tropical rainforest represents about 40% of the country's remaining forest cover. It is considered and known as the "backbone of Luzon" as the mountain range with its forest cover is a natural shield and barrier protecting the island of Luzon by attenuating the entry of typhoons coming from the Pacific Ocean even before reaching the mainland and protecting the island from storm surges as well. In 2018, the Sierra Madre had stifled what could have been the world's strongest storm in 2018. The massive wall of the Sierra Mountain ranges protected and averted the impacts of devastation to the country of Typhoon Ompong (international code name Mangkhut) in September 2018 as it was able to lessen the typhoon's wind speed and protected the communities from the potential devastation. It was reported that Ompong's wind slowed down to 160 kilometers per hour from 220 kph sustained winds after battling the mountains of Sierra Madre with super typhoon category.

A couple of years back also, Super typhoon Lawin (international code name Haima) and Typhoon Karen (international code name Sarika) also hit Northern Luzon and it was the Sierra Madre mountains that curbed the effects of an imminent disaster. From Category 5, Lawin was brought down to Category 3 after slamming against the mountainous east coasts of Luzon. The role and importance of the mountain range a protective barrier against tropical cyclones was unmistakable during the onslaught of these typhoons.

The mountain range is also an important center of biodiversity with flora and fauna species that are unique and endemic to the Philippines. There is no other wilderness in the country that equals the Sierra Madre. With its vast ranges that stretches from the mountains to the ocean, the Sierra Madre is home to hundreds of wildlife species and has at least 201 species of mammals, 556 species of birds, over 85 species of amphibians and 252 species of reptiles, of which 48 percent are endemic. The wildlife includes the Philippine eagle and golden crowned flying fox which are unique to the Philippines. However, many of these species are threatened, critical, vulnerable and highly endangered. Hence, laws have been passed declaring portions of the entire mountain range as Protected Areas.

The mountain range encompasses the greatest number of sixty-eight (68) Protected Areas in the country, including national parks, watershed forest reserves, natural monuments, marine reserves, protected landscapes and seascapes. The country's largest protected area is the Northern Sierra Madre Natural Park (NSMNP), situated at the northern part of the range in the province of Isabela and declared and designated as a natural park under RA 9125 in 2001. However, there are areas in the Sierra Madre mountain range region that have not been declared as Protected Areas and that may be explored and used for economic activities and that may contribute to development. While these areas may be explored and developed, they also need some regulation and safeguards in place.

The Sierra Madre is also home and a sacred ground to many different Indigenous Peoples (IPs). It is a shared territory by different indigenous peoples in several ancestral lands in the area. There are eleven (11) IP tribes living on Sierra Madre, namely the Agta or Dumagat in Nueva Ecija, Nueva Vizcaya, Quirino, Isabela, Aurora and Quezon; Bungkalot in Nueva Ecija, Nueva Vizcaya, Quirino and Aurora; Isinai in Nueva Ecija, Nueva Vizcaya and Dupax Norte and Dupax Sur; Gaddang in Nueva Vizcaya, Isabela, Quirino and Cagayan; Ibanag in Cagayan, Nueva Vizcaya and Isabela; Itawes in Northern Cagayan; Kalahan in Southern Caraballo and Central Sierra Madre; and Yogad in Isabela.

For the longest time in centuries, the IPs have been the protector of the Sierra Madre, particularly their ancestral lands, against different forms of threats. By tradition, the IPs and their communities have been protecting the environment and conserving their natural resources, which they consider their sacred tribal ground, from land and water, to the wildlife that thrive within them. These IPs also need protection from any external interference and exploitation.

The Sierra Madre is also one of the major drivers of the Philippine economy. Even if it is less developed as the mountain ranges are inaccessible from shore, it directly serves around 10 million people living within and around the Sierra Madre region. The bountiful resources of the Sierra Madre provide us with food, water, shelter, energy and protection from typhoons.

Its watershed supports the water supply in Central Luzon and Cagayan Valley, including Metro Manila. The watersheds also provide services that support major infrastructure, including irrigation dams, water utilities and power plants that supply the areas including Metro Manila.


The communities in the eastern part of the mountain range and along the coast are so remote that they are only accessible by plane or boat. Despite the difficulty of access to the region, there are still human activities that threaten the Sierra Madre mountain range like illegal logging, timber poaching, illegal mining, conversion of forest for agriculture, migration and human encroachment. Unwarranted infrastructure projects and unregulated human activities in the area are threats to the Sierra Madre that will cause further forest degradation, ruin natural parks and protected areas, displace indigenous peoples that result in widespread slash-and-burn farming or *kaingin*. By and large, the lack of implementation of environmental protection laws vis-à-vis the lack of regulation for human activities in the area, contribute to the continued forest degradation and dissipation of natural resources. There is absence or lack of an adequate law that will provide ample protection on those underlying areas outside the declared Protected Areas in the Sierra Mountain region.

Hence, it is necessary that all areas in the Sierra Madre region are clearly delineated and classified so that human activities are well defined to determine whether these activities will be disallowed for conservation or allowed in the area for development, subject to the proper regulatory controls. Those areas in the Sierra Madre region that can be used for economic activities also need immediate protection and proper regulation in order to further enhance development and economic growth, so that the general public can reap the full benefits of the bountiful resources.

Towards this end, there is a need to provide further safeguards and protection and at the same time develop the underlying areas in the Sierra Madre region that have not been declared as Protected Areas. It is important that the government strengthen its campaigns to stop illegal logging and promote forestation, avoid construction of unwarranted infrastructures, enhance and develop indigenous resources in the areas that can be utilized for development and providing information/ information dissemination about the importance of the Sierra Madre in our daily living.

This bill, therefore, proposes the creation of a Sierra Made Development Authority, define its functions and earmark funds for its operations. Through the Sierra Madre Development Authority, we can further strengthen not only the protection that the Sierra Madre deserves, but a wholistic approach to enhance development of indigenous resources in the Sierra Madre region to its fullest potentials for economic development in order to raise the standard of living of our people.

Thus, the immediate enactment of this measure is respectfully requested.


REP. FIDEL NOGRALES
4th District, Rizal

Republic of the Philippines
Congress of the Philippines
Metro Manila
Nineteenth Congress
First Regular Session

House Bill No. 1972

**AN ACT TO ENHANCE THE PROTECTION AND DEVELOPMENT OF THE
SIERRA MADRE REGION, CREATING THE SIERRA MADRE
DEVELOPMENT AUTHORITY FOR THE PURPOSE, DEFINING ITS
POWERS AND FUNCTIONS AND PROVIDING FUNDS THEREFORE,
AND FOR OTHER PURPOSES.**

CHAPTER 1

DECLARATION OF POLICY AND CREATION OF AUTHORITY

Section 1. *Declaration of Policy.* It is hereby declared to be the policy of Government to promote, and accelerate the development and balanced growth of the Sierra Madre mountain region and the surrounding areas within the context of the national and regional goals and policies for social and economic development and to carry out the development of the Sierra Madre region with due regard and adequate provisions for environmental management and protection, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and illegal activities.

It is likewise the declared policy of the Government to enhance the benefits to be derived from the natural and indigenous resources in order to promote the economic and social development of the region in particular and the country in general.

Section 2. *Creation of the Sierra Madre Development Authority.* For the purpose of carrying out and effecting the declared policy, as provided for in Section one hereof, there is hereby created a government corporation to be known as the Sierra Madre Development Authority, hereinafter referred to as the Authority, which shall be organized within ninety (90) days after the approval of this Act.

The Authority shall execute the powers and functions herein vested and conferred upon it in such a manner as will, in its judgment, aid to the fullest possible extent in carrying out the aims and purposes set forth below. This Act may be known as the Sierra Madre Protection and Development Act of 2019.

Section 3. Purpose and Functions of the Authority

The Authority shall have the following purpose and functions:

- (a) To make a comprehensive survey of the physical and natural resources and potentialities of the Sierra Madre region particularly its social and economic conditions, hydrologic characteristics, power potentials, scenic and tourist spots, regional problems, and on the basis thereof, to draft a comprehensive and detailed plan designed to conserve and utilize optimally the resources within the Sierra Madre region to promote the region's rapid social and economic development and upon approval by the National Economic and Development Authority (NEDA) Board of such plan, to implement the same including projects in line with said plan: *Provided*, That implementation of all energy resources development programs and shall require prior consensus of the Department of Energy to ensure that such plans and programs are consistent with the national energy programs and Philippine Development Plan, *Provided further*, That the areas declared as Protected Areas under existing laws are subject to the monitoring and supervision of the Authority.
- (b) To provide the machinery for extending the necessary planning, management and technical assistance to prospective and existing investors in the region;
- (c) To make recommendation to the proper agencies on the peso or dollar financing, technical support, physical assistance and, generally, the level of priority to be accorded agricultural, industrial and commercial projects, soliciting or requiring direct help from or through the government or any of its instrumentalities;
- (d) To pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices/agencies within the region, public corporations, and private persons or enterprises where such plans, programs and/or projects are related to those of the Authority for the development of the region as envisioned in this Act. The Authority shall issue the necessary clearance for approved proposed plans, programs, and projects within thirty days from submission thereof unless the proposals are not in consonance with those of the Authority or that will cause deforestation and any adverse impacts in the region: *Provided, further*, That the Authority is hereby empowered to institute necessary legal proceeding against any person who shall commence to implement or continue implementation of any project, plan or program within the Sierra Madre Region without previous clearance from the Authority: *Provided, furthermore*, That any local government office, agency, public corporation, private person, or enterprise whose plans, programs and/or projects have been disapproved by the Authority may appeal the decision of the Authority to the NEDA within fifteen (15) days from receipt of such disapproval whose decision on the matter shall be final. Reasonable processing fees as may be fixed by the Authority's Board of Directors shall be collected by the Authority for the processing of such plans, programs and/or projects: *Provided, finally*, The expansion plans shall be considered as new plans subject to review of the Authority and to payment of the processing fees.

The Authority and national and local government offices, agencies and public corporations shall coordinate their plans, programs, projects and licensing procedures with respect to the Sierra Madre region for the purpose of drawing up a Sierra Madre region development plan which shall be binding upon all parties concerned upon approval of the NEDA board.

(e) To engage in agriculture, industry, commerce, or other activities within the region which may be necessary or directly contributory to the socio-economic development of the region, and, for this purposes, whether by itself or in cooperation with private persons or entities, to organize, finance, invest in, and operate subsidiary corporations: *Provided*, That the Authority shall engage only, unless public interest requires otherwise, in those activities as are in the nature of new ventures or are clearly beyond the scope, capacity, or interest of private enterprises due to consideration of geography, technical or capital requirements, returns on investment, and risk;

(f) To plan, program finance/or undertake infrastructure projects such as river, flood and tidal control works, waste water and sewerage works, dams and water supply, roads, irrigation, housing and related works, when so required within the context of its development plans and programs including the readjustment, relocation or settlement of population within the region as may be necessary and beneficial by the Authority: *Provided*, That should any project be financed wholly or in part by the Authority, it is hereby authorized to collect reasonable fees and tolls as may be fixed by its Board of Directors subject to the approval of the NEDA Board from users and/or beneficiaries thereof to recover costs of construction, operation and maintenance of the projects: *Provided, further*, That if the Authority should find it necessary to undertake such infrastructure projects which are classified, as social overhead capital projects as determined by the NEDA, the Authority shall be authorized to receive financial assistance from the government in such amount as may be necessary to carry out the said projects subject to such terms and condition that may be imposed by the government, upon recommendation of the NEDA Board: *Provided, finally*, That such amount as may be necessary for the purpose is hereby authorized to be appropriated out of the funds of the National Treasury not otherwise appropriated.

(g) To lend or facilitate the extension of financial assistance and/or act as surety or guarantor to worthwhile agricultural, industrial and commercial enterprises;

(h) To require the cities and municipalities embraced within the region to pass appropriate zoning ordinances and other regulatory measures necessary to carry out the objectives of the Authority and enforce the same with the assistance of the Authority.

(i) The provisions of existing laws to the contrary notwithstanding, to exercise water rights over public waters within the Sierra Madre region whenever necessary to carry out the Authority's projects;

(j) Undertake studies on the conservation, improvement, exploration, development and maintenance of the region, subject to the approval of the NEDA, which the Authority shall carry out with the assistance and support of all national and local government units involved in natural resources conservation, exploration and development.

Section 5. *Regulatory Fees.* The Authority is hereby empowered to collect annual fees as provided, for the use of all resources for all beneficial purposes including recreation, resource extraction, energy development and disposal of all types of wastes purposes. All the fees so collected shall be used for the management and development of the Sierra Madre Region, its forest covers and its watershed areas: *Provided*, That the rates of the fees to be collected shall be subject to the approval of the President of the Philippines.

CHAPTER II

CORPORATE POWERS

Section 6. *The Corporate Powers of the Authority.* The Authority shall have the following powers and functions:

- a) To succeed on its corporate name;
- b) To sue and be sued in such corporate name;
- c) To adopt, alter and use a corporate seal;
- d) To adopt, amend, and repeal its by-laws;
- e) To enter into contracts of any kind and description, to enable it to carry out its purposes and functions under this Act;
- f) To acquire, buy, purchase, hold or lease, such personal and real property as it deems necessary or convenient in the transaction of its business and/or in relation with carrying out its purposes under this Act; and to lease, mortgage, sell, alienate, or otherwise encumber, utilize, exploit or dispose any such personal and real property held by it, subject to prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof.
- g) To exercise the right of eminent domain whenever the Authority deems it necessary for the attainment of the objectives of the Authority under this Act;
- h) To borrow funds from any local or foreign financial institutions independent of the bonds it may issue or may continue to issue, to carry out the purposes of this Authority under this Act;

i) To purchase, hold, alienate, mortgage, pledge or otherwise dispose of the shares of the capital stock of, or any bond, securities, or other evidence of indebtedness created by any other corporation, co-partnership, or government agencies or instrumentalities; and while the owner of said stock to exercise all the rights or ownership, including the right to vote thereon; *Provided*, That the Authority shall not invest its funds in any highly risky debt instruments issued without recourse to commercial banks or investment houses as well as in any highly speculative stocks.

j) For carrying on its business, or for the purpose of attaining or furthering any of its objectives, to perform any and all acts which a corporation, co-partnership, or natural person is authorized to perform under the laws now existing or which may be enacted hereafter.

k) To issue such rules and regulations as may be necessary to effectively carry out the powers and purposes herein provided including the plans, programs and projects of the Authority, subject to the approval of the NEDA, the same to take effect thirty (30) days after publication thereof, in a newspaper of general circulation.

Section 7. *Capitalization and Financing.* The Authority shall have an authorized capital of One Billion Pesos (P1,000,000,000) which may be fully subscribed by the Republic of the Philippines; *Provided*, That an initial operating capital in the amount of One Hundred Million Pesos (P100,000,000) is hereby authorized to be appropriated out of any funds in the National Treasury not otherwise appropriated.

Section 8. *Operating Expenses.* For the operating expenses of the Authority, the sum of One Hundred Million Pesos (P100,000,000) is hereby appropriated annually for five (5) years from the general fund of the National Government not otherwise appropriated from the date of approval of this Act, unless the NEDA may recommend a higher amount.

Section 9. *Exemption from tax.* The Authority shall be exempt from all taxes, licenses, fees, and duties, incidental to its operations. This exemption shall extend to its subsidiary corporation: *Provided*, That its subsidiary corporations shall be subject to all said taxes, licenses, fees, and duties five (5) years after their establishment under a graduated scale as follows: twenty (20) per centum of all said taxes during the sixth year, forty (40) per centum of all said taxes during the seventh year, sixty (60) per centum of all said taxes during the eighth year, eighty (80) per centum of all said taxes during the ninth year, and one hundred (100) per centum of all taxes during the tenth year, after said establishment. Such examination shall include any tax or fee imposed by the government on the sale, purchase or transfer of foreign exchange. All notes, bonds, debentures and other obligations issued by the Authority shall be exempt from all taxes both as to principal and interest, except inheritance and gift taxes.

Section 10. *Guarantee by the government.* The Republic of the Philippines hereby guarantees the payment by the Authority of both the principal and the interest of the bonds, debentures, collaterals, notes or such other obligations issued by the Authority by virtue of this Act, and shall pay such principal and interest in the event that the Authority fails to do so. In case the Authority shall be unable to pay the said principal and interest, the Secretary of Finance shall pay the amount thereof which is hereby appropriated out of any funds in the National Treasury

not otherwise appropriated, and thereupon, to the extent of the amounts so paid, the Government of the Republic of the Philippines shall succeed to all rights of the holders of such bonds, debentures, collaterals, notes or other obligations, unless the sum so paid by the Republic of the Philippines shall be refunded by the Authority within a reasonable time.

Section 11. *Subsidiaries.* The Authority shall have the power to form, establish, organize and maintain a subsidiary corporation or corporations. Such subsidiary or subsidiaries shall be formed in accordance with the Philippine Corporation Law and existing rules and regulations promulgated by the Securities and Exchange Commission, unless otherwise provided in this Act. In all cases, the Conversion Authority shall own initially at least fifty-one per centum (51%) of the capital stock of a subsidiary. The Conversion Authority shall also initially have the majority of the Board of Directors of the subsidiaries, of which at least one (1) director shall be the chairman of the Conversion Authority and a second director shall be the president of the Conversion Authority or his designated representative. Such subsidiaries shall be exempt from the coverage of the Civil Service Laws, rules and regulations.

CHAPTER III

BOARD OF DIRECTORS

Section 12. *Board of Directors: Composition.* The corporate powers shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of nine (9) members, to wit: the Executive Secretary, the Director General of the National Economic and Development Authority, the Secretary of Environment and Natural Resources, the Secretary of Trade and Industry, the Secretary of Energy, the Chairperson of the National Commission on Indigenous Peoples, a Provincial Governor representing the provinces comprising the Sierra Madre Region, who shall be designated and elected by the ten (10) provincial Governors, a City/Municipal Mayor representing the cities/municipalities comprising the Sierra Madre Region, who shall be designated and elected by the mayors in the region; the General Manager of the Authority to be appointed by the President of the Philippines, *Provided,* That the Executive Secretary shall be appointed as the Chairperson and the designated Provincial Governor as Vice Chairperson. There shall be a Corporate Secretary who shall be appointed the Board of Directors.

The officials next in rank to the above-mentioned member shall serve as permanent alternate members and shall attend meetings of the Board in the absence of their principals and receive the corresponding per diems.

Section 13. *Board Meetings.* The Board shall meet at least once a month. The Board shall be presided by the Chairperson or in his/her absence, the Vice-Chairperson.

Section 14. *Quorum; Effect of vacancies.* The majority of the members shall constitute a quorum and the affirmative vote the majority of the members of the Board present shall be necessary at all times to pass or approve any act or resolution. Vacancies in the Board as long as there

shall be a quorum in attendance, shall not impair the powers of the Board to execute the functions of the Authority.

Section 15. *Per Diems and Allowances.* The members of the Board shall receive for every meeting attended a per diem to be determined by the Board: *Provided*, That in no case will the total amount received by each exceed 50% of their basic monthly pay.

Section 16. *Powers and Functions of the Board of Directors.*

- a. To formulate, prescribe, amend and repeal rules and regulations to govern the conduct of business of the Authority;
- b. To appoint and fix the compensation of all officials from division heads and above, and others of comparable rank including the Senior Deputy General Manager and six (6) Deputy General Managers upon the recommendation of the General Manager;
- c. By a majority vote of all members of the Board, to suspend, remove or otherwise discipline for just cause all officials appointed by the Board;
- d. To approve the annual and/or supplemental budgets of the Authority; and
- e. To do such other acts and perform such other functions as may be necessary to carry out the provisions of this Charter.

CHAPTER IV

MANAGEMENT AND PERSONNEL

Section 17. *Powers and Functions of the General Manager.* The General Manager shall be the chief executive of the Authority. As such, he/she shall have the following powers and duties:

- a. Submit for consideration of the Board the policies and measures which he believes to be necessary to carry out the purposes and provisions of this Act;
- b. Execute and administer the policies, plans, programs and projects approved by the Board;
- c. Direct and supervise the operation and internal administration of the Authority. The General Manager may delegate certain of his administrative responsibilities to other officers of the Authority subject to the rules and regulations of the Board.
- d. Appoint officials and employees below the rank of Deputy General Managers to positions in the approved budget upon written recommendation of the Deputy General Managers concerned in accordance with Civil Service Rules;

- c. Submit quarterly reports to the Board on personnel selection, placement and training;
- f. Submit to the Office of the President an annual report and such other reports as may be required, including the details of the annual and supplemental budgets of the Authority, and
- g. Perform such other functions as may be provided by law.

Section 18. Residence. The General Manager shall establish his residence within the region. The General Manager shall not, during his term of office, engage in any business or profession or calling other than those connected in the performance of his official duties as General Manager of the Authority.

Section 19. Activities of the Authority: Key Officials. In carrying out the activities of the Authority, the General Manager shall be assisted by a Senior Deputy General Manager who shall have such powers, duties, and functions that may be delegated to him by the General Manager, and shall act as General Manager in the absence of or during the temporary incapacity of and/or until such time as a new General Manager is duly appointed.

The Authority shall have the following departments under the direct supervision and control of the General Manager;

- a. An Administrative Department which shall be responsible for providing services relating to personnel, training, information, records, supplies general services, equipment and security;
- b. A Legal Department, to be headed by a General Counsel who shall represent the Authority in legal matters and proceedings. This department shall be responsible for providing legal advice and assistance on legal matters;
- c. A Finance Department which shall be responsible for providing staff advice and assistance on budgetary and financial matters, and safekeeping of corporate assets;
- d. A Project Management Department which shall be responsible for the operation of approved projects, project evaluation and management improvement matters;
- e. A Planning and Project Development Department which shall be responsible for providing services relating to planning, programming, statistics and project development; and
- f. An Engineering and Technical Department which shall be responsible for providing services relating to detailed engineering plans, technical advisory, the construction operations, and maintenance of project facilities.

The business and activities of each of these departments shall be directed by an officer to be known as Deputy General Managers.

The Board may create such other departments, divisions and positions as may be deemed necessary for the efficient, economical and effective conduct of the activities of the Authority.

Section 20. *Auditing.* The Board of Directors shall provide and appoint an Internal Auditor who shall formulate an auditing system for the Authority. The auditor shall make a semestral and/or annual report covering the financial conditions and operation of the Authority to the Board. These auditing reports shall contain a statement of the resources and liabilities, including earnings and expenses, the amount of paid-up capital stock, surplus, reserves, and profits, as well as losses, bad debts and such other facts which, under auditing rules and regulations, are considered necessary to accurately described the financial conditions and operation of the Authority. The auditor shall report and directly responsible to the Board.

The Commission on Audit shall also appoint a representative who shall be the full time auditor of the Authority, its subsidiaries and such personnel as may be necessary to assist said representative in the performance of his duties.

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 GOCC.* The Authority shall be under the general supervision of the Governance Commission on GOCC.

Section 23. *Legal Counsel.* Without prejudice to the hiring of an outside counsel, the Government Corporate Counsel shall be the ex-officio legal counsel of Authority.

CHAPTER V

MISCELLANEOUS PROVISIONS

Section 24. *Supervision.* The Authority shall be under the direct control and supervision of the President of the Republic of the Philippines for purposes of policy direction and coordination.

Section 25. *Implementing Rules and Regulations.* The Office of the President shall promulgate the Implementing Rules and Regulation with ninety (90) days from the effectivity of this Act.

Section 26. *Separability Clause.* If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Section 27. *Repealing Clause.* All laws, executive issuances or parts thereof which are inconsistent herewith are hereby repealed or amended accordingly.

Section 28. *Effectivity Clause.* This Act shall take effect upon its publication in the Official Gazette or at least two (2) newspapers of general circulation.