

**EXECUTIVE ORDER
NO. 200**

**AUTHORIZING THE ISSUANCE OF ONSHORE SPECIAL
MINERALS EXTRACTION PERMITS TO QUALIFIED
GOVERNMENT ENTITIES/ INSTRUMENTALITIES FOR
GOVERNMENT PROJECTS**

WHEREAS, the 1987 Constitution provides that all lands of the public domain, minerals, coal, petroleum and other natural resources are owned by the state and that their exploration, development and utilization shall be under the full control and supervision of the State;

WHEREAS, Section 4 of the Republic Act (R.A.) No. 7942, otherwise known as the "Philippine Mining Act of 1995", provides that mineral resources are owned by the State; that the exploration, utilization and processing thereof shall be under the State's full control and supervision, and that the State may directly undertake such activities.

WHEREAS, Section 8 of R.A. No. 7942 provides that the Department of Environment and Natural Resources (DENR) shall be the primary government agency responsible for the conservation, management, development and proper use of the State's mineral resources, including those in reservations, watersheds areas and lands of public domain;

WHEREAS, Section 9 of R.A. No. 7942 provides that the Mines and Geosciences Bureau (MGB) shall have direct charge in the administration and disposition of mineral lands and mineral resources, both offshore and onshore;

WHEREAS, pursuant to Executive Order No. 786 dated March 19, 1982, the Natural Resources Development Corporation (NRDC), as a government corporation and corporate arm of the DEN-R, is mandated to help promote the development of the country's natural resources, including minerals;

WHEREAS, quarry, sand, gravel, clay and related materials from onshore areas are highly suitable raw materials for government infrastructure projects, specially flagship projects, and other related civil works;

WHEREAS, it is in the national interest to prioritize government projects in the utilization of these materials to enhance the delivery of services vital to the Government's economic and social development programs;

WHEREAS, it is necessary to ensure adequate, low-cost and continuous supply of these raw materials in order not to hamper or delay the implementation of government projects;

WHEREAS, the potential environmental impacts of mining/quarrying operations require appropriate safeguards and adequate mitigating measures to be set in place under the strict supervision of the DENR;

WHEREAS, Section 49 of R.A. No. 7942 provides for the issuance of Government Gratuitous Permit to any government entity/instrumentality for the extraction of certain minerals for government projects, over an area of not more than two (2) hectares for a period co-terminous with the project;

WHEREAS, R.A. No. 7942 does not clearly provide for the appropriate permitting mechanisms in the extraction of quarry, gravel, sand, clay and other related materials needed for government projects over an area exceeding two (2) hectares;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Authority for the Issuance of Special Minerals Extraction Permit (SMEP). The DENR is hereby authorized to issue a Special Minerals Extraction Permit (SMEP),

including Interim Permit to NRDC or any qualified government entity/instrumentality for the exploration, development, utilization and/or disposition of quarry, sand, gravel, clay and other related materials needed for a government project from onshore areas exceeding two (2) hectares, including areas covered by pending mining application(s). For this purpose, the Permittee may enter into a Memorandum of Agreement (MOA) with the concerned government entity/instrumentality and/or avail the services of a qualified service contractor(s).

SEC. 2. Issuance of Government Gratuitous Permit. For the exploration, development, utilization and/or disposition of quarry, sand, gravel, clay and other related materials needed for a government project from onshore areas of not more than two (2) hectares, the issuance of a Government Gratuitous Permit by the concerned Provincial Governor/City Mayor, thru the Provincial/City Mining Regulatory Board (P/CMRB), shall be in accordance with the pertinent provisions of R.A. No. 7942 and its Revised Implementing Rules and Regulations (DAO No. 96-40); Provided, that in no case shall the Provincial Governor/City Mayor issue more than one (1) Government Gratuitous Permit for a single government project.

SEC. 3. Authority of NRDC to Collect Certain Fees. In the case where the NRDC is the permittee, it is authorized to collect management, service, environmental user's and other fees from the concerned government entity/instrumentality and/or contractors/subcontractors. Such fees shall be shared in accordance with the sharing scheme to be provided for under the Implementing Rules and Regulations of this Order.

SEC. 4. Implementing Rules and Regulations. The DENR shall formulate and issue the necessary rules and regulations to implement this Order.

SEC. 5. Repealing and Amending Clause. All orders, issuances, rules and regulations or parts thereof which are

inconsistent with any of the provisions of this Order are hereby repealed or amended accordingly.

SEC. 6. *Effectivity* . This Order shall take effect immediately.

DONE in the City of Manila, this 17th day of January, in the year of our Lord, two thousand.

(Sgd.) JOSEPH EJERCITO ESTRADA

By the President:

(Sgd.) RONALDO B. ZAMORA
Executive Secretary