

Title: ****Philippine Economic Zone Authority vs. Joseph Jude Carantes, et al.****

Facts:

The respondents, Joseph Jude Carantes, Rose Carantes, and the heirs of Maximino Carantes, were in possession of a land parcel in Loakan Road, Baguio City, spanning 30,368 square meters. On June 20, 1997, the Department of Environment and Natural Resources (DENR) granted them Certificate of Ancestral Land Claim (CALC) No. CAR-CALC-022. Utilizing this certificate, the Carantes acquired building and fencing permits from Baguio City's Building Official and initiated construction on the land.

In February 1999, the Philippine Economic Zone Authority (PEZA) informed the Carantes that their construction infringed upon PEZA's territory and should be demolished within 60 days; a request they disregarded. Instead, the Carantes sought a temporary restraining order (TRO) and writ of preliminary injunction from the Regional Trial Court (RTC) of Baguio City against PEZA's demolition threat, which was granted in April 1999. The RTC later ruled in favor of the Carantes, ordering a writ of injunction against PEZA, based on the Carantes' entitlement to the land as per their CALC and the Indigenous Peoples Rights Act of 1997.

PEZA appealed to the Court of Appeals (CA), which affirmed the RTC's decision. Unconvinced, PEZA elevated the matter to the Supreme Court, attributing a filing delay to administrative oversight and understaffing within the Office of the Solicitor General (OSG). The core issues raised by PEZA were the authority to issue building permits within the economic zone, and the sufficiency of the CALC to override the National Building Code of the Philippines.

Issues:

1. Whether PEZA or the City Engineer of Baguio has the legal authority to issue building and fencing permits within the PEZA-BCEZ.
2. Whether the Carantes' CALC can disregard the provisions of the National Building Code of the Philippines.

Court's Decision:

The Supreme Court granted PEZA's petition, overturning the CA and RTC decisions. It ruled that:

- In issuing building and fencing permits within economic zones, PEZA has exclusive authority. The right granted by the CAR-CALC-022 to the Carantes does not include building

permanent structures on the land.

- Ancestral land claimants hold limited rights to occupy and cultivate the land, not to construct buildings, which necessitates adherence to the National Building Code and securing proper permits from PEZA.

Doctrine:

The case reiterated the doctrine that within Philippine Economic Zones, PEZA is the sole authority in issuing building and fencing permits, regardless of land ownership or ancestral land claims, affirming the necessity to comply with the National Building Code of the Philippines.

Class Notes:

Key Legal Principles:

- Ancestral Land Claims (CALC): Holders have limited rights primarily for occupation and cultivation; not extending to construction without proper authorization.
- Authority of PEZA: Under PD 1716 and RA 7916, PEZA has exclusive jurisdiction over the issuance of building and fencing permits within economic zones.
- Compliance with the National Building Code (PD 1096): Mandatory for all constructions, including within economic zones; administered by PEZA, not local government officials.

Historical Background:

This case underscores the tension between indigenous land rights and state development priorities, particularly in designated economic zones. It illustrates the legal complexities arising from overlapping regulatory frameworks - ancestral land claims under the Indigenous Peoples Rights Act and economic zone development under PEZA's charter. The decision reinforces state authority in economic zone governance, placing it above individual land claims for achieving developmental goals.