

### Title:

Miners Association of the Philippines, Inc. v. Hon. Fulgencio S. Factoran, Jr., Secretary of Environment and Natural Resources, and Joel D. Muyco, Director of Mines and Geosciences Bureau

### Facts:

This case arose from the constitutional changes in the system of exploration, development, and utilization of the Philippines' natural resources influenced by Article XII, Section 2 of the 1987 Constitution, which prohibits the utilization of inalienable lands of the public domain under "license, concession, or lease," unlike the previous Constitutions of 1935 and 1973. The petitioners contested the validity and constitutionality of Administrative Order Nos. 57 and 82 issued by the Secretary of the Department of Environment and Natural Resources (DENR) pursuant to Executive Orders No. 211 and No. 279 promulgated by then-President Corazon C. Aquino. These Executive Orders and Administrative Orders were meant to implement the provisions of the 1987 Constitution regarding natural resources, particularly mineral resources.

The Miners Association of the Philippines, Inc. filed the petition challenging the administrative orders for allegedly exceeding the DENR Secretary's rule-making power, arguing that the orders unduly pre-terminate existing mining leases and agreements and automatically convert them into production-sharing agreements, violating the non-impairment clause of the 1987 Constitution. This led to the issuance of a Temporary Restraining Order by the Court. Continental Marble Corporation later sought to intervene in the case, claiming harm from the enforcement of the questioned orders.

### Issues:

1. Whether Administrative Order Nos. 57 and 82 issued by the DENR Secretary exceeded his rule-making authority.
2. Whether the aforementioned Administrative Orders violate the non-impairment clause of the 1987 Constitution by altering existing mining leases and agreements.
3. Whether the petition for intervention by Continental Marble Corporation should be granted.

### Court's Decision:

The Supreme Court dismissed the petition, upholding the validity and constitutionality of Administrative Order Nos. 57 and 82. It ruled that the issuance of these orders by the DENR Secretary was within the scope of his authority under Executive Order No. 279. The Court

clarified that the powers conferred by the Executive Orders and the Constitution allowed the shift to a system of exploration, development, and utilization of natural resources more in line with constitutional mandates, including the conversion of existing mining agreements into production-sharing agreements. The Court found no violation of the non-impairment clause since the agreements in question were stipulated under conditions allowing for their modification in accordance with future legislation. The petition for intervention by Continental Marble Corporation was denied on the ground that its interests did not justify such an intervention within the scope of the case.

**### Doctrine:**

This case reaffirms the principle that when administrative rules are crafted to implement statutes, they must align with the statutory provisions and cannot extend beyond the intent or provisions of the law they seek to implement. Furthermore, the case reiterates the notion that contractual obligations can be subject to regulation and alteration by the State under its police power, even when this involves modifying existing contracts, provided such adjustments are aimed at advancing the public welfare in accordance with constitutional provisions.

**### Class Notes:**

- The principle that the exercise of rule-making power by administrative agencies must stay within the bounds of the law it seeks to implement.
- The validity of pre-termination and conversion of mining leases and agreements through State exercise of police power to meet constitutional goals of equitable distribution and management of natural resources.
- A fundamental constitutional principle outlined in this case is that the interest of public welfare can supersede existing agreements or contracts, particularly in the management and utilization of natural resources, provided the modifications are in pursuance of constitutional mandates and public good.

**### Historical Background:**

The case is deeply rooted in the transitional period following the adoption of the 1987 Constitution, marking a significant shift in the policy towards the exploration, development, and utilization of natural resources in the Philippines. The conflict arose from attempts to align existing legal frameworks and agreements with the newly enacted constitutional provisions emphasizing State control and supervision over natural resources, reflecting changing paradigms in governance, economic policy, and environmental stewardship.