

Title: Narra Nickel Mining and Development Corporation, Tesoro Mining and Development, Inc., and McArthur Mining, Inc. vs. Redmont Consolidated Mines Corporation

Facts:

The root of this case lies in the application for an Exploration Permit (EP) filed by respondent Redmont Consolidated Mines Corporation (Redmont) on November 8, 2006, for mining areas in Palawan, Philippines. These areas were already covered by Mineral Production Sharing Agreements (MPSA) and an EP applied for by the petitioners' predecessors with the Mines and Geosciences Bureau (MGB), DENR. Subsequently, the petitioners acquired these applications and sought the conversion of their MPSAs into Financial or Technical Assistance Agreements (FTAAs), which were approved on April 5, 2010. An FTAA denominated as FTAA No. 05-2010-IVB (MIMAROPA) was executed between the petitioners and the Republic, represented by executive authority, on April 12, 2010.

Redmont, in January 2007, petitioned for the denial of the petitioners' MPSA and/or EP applications on the ground that the petitioners were controlled by MBMI Resources, Inc., - a Canadian company - and hence, disqualified from being grantees of MPSAs and/or EPs. Subsequently, Redmont sought the revocation of the FTAA executed, claiming it was marred by irregularities stemming from the petitioners' actions. In April 2011, the Office of the President (OP) ruled in favor of Redmont, revoking the FTAA. Petitioners appealed to the Court of Appeals (CA), which affirmed the OP's decision in February 2012. The Supreme Court (SC) was then petitioned for review.

Issues:

The primary issue for the SC's resolution was whether the CA correctly affirmed the OP's cancellation and/or revocation of the FTAA. Ancillary issues include the jurisdiction of the CA over appeals from OP decisions regarding FTAAs and the proper procedure for contesting the validity of such agreements.

Court's Decision:

The SC found the petition meritorious, declaring the CA's decision null and void due to lack of jurisdiction. The SC concluded that the OP's cancellation and/or revocation of the FTAA was not an exercise of its quasi-judicial authority; hence, the CA did not have jurisdiction over the appeal. The SC clarified that the FTAA's revocation/cancellation was an administrative action, not quasi-judicial, thus not suitable for CA review under Rule 43 of the Rules of Court.

Doctrine:

This case reaffirms the fundamental legal principle regarding jurisdiction, particularly the appellate jurisdiction of the Court of Appeals over decisions of the Office of the President. It distinguishes between administrative and quasi-judicial actions, emphasizing that not all administrative actions of the OP fall within the ambit of quasi-judicial functions subject to CA review.

Class Notes:

- Jurisdiction may be questioned at any stage of the proceedings, even on appeal.
- An FTAA is treated as a government or public contract, governed by similar principles to those regulating contracts between private entities.
- The cancellation of an FTAA is an administrative action anchored on contractual rights, not a quasi-judicial decision.
- The OP's power to cancel an FTAA is derived from its authority to enter into such agreements on behalf of the Republic and not from quasi-judicial functions.

Historical Background:

This case reflects the complexities involved in the management and regulation of mineral resources in the Philippines. It underscores the intersection of administrative law, constitutional mandates regarding national patrimony and resource utilization, and the procedural intricacies of contesting government contracts such as FTAA's. It also highlights the ongoing debates around foreign participation in sensitive sectors like mining, against the backdrop of the 1987 Philippine Constitution and the Philippine Mining Act of 1995.