

Title:

League of Provinces of the Philippines v. Department of Environment and Natural Resources, et al.

Facts:

1. **Initial Application and Denial** (March 28, 1996 - April 29, 1998)
 - Golden Falcon Mineral Exploration Corporation filed an Application for Financial and Technical Assistance Agreement (FTAA) with the DENR Mines and Geosciences Bureau Regional Office No. III (MGB R-III) for an area covering 61,136 hectares in Bulacan.
 - MGB R-III denied the application for failure to secure necessary area clearances.
2. **Golden Falcon's Appeal** (November 11, 1998 - July 16, 2004)
 - Golden Falcon appealed the denial to the Mines and Geosciences Bureau Central Office (MGB-Central Office).
 - The MGB-Central Office dismissed the appeal on July 16, 2004.
3. **New Applications and the DENR's Decision** (February 10, 2004 - August 8, 2006)
 - While Golden Falcon's appeal was pending, several individuals filed Applications for Quarry Permits (AQP) covering the same area, and later, Atlantic Mines and Trading Corporation (AMTC) filed an Application for Exploration Permit (AEP).
 - The respondents endorsed the AQPs to the Provincial Governor of Bulacan, who then issued Small-Scale Mining Permits (SSMPs) to the applicants.
 - AMTC contested the SSMPs, claiming conflicts with its valid exploration permit application.
4. **DENR Secretary's Decision**
 - The DENR Secretary voided the SSMPs, emphasizing the disputed area became open only on August 11, 2004, and the SSMPs were issued illegally since they involved areas not declared for Small-Scale Mining under R.A. No. 7076.
5. **League of Provinces' Petition**
 - The League of Provinces filed a petition to nullify Sections of the Local Government Code of 1991 and the People's Small-Scale Mining Act, asserting unconstitutional executive control over local autonomy and challenging the DENR Secretary's power to void the SSMPs.

Issues:

1. **Constitutionality of Section 17(b)(3)(iii) of the Local Government Code and Section 24**

of the People's Small-Scale Mining Act:**

- Whether these provisions, which allow the DENR Secretary control over local government's implementation of small-scale mining laws, violate the constitutional mandate of local autonomy.

2. **Authority of the DENR Secretary to Nullify SSMPs:**

- Whether the act of the DENR Secretary in nullifying the small-scale mining permits as an exercise of "control" rather than "supervision" usurps devolved powers of provinces.

Court's Decision:

1. **Constitutionality of the Provisions**:

- The Court upheld the constitutionality of Section 17(b)(3)(iii) of the Local Government Code and Section 24 of the People's Small-Scale Mining Act.

- The Court held that general supervision as envisaged by the Constitution allows oversight to ensure that local acts conform to national policies. The provisions do not infringe on local autonomy as understood in the broader administrative framework.

2. **Authority of the DENR Secretary**:

- The DENR Secretary acted within the purview of his quasi-judicial function, not substituting judgment but reviewing compliance with national law.

- The Secretary's nullification of the SSMPs was validated due to the permits violating national policies and regulations, specifically as the areas were not declared People's Small-Scale Mining Areas as mandated.

Doctrine:

- **Supervision vs. Control**:

The power of "supervision" allows the DENR to ensure local compliance without directly managing or altering local decisions unless they violate national policies, which is permissible under the law.

- **Finality of Administrative Decisions**:

The DENR has the supervisory authority to ensure compliance with national policies, which includes voiding permits if issued in violation of such policies.

Class Notes:

1. **Key Legal Principles**:

- **Pursuant to national policies and subject to supervision, control, and review of DENR**.

- **Local autonomy under the Constitution** means local governments have administrative

functions but are subject to oversight.

2. **Relevant Statutes**:

- **Local Government Code of 1991 (R.A. No. 7160) – Section 17(b)(3)(iii)**: Enforces small-scale mining laws subject to DENR’s supervision.
- **People’s Small-Scale Mining Act of 1991 (R.A. No. 7076) – Section 24**: Details the direct supervision and control by DENR over the Provincial/City Mining Regulatory Board.

Historical Background:

- **Decentralization and Local Autonomy**:

The 1987 Constitution and subsequent Local Government Code aimed to decentralize political power, granting local governments greater autonomy while ensuring alignment with national policies.

- **Mining Industry Regulation**:

The People’s Small-Scale Mining Act of 1991 and the Local Government Code were enacted to provide a structured framework for mining industry regulation, balancing local authority, economic development, and environmental concerns.

This case exemplifies the intersection of local government autonomy and national oversight in the context of natural resource regulation, highlighting the Philippine legal landscape’s complex dimensions.