

REVISING COMMONWEALTH ACT NO. 136, CREATING THE BUREAU OF MINES, AND FOR OTHER PURPOSES.

PRESIDENTIAL DECREE NO. 1281, January 16, 1978

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WHEREAS, the development of our mineral resources as a primary source of foreign exchange and as a means for industrial progress has to be maximized for the good of the national economy;

WHEREAS, the Bureau of Mines which is charged with the administration and disposition of the mineral resources of the country is of pre-war vintage, having been legally created on November 7, 1936 under Commonwealth Act No. 136;

WHEREAS, the revision of the aforesaid Act would make the said agency a more potent and effective arm of the Government in the administration and disposition of our mineral resources and responsive to the needs of the Filipino people, in general, and the mining industry, in particular;

WHEREAS, it is desirable and imperative to clothe said agency with adequate powers to enable it to vigorously implement Presidential Decree No. 463, otherwise known as the "Mineral Resources Development Decree of 1974"; and

WHEREAS, the revision of Commonwealth Act No. 136 would invest in the Bureau of Mines such functions, powers and duties consistent with changing situations and existing conditions;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order, as follows:

SECTION 1. The administrative supervision of the Bureau of Mines shall remain vested in the Department of Natural Resources pursuant to Presidential Decree No. 461 dated May 17, 1974.

SEC. 2. The Bureau of Mines shall be headed by a Director and an Assistant Director, both of whom shall be appointed by the President.

No person shall be appointed Director or Assistant Director of the Bureau of Mines unless he is a natural-born citizen of the Philippines, at least 30 years of age, and shall be of recognized competence particularly in the fields of mining engineering, geology, metallurgy, management, law or economics.

SEC. 3. The Bureau of Mines shall have the following powers and functions, to wit:

- Have direct charge in the administration and disposition of the mineral lands and mineral resources of the country;
- To grant, or recommend to the Secretary of Natural Resources the granting of, mining to duly qualified persons;
- To issue subpoena and summon witnesses to appear in any proceedings before the Panel of Investigators created by Presidential Decree No. 309 and Letter of Instructions Nos. 119 and 135 or in special committees created by the Director of Mines, and in appropriate cases, punish said witnesses for contempt, direct or indirect, in

accordance with pertinent provisions of the Rules of Court;

- To impose fines and/or penalties for violations of the provisions of Presidential Decree No. 463 or any other laws being implemented by the Bureau of Mines, the rules and regulations promulgated thereunder, its orders, decisions and rulings;
- To confiscate surety, performance, and guaranty bonds posted with the Bureau of Mines after due notice and hearing in an order to be promulgated by the Director of Mines;
- To arrest or order the arrest, even without warrant, of any person who has committed or is in the act of committing any of the offenses defined under Presidential Decree No. 463, or any other laws being implemented by the Bureau of Mines, and seize and confiscate or order the seizure and confiscation, in favor of the Government, of the tools and equipment used in the commission of the offense and the minerals extracted by the offender, and institute whatever action that may be necessary relative thereto;
- To deputize, when necessary, any member or unit of the PC, police agency, barangay or any qualified person to police all mining activities;
- To require claim holders/operators as part of their mining activities to keep in their office complete set of books of accounts showing all receipts and expenditures, the source of such receipts, and the object of such expenditures, and assign authorized representatives of the Bureau of Mines to inspect such books of accounts;
- To require claim holders/operators to submit to the Bureau of Mines a semi-annual report verified under oath containing: an itemized account or balance sheet for the previous semester, embracing a full and complete statement of all disbursements, and receipts, showing from what sources such receipts were derived, and to whom and for what object or purpose such disbursements or payments were made; all indebtedness or liabilities incurred, or existing at the time, and for what the same were incurred, and the balance of money, if any, on hand; a statement showing the number of men employed, and for what purpose and the rate of wages paid to each; a full and complete statement of the work done in said mine, and amount of ore extracted, from what part of mine taken, the amount sent to mill for production, output of the mill, and its assay value. Every claim holder/operator shall likewise keep in its office, a full report, under oath, of all discoveries of ores made in said mine, whether by boring, drifting, sinking, or otherwise together with the assay value thereof. All discounts, reports, and correspondence from the superintendent of operations must be kept in the office of every claim holder/operator, and a copy of all said accounts, reports and correspondence shall be filed with, and shall be subject to verification by, the Director of Mines;
- To conduct or undertake geological, mining, metallurgical, chemical, and other researches and prepare reports thereon; and to provide laboratory and technical services to the general public;
- To conduct geological and geophysical surveys of the Philippines and its territorial waters, and to prepare reports and maps therefor;
- To conduct other kinds of surveys of all mineralized areas, and inventory of the mineral resources, of the Philippines and prepare reports, boundary plans and maps therefor;
- To disseminate information concerning the administration and disposition of mineral lands, mining operations, utilization of minerals, mineral economics, geological and other surveys, researches, and such other activities of the Bureau of Mines through appropriate reports, bulletins and circulars, and to conduct rural mineral education;
- To oversee the mining operations of holders/operators of mining claims more particularly of mining practices and methods relating to protection of life and property, economy of operations, prevention of pollution,

environmental protection and mineral conservation, and order the suspension of any or all mining operations or closure of the mines, if warranted;

- To require the operator of lessee to take necessary measures to provide for the growth and development of any industry suitable for the area, other than mining in order that when the mine is exhausted or becomes no longer profitable for mining purposes the people residing therein or those who used to work for the mine will have a substitute industry or business activity to provide for their means of livelihood, and to place the mine or leased area in a condition suitable for habitation or agriculture;
- To keep records of mining locations, leases, patents, permits and licenses, and all documents and instruments related thereto;
- To furnish any person requesting for the same, one or more certified copies of any record kept or in the possession of the Central Office or the Mines Regional Offices or district offices, upon payment of the required fees therefor;
- To engage in mineral canvassing, exploration, development, and exploitation of the mineral resources of the country, whether found in mineral reservations, in registered mining claims, or in private and/or public lands; and
- To exercise complete management and control over areas embraced by mineral reservations.

SEC. 4. For an efficient and effective implementation of its powers and functions, the Bureau of Mines shall be composed of Ten (10) Divisions, as follows:

- Administrative Services
- Budget and Fiscal
- Accounting
- Geological Survey
- Mineral Economics and Information
- Metallurgical and Laboratory Services
- Mining Technology
- Mineral Lands and Topographic Survey
- Marine Mineral Resources
- Mineral Resources Administration

Existing divisions may be reorganized, merged or abolished, and additional divisions, sections and units may be established and new positions therefor created by the Secretary of Natural Resources, upon the recommendation of the Director of Mines, as may be necessary to exercise the powers and discharge the functions of the Bureau of Mines under this Decree. In addition to the existing Planning and Management Staff, positions requiring highly technical skills and expertise may be created under the Office of the Director of Mines as the exigency of the service may require.

The existing mining regions with offices at Baguio City, Metro-Manila, Daet, Cebu City and Surigao City shall be maintained. Upon the recommendation of the Director of Mines, the Secretary of Natural Resources may establish other mining regions as the need for then arises, the boundaries of which shall so far as practicable coincide with the boundaries of the corresponding provinces: Provided, however, That mineral districts may be established by

the Secretary of Natural Resources in existing mining regions, subject to such rules and regulations that shall be promulgated by Him.

SEC. 5. All existing positions in the Bureau of Mines, and the incumbents thereto, are hereby retained. The positions of legal officers are hereby changed to mineral rights specialists to be occupied by incumbent legal officers, and the positions of research chemists, chemists, economists, and statisticians are likewise hereby changed to mineral research chemists, mineral chemists, mineral economists and mineral statisticians, respectively, which shall be occupied by the incumbents.

SEC. 6. The Bureau of Mines shall have jurisdictional supervision and control over all holders of mining claims or applicants for and/or grantees of mining licenses, permits, leases, and/or operators thereof, including mining service contracts and service contractors insofar as their mining activities are concerned; and in the exercise of such authority, it shall have the power to enlist the aid and support of all law enforcement agencies of the Government, civil and/or military.

SEC. 7. In addition to its regulatory and adjudicative functions over companies, partnerships or persons engaged in mining exploration, development and exploitation, the Bureau of Mines shall have original and exclusive jurisdiction to hear and decide cases involving:

- a mining property subject of different agreements entered into by the claim holder thereof with several mining operators;
- complaints from claimowners that the mining property subject of an operating agreement has not been, placed into actual operations within the period stipulated therein; and
- cancellation and/or enforcement of mining contracts due to the refusal of the claimowner/operator to abide by the terms and conditions thereof.

All actions and decisions of the Director of Mines on the above cases are subject to review, *motu proprio* or upon appeal by any person aggrieved thereby, by the Secretary of Natural Resources whose decision shall be final and executory after the lapse of thirty (30) days from receipt by the aggrieved party of said decision, unless appealed to the President in accordance with the applicable provisions of Presidential Decree No. 309 and Letter of Instructions Nos. 119 and 135.

SEC. 8. The Director of Mines is hereby authorized to create such committees to implement the special projects of the Bureau of Mines, determine the composition and appoint the members thereof, and fix their allowances.

SEC. 9. The Bureau of Mines shall establish and operate an in-service training center for the purpose of upgrading and training its personnel and new employees and to set aside adequate funds to enable personnel to obtain special studies and training in colleges or institutions, here and abroad.

SEC. 10. The Secretary of Natural Resources, upon the recommendation of the Director of Mines, shall promulgate the rules and regulations necessary to implement effectively the provisions of this Decree.

SEC. 11. If any section of provision of this Decree is held or declared unconstitutional or invalid by a competent court, the other sections or provisions hereof shall continue to be in force as if the sections or provisions so annulled or voided had never been incorporated in this Decree.

SEC. 12. All laws, executive orders, decrees, rules and regulations or parts thereof, contrary to or inconsistent with the provisions of this Decree, are hereby repealed and amended or modified accordingly.

SEC. 13. This Decree shall take effect immediately upon promulgation.

Done in the City of Manila, this 16th day of January, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

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