

DIRECTING THE MEASURES TO FACILITATE THE IMPLEMENTATION OF THE INTEGRATED STEEL MILL PROJECT OF NATIONAL STEEL CORPORATION, ONE OF THE MAJOR INDUSTRIAL PROJECTS OF THE GOVERNMENT

LETTER OF INSTRUCTIONS NO. 1277, November 16, 1982

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TO :

The President
National Steel Corporation
The Chairman of the Board
Iron and Steel Authority
The Minister
Ministry of Budget
The Minister
Ministry of Natural Resources
The Director-General
National Economic and Development Authority
The Chairman
Board of Investments
The Governor
Central Bank of the Philippines
The President
National Power Corporation
The Director
Bureau of Lands
The Director
Bureau of Mines and GeoSciences
The Governor
Province of Lanao del Norte
The Mayor
City of Iligan

WHEREAS, National Steel Corporation (NSC) is presently embarked on an expansion program for the construction of an integrated steel mill in Iligan City, which is one of the priority and major industrial projects of the Government;

WHEREAS, pursuant to the requirements of NSC's expansion program, Proclamation No. 2239 dated Nov. 16, 1982 was issued, reserving for the use of and immediate occupation by NSC certain lands of the public domain adjacent to its existing plant in Iligan City;

WHEREAS, certain portions of the lands subject of Proclamation No. 2239, consisting of a total area of approximately 302,532 square meters, more or less, are presently occupied by an idle fertilizer plant/factory and related facilities owned by the Maria Cristina Fertilized Corporation (MCFC);

WHEREAS, pursuant also to the requirements of its expansion program, NSC needs the foreshore area adjacent to the aforesaid lands for additional facilities related to its integrated steel mill;

WHEREAS, pursuant further to the requirements of its expansion program, NSC has to close a portion of the existing national highway in Iligan City traversing its plant site (starting from the east side of Tominobo Bridge up to the west bank of Nunucan River) and is willing to construct, in lieu thereof, an approximately six kilometer diversion road (starting and terminating on the same points aforesaid but skirting its integrated steel mill complex) to serve Iligan City's vehicular traffic.

NOW, THEREFORE, for and in consideration of the aforesaid reasons and purposes, I hereby issue the following orders:

(1) NSC shall negotiate with the owners of MCFC, for and on behalf of the Government, for the compensation of MCFC's present occupancy rights on the subject lands at an amount of Thirty (P30.00) Pesos per square meter or equivalent to the assessed value thereof (as determined by the City Assessor of Iligan), whichever is higher. NSC shall give MCFC the option to either remove its aforesaid plant, structures, equipment, machinery and other facilities from the lands or to sell or cede ownership thereof to NSC at a price equivalent to the fair market value thereof as appraised by the Asian Appraisal Inc. as may be mutually agreed upon by NSC and MCFC.

(2) In the event that NSC and MCFC fail to agree on the foregoing within sixty (60) days from the date hereof, the Iron and Steel Authority (ISA) shall exercise its authority under Presidential Decree (PD) NO. 272, as amended, to initiate the expropriation of the aforementioned occupancy rights of MCFC on the subject lands as well as the plant, structures, equipment, machinery and related facilities, for and on behalf of NSC, and thereafter cede to NSC. During the pendency of the expropriation proceedings, NSC shall take possession of the properties, subject to bonding and other requirements of P.D. 1533.

(3) The Minister of Public Works and Highways shall extend assistance to NSC for the immediate construction of the six-kilometer diversion road to substitute for the portion of the existing national highway which shall be closed by NSC upon the completion of the said diversion road. NSC shall fund the construction of the diversion road but shall be reimbursed therefor by the Ministry of Public Highways up to the amount of P16 Million.

(4) The Minister of Budget shall include/allocate the amount of P16 Million in the infrastructure program budget/appropriation of the Ministry of Public Works and Highways for the fiscal year 1984. This amount shall be used by the Ministry of Public Works and Highways to reimburse NSC for its expenses for the construction of the diversion road as aforesaid.

(5) Government agencies concerned shall grant NSC all necessary permits for the construction of the diversion road and the closure of a portion of the existing national highway, such as right of way, etc.

(6) The Governor of Lanao del Norte and the Mayor of Iligan City shall likewise grant NSC all necessary permits for the purposes above-said.

(7) The Board of Investments shall approve as a pioneer project the integrated steel mill under P.D. 1789.

(8) The National Power Corporation shall provide adequate power to meet the requirements of the integrated steel mill project through the year 1990 and shall make whatever provisions are required in its previously approved power development program.

(9) The Central Bank of the Philippines shall include in its foreign credit budget for the years 1982 and 1983 the financing required for this project.

(10) The Investment Coordinating Committee of the National Economic and Development Authority shall expedite the approval of this project considering that this is one of the 11 major industrial projects designated by the President.

(11) All other government agencies and entities concerned shall extend immediate assistance and cooperation to NSC for the accomplishment of the aforesaid purposes.

This Letter of Instruction shall take effect immediately.

DONE in the City of Manila, this 16th day of November, in the year of Our Lord, Nineteen Hundred and Eighty-Two.

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