

CREATING THE MINERAL RESERVATIONS DEVELOPMENT BOARD, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

PRESIDENTIAL DECREE NO. 1305, February 27, 1978

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WHEREAS, there are at present three existing mineral reservations, namely: the Surigao Mineral Reservation, the Zambales Mineral (Chromite) Reservation, and the Siruma White Clay Reservation, the operation, administration and management of which are under the jurisdiction of different government agencies and governed by different laws, rules and regulations and policies;

WHEREAS, under the provisions of Presidential Decree No. 463, offshore areas are also established as mineral reservations;

WHEREAS, considering the depleting nature of mineral resources, the intensive capital requirement for their development, and the dependence of most of our mineral products on the international markets, there is a need for integrated, systematic, and continuing studies, researches and monitoring of the economic, financial, and market factors, as well as the technological changes, affecting the mineral industry in order to support effective formulation of national policies, strategies and plans with respect to mineral reservations;

WHEREAS, the establishment of more mineral reservations in accordance with the provisions of Presidential Decree No. 463 would enable the Government to further promote wise and efficient disposition, development, exploitation, utilization and conservation of our minerals in order to maximize national benefits therefrom, for the present and future generations;

WHEREAS, there is a need to create a governing body to manage and administer mineral reservations, and determine the modes of disposition of the areas covered thereby;

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

SECTION 1. Governing Body. — There is hereby created a Mineral Reservations Development Board, hereinafter referred to as the "Board", composed of the Secretary of Natural Resources as Chairman, and the Secretary of Finance, the Governor of the Central Bank, the Secretary of Justice, the Secretary of Economic Planning, the Chairman of the Board of Investments, and the Director of Mines, as Members. The Director of Mines shall be its Executive Officer. The Board shall be attached to the Department of Natural Resources.

SEC. 2. Domicile and Term. — The Board shall hold office in Metropolitan Manila and shall hold meetings at such places to be designated by its Chairman. The term of office of the Chairman and members of the Board shall be at the discretion of the President of the Philippines.

SEC. 3. Powers and Functions of the Board. In accordance with the provisions and objectives of this Decree, the Board shall:

- Formulate policies governing the disposition, development, exploitation, utilization and conservation of mineral

resources within reservations and promulgate such rules and regulations as may be necessary to implement the intent and provisions of this Decree;

- Undertake integrated national planning for the development of mineral reservations with the end in view of rationalizing the same;
- Initiate and promote studies and researches on mineral management, financing, marketing, and technology for mineral reservations;
- Subject to the approval of the President of the Philippines, enter into contracts, with or without public bidding, with any person or entity, domestic or foreign, and with governments for the development, exploitation and utilization of mineral resources within mineral reservations;
- Provide for the manner and form of the income tax payments, the reimbursement of operating expenses, the payment of service fees, and the assessment of charges for services rendered;
- Exercise the right of eminent domain as may be necessary for the purpose for which the Board was created;
- Acquire easement over public and private lands necessary for the purposes of carrying out any work essential to the development, exploitation, and utilization of mineral resources within mineral reservations;
- Engage the services of experts and consultants, local or foreign, when needed to implement the provisions of this Decree;
- Require contractors and/or operators to submit all technical reports and records of operations;
- Establish and maintain an educational programme for sustained development of necessary manpower to manage and operate its affairs;
- Organize an office and appoint, discipline and/or remove, and determine the compensation of, its technical staff and other personnel: Provided, That positions which highly technical or primarily confidential shall not be subject to the laws, rules and regulations of the Civil Service Commission and of the Office of Compensation and Position Classification;
- Submit to the President of the Philippines an annual report on its activities with appropriate recommendations within three months after the close of every fiscal year; and,
- Generally, exercise all powers necessary or incidental to attain the objective of this Decree.

SEC. 4. Scope of Board Authority. — All existing mineral reservations, including contracts and operating agreements entered into by the Government covering areas therein, shall be subject to the jurisdiction of the Board. Likewise, all mineral reservations that may later be established shall be under the jurisdiction of the Board.

SEC. 5. Transfer of Functions, Powers and Duties. — The functions, powers and duties, together with applicable appropriations, records, equipment, property and personnel of the Surigao Mineral Reservation Board are hereby transferred to the Board.

SEC. 6. Appropriations. — For the purpose of carrying out the provisions of this Decree the amount of Five Million (P5,000,000.00) Pesos is hereby authorized to be appropriated from the funds of the National Treasury not otherwise appropriated, and the same shall be included in the General Appropriations Act to cover the expenses including salaries, wages, allowances and per diems of the Chairman and members of the Board, its staff and personnel.

Any provision of law to the contrary notwithstanding, the Chairman shall receive per diem of three hundred

(P300.00) Pesos and the members thereof shall receive two hundred (P200.00) Pesos for every meeting actually attended.

SECTION 7. Assistance. — Other Government offices and Government-owned or controlled corporations shall extend whatever assistance may be needed by the Board, including the detail of its officials and employees to the Board on full-time or part-time basis under such arrangement satisfactory to the Board and the other Government offices or corporations concerned. Said officials and employees may receive allowances and other emoluments, notwithstanding the provisions of any law to the contrary.

Nothing in this Decree or any other Decree or law shall preclude the Government, thru the Board, from negotiating or entering into agreement with any foreign country or government for assistance in terms of equipment, technology transfer and financing for the development of the mineral deposits within the mineral reservations.

SEC. 8. Allocation of Revenues. — Ten per centum (10%) of all royalties and revenues to be derived by the Government from the development, exploitation and utilization of the mineral resources within the mineral reservations as provided for under this Decree shall accrue to the Board and the Bureau of Mines, and shall be allotted for the undertaking of special projects and for the exploration and development of other mineralized Government reservations: Provided, That twenty-five per centum (25%) of said amount shall accrue to the Board while the balance of seventy-five per centum (75%) shall accrue to the Bureau of Mines.

SEC. 9. Repealing Clause. — All laws, decrees, rules, and regulations or parts thereof inconsistent with any provision or provisions of this Decree are hereby repealed or modified accordingly.

SEC. 10. Effectivity. — This Decree shall take effect immediately.

Done in the City of Manila, this 27th day of February, 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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