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CEZA MEMORANDUM CIRCULAR NO: 21-002/1

SUBJECT: ADOPTION OF DENR ADMINISTRATIVE ORDER NO. 2020-15, AMENDING DAO NO. 2020-07 FOR THE ISSUANCE OF CLEARANCE AND/OR PERMIT FOR DREDGING ACTIVITIES IN HEAVILY-SILTED RIVER CHANNELS WITHIN THE CAGAYAN ECONOMIC ZONE AND FREEPORT

Pursuant to Sec. 5.4 of DENR-DPWH-DILG-DOTr Joint Memorandum Circular No. 2019-01, in order to protect and properly manage the disposition of sand as well as restore the natural state and water flow of the heavily-silted river channels within the country, and Sec. 1, Par. 3 of DENR Administrative Order 2020-15, in order to allow dredging activities in heavily-silted river channels within special economic zones that are developed, operated, or managed by a chartered Economic Zone Authority, the following guidelines are hereby prescribed:

**I.
GENERAL PROVISIONS**

Section 1. Coverage. This Memorandum Circular shall cover the implementation of River Restoration thru Dredging Activities in heavily-silted river channels within the Cagayan Special Economic Zone Authority (CEZA), pursuant to Section 1 of DENR Administrative Order No. 2020-15, amending DENR Administrative Order No. 2020-07.

Section 2. Scope of Operations. In order to open up heavily-silted river channels, areas starting from the coastline of river deltas extending all the way upstream, in accordance with the DPWH Dredging Master Plan, shall be designated as exclusive River Dredging Zones (RDZ) by the Inter-agency Committee created under Part VII, Section 1 of this Circular.

Only dredging activities shall be allowed within the RDZ, quarrying is strictly prohibited.

Section 3. Rationale and Objectives.

- a) The flow of materials and sediment from the upland that flank down major river channels thereby causing its aggradation became the long-term direct culprit of massive flooding.
- b.) It is necessary to protect and properly manage the utilization of the sand and gravel in heavily-silted river channels to improve the water flow, ensure the integrity of the various protective dikes and infrastructures, thereby reduce risks to lives and properties.
- c.) In order to restore the natural state and water flow of heavily-silted river channels and improve its hydraulic capacity thereby eliminate flooding, large-scale dredging and desilting operations, based on a comprehensive dredging plan, must be implemented.

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GRACE D. REYES
Records Officer

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Leonardo C. Cruz
Chairman, QMS



Section 4. Declaration of Policies.

- a.) River Restoration through Dredging Activities under Section 5.4 of JMC 2019-01 does not require an Industrial Sand and Gravel (ISAG) or Commercial Sand and Gravel (CSAG) quarry permit since the activity to be undertaken is dredging and not quarrying.
- b.) The State is allowed by the Constitution to enter into agreements with private sector entities to bolster the national economy through the sustainable utilization of minerals.
- c.) Disposal of dredged or extracted materials shall be governed by the principle according to which the government expects a reasonable return for its utilization, while holders of dredging clearance expect a reasonable return for its dredging operations while restoring the river to its original state.

Section 5. No Funding from the Government. No funding from the government shall be made for the conduct of dredging activities by the private sector. Holders of Dredging Clearance shall provide the financing, technology, management and personnel necessary to implement dredging activities within the exclusive RDZ.

II.

QUALIFICATIONS OF LARGE-SCALE DREDGING OPERATORS

Section 1. Who May Apply. Any citizen of the Philippines or a SEC-registered corporation, partnership, or association established to engage in construction, and development and/or dredging operations, with technical and financial capability to undertake large-scale flood control dredging and desilting operation, may apply for a dredging clearance with the Department of Public Works and Highways (DPWH). To implement efficient and cost-effective large-scale dredging operations, individual corporations may pool their resources, organize themselves and apply as a consortium.

Section 2. Financial Capacity. Applicants must possess the financial capacity prescribed by the Inter-Agency Committee to undertake dredging operations.

The list of requirements to be submitted by the applicant to CEZA to prove financial capacity, is attached to this Circular as **Annex A**.

Section 3. Technical Competence. In addition to the above requirements, only applicants capable of implementing large-scale dredging activities for flood mitigation or prevention purposes in the heavily-silted river channels, based on their technical knowledge and verifiable previous track record conducting such activities, as prescribed by the Inter-agency Committee, are qualified to undertake dredging operations.

The list of requirements to be submitted by the applicant to CEZA to prove technical competence, is attached to this Circular as **Annex B**.



Section 4. Other requirements. In addition to the above-stated requirements, the proponent shall:

- a.) Deploy all their equipment within 30 days from the Notice to Proceed (NTP) to be issued by CEZA and the equipment shall be under the name of the company, either chartered or leased, and capable of undertaking large scale dredging activity;
- b.) Post a Cash Bond in the amount to be determined by the Inter-Agency Committee, to be held in an account for CEZA, to ensure compliance with the relevant DENR Administrative Orders, and other applicable environmental laws, rules and regulations;
- c.) Secure the required clearances from the appropriate government office including a certification of no pending case relating to compliance with existing environmental laws, rules and regulations, and an undertaking that it will never be involved in such;
- d.) Undertake protection of the rivers banks from erosion and provide necessary engineering intervention to support the vital infrastructures along the river, pursuant to the dredging clearance approved by the DPWH; and
- e.) Secure the necessary permit from CEZA and pay the required National and Local Tax as required by law.

III.

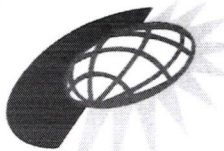
RIVER RESTORATION THROUGH DREDGING ACTIVITIES

Section 1. Letter of Intent. CEZA shall submit a letter of intent addressed to the Office of the Secretary of the DENR for its interest to undertake river restoration through dredging activities in specified heavily-silted river channels within its jurisdiction.

Section 2. Prior Determination of Mineral Contents. Upon determination of the RDZ, the Mines and Geosciences Bureau (MGB) shall conduct a survey of the non-metallic and metallic resources on the RDZ. Once a prior determination of the metallic and other valuable materials in economic quantities is established, the proponent shall, in addition to the payment of taxes, pay the corresponding fees prescribed by the MGB.

Section 3. Application for Issuance of Dredging Clearance. The application for the issuance of Dredging Clearance with the concerned Regional Office of DPWH need not be accompanied by the endorsement of the Governor of Cagayan, and shall be governed by this Circular and other applicable DENR laws, rules, and issuances.

Section 4. Prescribed Extraction Method. Holders of dredging clearance shall adopt the sequence and mode of extraction approved by the DPWH and implement the same in accordance with the duly approved work program in order to ensure a systematic and responsible extraction/utilization/disposition of sand and gravel from river channels.



Section 5. Prescribed Dredging Method. In order to restore the natural state and flow of the river and taking into consideration the essential role played by constant sand replenishment, all dredging activities shall be initially conducted at the deltas of heavily-silted river channels, for a period of six (6) months, with the objective of creating navigational channels and providing more depth for passage of dredging vessel/s to implement true flood control measures within the RDZ.

IV. ENVIRONMENTAL MANAGEMENT

Section 1. Environmental Compliance. All holders of dredging clearance shall comply with the pertinent laws, rules and regulations on environmental protection, the allocation of funds for environment-related expenditures, environmental impact assessment, and setting up of the contingent liability and rehabilitation fund, among others.

Section 2. Programmatic Environmental Impact Assessment (PEIA) or Strategic Environmental Assessment (SEA) per River Channels. In order to ensure that the river restoration activities and the dredging master plan consider the necessary environmental measures, the EMB Regional Office shall conduct the Programmatic EIA or SEA for each river system in coordination with the MGB, DPWH, and CEZA. The CEZA may be the proponent for the Programmatic EIA and SEA.

Section 3. Application for Issuance of ECC. Upon issuance of the dredging clearance by the DPWH to the dredging operator, all ECC applications for large-scale dredging in heavily-silted river channels shall be filed with the EMB Regional Office.

Section 4. Extraction Limit. In view of the large-scale river dredging operations involving the heavily-silted river channels within the RDZ and its high replenishment rate/s, the issuance of ECC shall not be subject to any extraction limit, provided that:

- a.) The extraction activities conform with the approved work program in accordance with the DPWH Dredging Master Plan;
- b.) Assessment of the river systems shall be done by the team composed of representatives from PENRO, CENRO and the MGB every two (2) years; and
- c.) The maximum allowable extraction conforms to the designated mitigating measures based on the environmental impact assessment.

V. MEMORANDUM OF AGREEMENT WITH DENR

Section 1. Authority to Dispose. A holder of an approved Dredging Clearance shall enter into a Memorandum of Agreement (MOA) with the DENR — Regional Office wherein the holder is granted the authority to dispose materials extracted from the RDZ.

Section 2. Accreditation as Trader. All holders of dredging clearance issued by the DPWH or entities duly authorized or contracted by holders of dredging clearance to market and/or commercially dispose dredged or extracted materials should be accredited as traders/retailers/dealers. The Certificate of Accreditation shall be issued by the MGB Regional Office.



Section 3. Transport Permit. The MOA executed between the DENR Regional Office and the holder of the dredging clearance who has been accredited as a trader shall include the issuance of Ore Transport Permit (OTP) and/or Mineral Ore Export Permit (MOEP) by MGB Regional Office. Provided, that a written notice prior to shipment or transport of dredged and/or extracted suitable materials shall be submitted to the MGB Regional Office for the purpose of monitoring dredging activities in the RDZ.

Section 4. Excise Tax. The excise tax on locally extracted or produced non-metallic minerals and quarry resources will be based on the actual market value of the gross output thereof at the time of removal. The Excise Tax shall be timely and completely paid to the nearest Bureau of Internal Revenue Office in the province concerned.

Section 5. Work Deviation. Any deviation of more than 15% from the approved work program in any of the activities involved, without the prior concurrence of the DPWH in coordination with the DENR through the MGB Regional Office shall be sufficient ground for the suspension/cancellation of pertinent permits and clearances.

VI. OPERATIONS PERMIT

Section 1. Operations Permit. No Operations Permit, Notice of Award, and Notice to Proceed shall be issued by CEZA pursuant to this Circular, unless the applicant has secured the following:

- a.) Dredging Clearance for flood control dredging and desilting activities in RDZ from the Regional Office of the DPWH (based on the DPWH-issued Dredging Master Plan);
- b.) A valid MOA with the DENR Regional Office;
- c.) Certificate of Accreditation as Trader from the MGB; and
- d.) ECC from the EMB Regional Office.

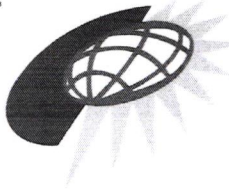
Section 2. Monitoring and Supervision Fee. A monitoring and supervision fee which shall not be less than five percent (5%) of the market value of the gross output of the materials extracted from the covered area within the RDZ, exclusive of all other taxes, shall be paid to CEZA for purposes of monitoring and ensuring compliance with this Circular, and other related issuances.

Section 3. Extraction Fee. Suitable materials for commercial disposition shall be subject to extraction fee, to be collected by the Provincial Government, in accordance with the Local Government Code.

VII. MONITORING AND ENFORCEMENT

Section 1. Inter-Agency Committee. An Inter-agency Committee shall be created, composed of the following:

- a.) Administrator and CEO of CEZA, as Chairperson;
- b.) DENR Regional Executive Director as Vice-Chairperson;
- c.) DPWH Regional Director as Member;
- d.) MGB Regional Director as Member; and
- e.) EMB Regional Director as Member.



Section 2. Powers and Functions of the Inter-Agency Committee. The Inter-agency Committee shall have the following powers and functions:

- a.) Serve as oversight for the implementation of the relevant DENR Administrative Orders and monitoring of the dredging operations;
- b.) Shall recommend the suspension and/or cancellation of permits and/or clearances;
- c.) Shall propose policies and programs to rationalize the dredging operations.

VIII. FINAL PROVISIONS

Section 1. Subjectivity to Other Laws. This Circular shall be subject to the Constitution, and all pertinent laws, guidelines and issuances.

Section 2. Repealing Clause. All provisions of existing circulars, orders, issuances, or parts thereof which are inconsistent with this Memorandum Circular are hereby repealed or modified accordingly.

Section 3. Separability. The provisions of this Circular are hereby declared to be separable. If any part or provision of this Circular shall be declared invalid, the remaining portions or provisions shall not be affected thereby and shall be construed as if it did not contain the particular invalid term or provision.

Section 4. Suppletory Clause. In case of violation and/or non-compliance with the provisions of this Circular, the pertinent penal provisions under R.A. 7942, Presidential Decree No. 1586 and other applicable laws, rules and regulation shall be applied suppletory hereto.

Section 5. Effectivity. This Circular shall take effect immediately.

Certified true copies shall be posted on the CEZA website.

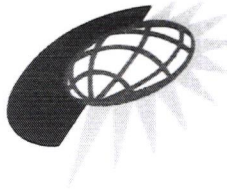

SECRETARY RAUL L. LAMBINO
Administrator and CEO 3 MAR 2021





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GRACE D. REYES
Records Officer

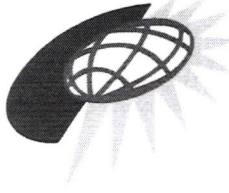


ANNEX A

PROOF OF FINANCIAL CAPACITY

Interested parties must submit together with their Letter of Intent (LOI), the following:

1. Company Profile and Brochures;
2. SEC Certificate of Registration and Articles of Incorporation;
3. 2020 General Information Sheet (GIS),
 - a.) One Billion Pesos (Php 1,000,000,000.00) minimum Authorized Capital Stock; 25% of which is Subscribed and Paid-up;
4. In the case of Joint Ventures, Partnerships or Consortiums:
 - a.) A member must possess the above prescribed minimum Authorized Capital Stock;
5. The Corporation, Joint Venture, Partnership, or Consortium must be 100% Filipino-owned; and
6. Notarized Joint Venture, Partnership, or Consortium Agreement



ANNEX B

PROOF OF TECHNICAL COMPETENCE

- I. Interested parties must submit the following requirements:
1. List of equipment (with details whether owned, leased, letter of support);
 2. Pictures of equipment with description;
 3. Specification of Equipment;
 4. As to the equipment, applicant should at least own some of the land-based equipment such as backhoes and dump trucks;
 5. Estimated dredging output per month by equipment (in cubic meters);
 6. Construction Methodology in dredging the river mouths to the river channels;
 7. Designated Disposal Area of Dredged Materials (show location and corresponding permits, if any);
 8. Letter of Affirmation that Dredging Operations will start within thirty (30) days after receipt of the Notice to Proceed (NTP) issued by the Cagayan Economic Zone Authority as required by Part II Section 4a of this Circular; and
 9. Satisfaction of the minimum equipment requirement.
- II. **Minimum Equipment Requirement.** Interested parties shall also submit the following:
1. Submit proof of ownership, lease, or letter of support of dredging equipment;
 2. May choose any of the following offshore and land-based equipment listed below:

Description of Equipment	Large River	Medium River	Small River
A. Offshore equipment and Hopper Barge			
Trailer Suction Dredger (self-propelled) (Min. 15,000 HP installed power)	1 unit	1 unit	Not Applicable
Cutter Suction Dredger with Hopper Barge (Min. 3,000 HP installed power, and Min. 1,000 Cu.M. Hopper Capacity)	2 sets	1 Set	1 Set



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Cagayan Economic Zone Authority

Suction Dredger with Hopper Barge (Min. 3,000 HP installed power, and Min. 1,000 Cu.M. Hopper Capacity)	3 Sets	2 Sets	1 Set
Backhoe Dredger with Hopper Barge (Min. 5 Cu.M. bucket capacity and Min. 1,000 Cu.M. Hopper Capacity)	3 Sets	2 Sets	1 Set
Grab Dredger with Hopper Barge (Min. 8 Cu.M. clamshell capacity and Min. 1,000 Cu.M. Hopper Capacity)	3 Sets	2 Sets	1 Set
Tugboat (Min. 1,000HP installed capacity)	3 units	1 unit	1 unit
B. Land-based Equipment			
Backhoes (Min. 0.75 Cu.M. bucket capacity)	4 units	4 units	4 units
Dumptrucks (Min. 20 Tonner capacity)	8 units	8 units	8 units

Note: The following additional minimum equipment requirements may be imposed in case there is a need to construct / maintain an access road:

- a. Road Grader;
- b. Road Roller (Min. 5 Tonner capacity);
- c. Water Truck;
- d. Concrete Transit Mixer; and
- e. Any other equipment that CEZA may deem necessary.

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Department of Environment and Natural Resources
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929-7041 to 43; 929-6252; 929-1669
Website: <http://www.denr.gov.ph> / E-mail: web@denr.gov.ph

FEB 27 2020

DENR ADMINISTRATIVE ORDER
NO. 2020 - 07

SUBJECT : RATIONALIZING DREDGING ACTIVITIES IN HEAVILY-SILTED RIVER CHANNELS PURSUANT TO THE DENR-DPWH-DILG-DOTR JOINT MEMORANDUM CIRCULAR NO. 1 SERIES OF 2019

Pursuant to Section 2, Article XII of the 1987 Constitution, the Department's mandate under Executive Order No. 292 or the Administrative Code of the Philippines, and Section 5.4 of DENR-DPWH-DILG-DOTR Joint Memorandum Circular No. 2019-01, in order to protect and properly manage the disposition of sand as well as restore the natural state and water flow of the heavily-silted river channels within the country, the following guidelines are hereby prescribed:

I.

GENERAL PROVISIONS

Section 1. Coverage. This Order shall cover the implementation of the DENR River Restoration thru Dredging Activities as embodied in Section 5.4 of the DENR-DPWH-DILG-DOTR Joint Memorandum Circular No. 2019-01 in heavily-silted river channels within the country.

River restoration through dredging activities for the provinces of Zambales, Oriental Mindoro, and Negros Occidental are governed by DENR Administrative Order Nos. 2019-13, DAO 2019-14, and DAO 2020-01, respectively.

Section 2. Scope of Operations. In order to open up heavily-silted river channels, areas starting from the coastline of river deltas extending all the way upstream, in accordance with the DPWH Dredging Master Plan, shall be designated as exclusive River Dredging Zones (RDZ) by the Inter-agency Committee created under Item VII, Section 1 of this Administrative Order. Only dredging activities shall be allowed within the RDZ, quarrying is strictly prohibited.

Section 3. Rationale and Objectives

- a) The flow of materials and sediment from the upland that flank down major river channels thereby causing its aggradation became the long-term direct culprit of massive flooding.
- b) It is necessary to protect and properly manage the utilization of the sand and gravel in heavily-silted river channels to improve the water flow, ensure the integrity of the various protective dikes and infrastructures, thereby reduce risks to lives and properties.
- c) In order to restore the natural state and water flow of heavily-silted river channels and improve its hydraulic capacity thereby eliminate flooding, large-scale dredging and desilting operations, based on a comprehensive dredging plan, must be implemented.

Section 4. Declaration of Policies

- a) The exclusive authority of the province to issue permit to extract sand, gravel and other quarry resources, pursuant to the ordinance of the Sangguniang Panlalawigan, under Republic Act No. 7160 is covered by Section 5.1 of JMC 2019-01 or the Dredging with

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Commercial Utilization of Dredged Materials in favor of a mining permit holder under the Industrial Sand and Gravel (ISAG) or Commercial Sand and Gravel (CSAG) quarry permit.

- b) River Restoration through Dredging Activities under Section 5.4 of JMC 2019-01 does not cover an ISAG or CSAG regime since the activity to be undertaken is dredging and not quarrying. This will not preclude, however, the entitlement of the province to the share from the commercial disposal of the dredged material in addition to the undertaking of the permit holder to restore the river thru dredging.
- c) Local Government Units are entitled to their equitable share derived from the utilization and development of the national wealth within their respective areas under the Section 138 of the Local Government Code of 1991.
- d) The State is allowed by the Constitution to enter into agreements with private sector entities to bolster the national economy through the sustainable utilization of minerals.
- e) Disposal of dredged or extracted materials under this Order shall be governed by the principle according to which the government expects a reasonable return for its utilization, while holders of dredging clearance expect a reasonable return for its dredging operations while restoring the river to its original state.

Section 5. No Funding from the Government. No funding from the government shall be made for the conduct of dredging activities by the private sector. Holders of Dredging Clearance shall provide the financing, technology, management and personnel necessary to implement dredging activities within the exclusive RDZ.

II.

QUALIFICATIONS OF LARGE-SCALE DREDGING OPERATORS

Section 1. Who May Apply. Any citizen of the Philippines or a SEC-registered corporation, partnership, or association established to engage in construction, and development and/or dredging operations, with technical and financial capability to undertake large-scale flood control dredging and desilting operation, may apply for a dredging clearance with the Department of Public Works and Highways (DPWH). To implement efficient and cost-effective large-scale dredging operations, individual corporations may pool their resources, organize themselves and apply as a consortium.

Section 2. Financial Capacity. Applicants must possess the financial capacity prescribed by the Inter-Agency Committee to undertake dredging operations.

Section 3. Technical Competence. In addition to the above requirements, only applicants capable of implementing large-scale dredging activities for flood mitigation or prevention purposes in the heavily-silted river channels, based on their technical knowledge and verifiable previous track record conducting such activities, as prescribed by the Inter-agency Committee, are qualified to undertake dredging operations.

Section 4. Other requirements. In addition to the above-stated requirements, the proponent shall:

- a) Deploy all their equipment within 30 days from the Notice to Proceed (NTP) to be issued by the Provincial Government and the equipment shall be under the name of the company, either chartered or leased, and capable of undertaking large scale dredging activity.
- b) Post a Cash Bond in the amount to be determined by the Inter-Agency Committee, to be held in an account for the Provincial Government, to ensure compliance with this Order and other applicable environmental laws, rules and regulations.

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- c) Secure the required clearances from the appropriate government office including a certification of no pending case relating to compliance with existing environmental laws, rules and regulations, and an undertaking that it will never be involved in such.
- d) Undertake protection of the rivers banks from erosion and provide necessary engineering intervention to support the vital infrastructures along the river, pursuant to the dredging clearance approved by the DPWH.
- e) Secure the necessary permit from the Provincial Government and pay the required National and Local Tax as required by law.

III.

DENR RIVER RESTORATION THROUGH DREDGING ACTIVITIES

Section 1. Local Government Units (LGUs) that are interested in undertaking river restoration through dredging activities in specified heavily-silted river channels within their jurisdiction must submit a letter of intent addressed to the Office of the Secretary.

Section 2. *Prior Determination of Mineral Contents.* Upon determination of the RDZ, the Mines and Geosciences Bureau (MGB) shall conduct a survey of the non-metallic and metallic resources on the RDZ. Once a prior determination of the metallic and other valuable materials in economic quantities is established, the proponent shall, in addition to the payment of taxes, pay the corresponding fees prescribed by the MGB.

Section 3. *Application for Issuance of Dredging Clearance.* The application for the issuance of Dredging Clearance with the concerned Regional Office of DPWH must be accompanied by the endorsement of the Governor and shall be governed by this Order and other applicable DENR laws, rules and issuances.

Section 4. *Prescribed Extraction Method.* Holders of dredging clearance under this Order shall adopt the sequence and mode of extraction approved by the DPWH and implement the same in accordance with the duly approved work program in order to ensure a systematic and responsible extraction/utilization/disposition of sand and gravel from river channels.

Section 5. *Prescribed Dredging Method.* In order to restore the natural state and flow of the river and taking into consideration the essential role played by constant sand replenishment, all dredging activities shall be initially conducted at the deltas of heavily-silted river channels, for a period of six (6) months, with the objective of creating navigational channels and providing more depth for passage of dredging vessel/s to implement true flood control measures within the RDZ.

IV.

ENVIRONMENTAL MANAGEMENT

Section 1. *Environmental Compliance.* All holders of dredging clearance shall comply with the pertinent laws, rules and regulations on environmental protection, the allocation of funds for environment-related expenditures, environmental impact assessment, and setting up of the contingent liability and rehabilitation fund, among others.

Section 2. *Programmatic Environmental Impact Assessment (PEIA) or Strategic Environmental Assessment (SEA) per River Channels.* In order to ensure that the river restoration activities and the dredging master plan consider the necessary environmental measures, the EMB Regional Office shall conduct the Programmatic EIA or SEA for each river system in coordination with MGB, DPWH and the Provincial Government. The Provincial Government may be the proponent for the Programmatic EIA and SEA.

Section 3. *Application for Issuance of ECC.* Upon issuance of the dredging clearance by the DPWH to the dredging operator, all ECC applications for large-scale dredging in heavily-silted river channels shall be filed with the EMB Regional Office.

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Section 4. Extraction Limit. In view of the large-scale river dredging operations involving the heavily-silted river channels within the RDZ and its high replenishment rate/s, the issuance of ECC shall not be subject to any extraction limit, provided that:

- a) The extraction activities conform with the approved work program in accordance with the DPWH Dredging Master Plan;
- b) Assessment of the river systems shall be done by the team composed of representatives from PENRO, CENRO and the MGB every two (2) years; and
- c) The maximum allowable extraction conforms to the designated mitigating measures based on the environmental impact assessment.

V.

MEMORANDUM OF AGREEMENT WITH DENR

Section 1. Authority to Dispose. A holder of an approved Dredging Clearance shall enter into a Memorandum of Agreement (MOA) with the DENR – Regional Office wherein the holder is granted the authority to dispose materials extracted from the RDZ.

Section 2. Accreditation as Trader. All holders of dredging clearance issued by the DPWH or entities duly authorized or contracted by holders of dredging clearance to market and/or commercially dispose dredged or extracted materials should be accredited as traders/retailers/dealers. The Certificate of Accreditation shall be issued by the MGB Regional Office.

Section 3. Transport Permit. The MOA executed between the DENR Regional Office and the holder of the dredging clearance who has been accredited as a trader shall include the issuance of Ore Transport Permit (OTP) and/or Mineral Ore Export Permit (MOEP) by MGB Regional Office. *Provided*, that a written notice prior to shipment or transport of dredged and/or extracted suitable materials shall be submitted to the MGB Regional Office for the purpose of monitoring dredging activities in the RDZ.

Section 4. Excise Tax. The excise tax on locally extracted or produced non-metallic minerals and quarry resources will be based on the actual market value of the gross output thereof at the time of removal. The Excise Tax shall be timely and completely paid to the nearest Bureau of Internal Revenue Office in the province concerned.

Section 5. Work Deviation. Any deviation of more than 15% from the approved work program in any of the activities involved, without the prior concurrence of the DPWH in coordination with the DENR through the MGB Regional Office shall be sufficient ground for the suspension/cancellation of pertinent permits and clearances.

VI.

OPERATIONS PERMIT WITH THE LOCAL GOVERNMENT

Section 1. Operations Permit. No Operations Permit, Notice of Award and Notice to Proceed shall be issued by the Provincial Government pursuant to this Order, unless the applicant has secured a dredging clearance for flood control dredging and desilting activities in RDZ from the Regional Office of the DPWH based on the DPWH-issued Dredging Master Plan, a valid MOA with the DENR Regional Office, has been duly accredited as a trader, and has obtained ECC.

Section 2. Monitoring and Supervision Fee. A monitoring and supervision fee which shall not be less than five percent (5%) of the market value of the gross output of the materials extracted from the covered area within the RDZ, exclusive of all other taxes, shall be paid to the provincial government for purposes of monitoring and ensuring compliance with this Order and other related issuances.

- **Section 3. *Extraction Fee.*** Suitable materials for commercial disposition shall be subject to extraction fee, to be collected by the Provincial Government, in accordance with the Local Government Code.

VII.

MONITORING AND ENFORCEMENT

Section 1. *Creation of Inter-Agency Committee.* An Inter-agency Committee shall be created, composed of the following:

- a) Governor of the Province as Chairperson;
- b) DENR Regional Executive Director as Vice-Chairperson;
- c) DPWH Regional Director as Member;
- d) MGB Regional Director as Member; and
- e) EMB Regional Director as Member.

Section 2. *Powers and Functions of the Inter-Agency Committee.* The inter-agency committee shall have the following powers and functions:

- a) Serve as oversight for the implementation of this Administrative Order and monitoring of the dredging operations;
- b) Shall recommend the suspension and/or cancellation of permits and/or clearances; and
- c) Shall propose policies and programs to rationalize the dredging operations.

VIII.

FINAL PROVISIONS

Section 1. *Subjectivity to Other Laws.* This Order shall be subject to the Constitution, and all pertinent laws, guidelines and issuances.

Section 2. *Repealing Clause.* All Orders, issuances, rules and regulations, or parts thereof which are inconsistent with this Order are hereby repealed or modified accordingly.

Section 3. *Separability.* The provisions of this Order are hereby declared to be separable. If any part or provision of this Order shall be declared invalid, the remaining portions or provisions shall not be affected thereby and shall be construed as if it did not contain the particular invalid term or provision.

Section 4. *Suppletory Clause.* In case of violation and/or non-compliance with the provisions of this Administrative Order, the pertinent penal provisions under R.A. 7942, Presidential Decree No. 1586 and other applicable laws, rules and regulation shall be applied suppletory hereto.

Section 5. *Effectivity.* This Administrative Order shall take effect fifteen (15) days following its complete publication in a newspaper of general circulation and registration with the Office of the Administrative Register.

Issued on FEB 27 2020, in Quezon City.


ROY A. CIMATU
Secretary



