

Mine arbitration could cost gov't \$16B

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Government may have to spend \$16 billion if arbitration cases are filed by mining firms whose mineral production sharing agreements (MPSAs) were cancelled, according to the Chamber of Mines of the Philippines (COMP).

The group said government is a party to the contracts in the development of the country's mineral resources as provided in the Philippine Mining Act and those MPSAs are considered binding contracts.

The Department of Environment and Natural Resources (DENR) has ordered the cancellation of 75 MPSA.

"A good number of the mines ordered for closure or suspension have bilateral investment treaties (BIT). The BIT asks host countries to provide certain protections for foreign investments, such as limiting expropriation of investments without due regard for international law standards," COMP said in a statement.

The group said affected foreign investors under the BIT could claim for adequate and effective compensation for their capital investments, liabilities, other investments and advances stemming from the arbitrary cancellation of the MPSAs.

But the COMP is optimistic intervention of the Minerals Industry Coordinating Council will prevent arbitration cases from being filed.

Maria Paz Luna, DENR undersecretary branded as baseless allegations of COMP and of legislators that Secretary Regina Lopez did not accord due process to mining firms she ordered suspended and closed.

COMP has filed a case against Lopez at the Office of the Ombudsman for violating Republic Act (RA) 3019 or the Anti-Graft and Corrupt Practices Act in relation to due process in the crackdown of mining operations in the country.

Luna said audits began in July 2016 and took eight months wherein affected mining firms were given an opportunity to respond to the findings.

Lopez' move not to adopt some of the recommendations of the audit teams has also been questioned by legislators. Luna reiterated that aside from the audits themselves, Lopez made an assessment based on information from other stakeholders.

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