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MAR 26 2021

DENR Administrative Order  
No. 2021 - 05

**SUBJECT : REVISED REGULATIONS GOVERNING THE ESTABLISHMENT  
AND OPERATIONS OF WOOD PROCESSING PLANTS (WPPS)**

Pursuant to Republic Act No. 460 (*An Act Regulating the Operation of Sawmills, Requiring Operators of Sawmills to Obtain from the Director of Forestry Permits for the Operation of such Sawmills, and Providing Penalties for the Violation Thereof*), the pertinent provisions of Presidential Decree No. 705, as amended (*Revised Forestry Code of the Philippines*), Executive Order (EO) No. 263, Series of 1995 (*Adopting Community-Based Forest Management as the National Strategy to Ensure the Sustainable Development of the Country's Forestland Resources and Providing Mechanisms for its Implementation*), EO No. 318, Series of 2004 (*Promoting Sustainable Forest Management in the Philippines*), EO No. 23, Series of 2011 (*Declaring a Moratorium on the Cutting and Harvesting of Timber in the Natural and Residual Forests and Creating the Anti-Illegal Logging Task Force*), EO No. 26, Series of 2011 (*Declaring an Interdepartmental Convergence Initiative for a National Greening Program*) and EO No. 193, Series of 2015 (*Expanding the Coverage of the National Greening Program*), the following regulations governing the issuance of permits to establish and operate wood processing plants are hereby promulgated.

**CHAPTER I**

**BASIC POLICY AND DEFINITION OF TERMS**

Section 1. **Basic Policy** – it is the policy of the state to rationalize the wood industry by regulating, among others, the establishment, location and operation of wood processing plants in the country.

Section 2. **Definition of terms** – for the purpose of this Order, the following terms shall mean:

- 2.1 **Agency** – refers to the Department of Environment and Natural Resources (DENR) including the various Bureaus, Regional Offices (RO), Provincial Environment and Natural Resources Offices (PENROs), Community Environment and Natural Resources Offices (CENROs).
- 2.2 **Annual Wood Requirement** – the volume of the wood input needed to sustain the operation of a wood processing plant at full or attainable capacity for a period of one year.
- 2.3 **Attainable Capacity** – the average volume of output that the mill can normally produce in one shift of 8 hours and estimated at 80% of daily rated capacity or as determined by the Agency.
- 2.4 **Daily Rated Capacity** – the maximum volume of output that a mill can produce in one shift of 8 hours based on the actual performance of the machinery/equipment, sometimes referred to as true rated capacity.

- 2.5 **Daily Registered Capacity** – the maximum volume of output that a mill can produce in one shift of 8 hours based on the machinery/equipment manufacturer’s specifications.
- 2.6 **Finished Wood Products** - end products ready for use such as, but not limited to doors, door jambs, picture frames, tool handles, wooden shoes, mouldings, toothpicks, chopsticks, boxes, plywood, toys, drawer sides, decorative articles, floor parquets, pallets (assembled), and other similar products.
- 2.7 **Fitch** – a portion of a log hewn or sawn on two or more sides with thickness of at least 15 centimeters (6 inches) and intended for remanufacture into lumber.
- 2.8 **Log** – a merchantable piece of wood having a minimum length of 1.5 meters and an average diameter of at least 15 centimeters.
- 2.9 **Log Carriage** – a movable platform, manually or mechanically operated on which a log or timber to be fed to the head rig/head saw or to a pony rig is loaded and controlled.
- 2.10 **Logging Waste** – wood residues generated in the course of normal logging operations. This includes tree tops, branches, stumps, trimmings and knocked down trees not within the definition of merchantile logs.
- 2.11 **Plywood Plant** – a processing plant used to convert logs into veneer for the production of panels made of alternating cross veneer layers held together by an adhesive. Basic machineries include peeling/slicing machinery, dryers, cold/hot press and finishing machines.
- 2.12 **Portable Sawmill** – a type of sawmill with capacity not exceeding 10,000 board feet or 24 cubic meters per 8-hour operation which can either be dismantled or not and allowed to operate in authorized places as deemed appropriate by DENR. This type of mill can either be circular or band.
- 2.13 **Processing Waste** – wood residues generated in the process of converting wood materials into goods for consumption or commerce. This includes sawdust, slabs, edgings, log cores, trimmings, clippings, product rejects, shavings, barks and sander dust.
- 2.14 **Sawmill** – a wood processing plant used for the conversion of logs/timber into lumber which includes bandsaw with carriage that are operated as independent units for resawing/ripping of lumber, slabs and other wood wastes into desired dimensions and forms and are not accessories to the head rig.
- 2.14.1 Sawmill with carriage to include the following:
- a. **Regular Sawmill** – a sawmill equipped with log carriage or with rails on which the headrig runs with a daily rated capacity of at least 10,000 board feet or 24 cubic meters.
  - b. **Mini-Sawmill** – a stationary sawmill equipped with a log carriage and with rails where the head rig moves for sawing, with a daily rated capacity of less than 10,000 board feet or 24 cubic meters.
  - c. **Woodchip Mill** – any portable or stationary wood processing mill that produces woodchips.
  - d. **Integrated Wood Processing** – collective term referring to a wood processing plant which has a capacity to process two or more products catering to two or more levels in the supply chain (e.g. plantation to logs to lumber/veneer and other semi-finished and finished products)

#### 2.14.2 Sawmill without carriage

**Re-sawmill** – a sawmill without a log carriage or rails used in ripping/resizing flitches, including sawmilling of small diameter logs ranging from 10 to 25 centimeters and with a daily rated capacity of less than 10,000 board feet or 24 cubic meters.

- 2.15 **Secretary** – shall refer to the Secretary of the Department of Environment and Natural Resources (DENR).
- 2.16 **Semi-Finished Wood Products** - whole end-products requiring final stages of manufacture and/or assembly such as, window components, table tops, veneer, and other similar products.
- 2.17 **Veneer Plant** – a primary wood processing plant used to convert logs into standard-size sheets either by peeling or slicing.
- 2.18 **Vertical Integration** – a strategy in improving production efficiency of wood-based enterprises by controlling two or more process in the supply chain such as: a) tree growing b) harvesting c) wood processing d) value adding and e) distribution/marketing.
- 2.19 **Wood Processing Plant**– a facility with woodworking machineries or equipment that is used in the treatment of poles and converts logs or wood raw materials into lumber, veneer, plywood, blockboard, pulp, paper, woodchips/flakes/particles, wood-based composites and other semi-finished and finished wood products.
- 2.20 **Wood Processing Plant Permit** – a permit issued by the DENR to set up machines for the conversion of logs and other wood raw materials into lumber, veneer, plywood, block board, pulp and paper, or other semi-finished wood products.
- 2.21 **Wood Composites (blockboard, fiberboard, particleboard, strandboard, flakeboard, paperboard) Plant** – are processing plants producing panels (flat, moulded, corrugated) of various thickness and dimensions made from biomass in the form of chips, particles, fibers, logging and processing wastes bonded either with synthetic, natural or inorganic binders and pressed under heat or at ambient room temperature.
- 2.22 **Woodwastes** – the collective term for logging, trimming, pruning and processing wastes.
- 2.23 **Wood Treating Plant** – a mechanical or other set-up used to treat wood with preservatives by pressure (e.g. sap displacement, autoclave, chamber) and non-pressure process (e.g. immersion tanks, spray, soaking or coating) to increase the service life of wood.

## CHAPTER II

### APPLICATION

Section 3. **Who may apply** – the following may apply for and be granted with a Wood Processing Plant Permit, provided that they have/access to technical and financial resources to operate:

- a. A Filipino Citizen/Individual or Sole Proprietorship;
- b. A Private Corporation duly registered with the Securities and Exchange Commission (SEC);
- c. Partnership or Association duly registered with SEC;

- d. Owners and operators of existing wood processing plants, provided however, that they shall file individual applications for wood processing plants which are independently operated in separate locations; and
- e. Existing tenure holders (i.e. IFMA, SIFMA, CBFMA).

Section 4. **Where to file the application** – All applications shall be filed with the Field Office (CENR Office/Implementing PENRO or Regional Office, in the case of NCR) of the DENR who has jurisdiction over the area where the wood processing plant is located.

Section 5. **When application is considered filed** – An application is considered filed when all the requirements based on a checklist (Section 6.1 for new applications and Section 6.2 for renewal) has been completed with the corresponding receiving stamp of concerned field offices (CENRO, Implementing PENRO, or Regional Office, in the case of NCR).

Section 6. **Application requirements** – The following documents/supporting papers shall be submitted to the concerned DENR-CENRO, Implementing PENRO, Regional Office, in the case of NCR, in order for the application be given due course. Documents shall be in its original form or certified true copy of the original.

### **6.1. For New Application**

- a. Duly accomplished application form;
- b. Application fee/permit fee (Official Receipt as proof of payment);
- c. Copy of Certificate of Registration, Articles of Incorporation, Partnership or Cooperation, as the case maybe;
- d. Authorization issued by the Corporation, Partnership or Association in favor of the person signing the application;
- e. Feasibility Study/Business Plan;
- f. Business Permit issued by the Municipal/City Mayor;
- g. Copy of the Environmental Compliance Certificate (ECC) issued by the Environmental Management Bureau (EMB) and all pertinent permits and requirements stipulated therein; and
- h. Proof of sustainable sources of legally cut logs for a period of at least 5 years, supported by the following documents:

#### **1. For Local Wood Raw Materials**

- 1.1 Original copy of Log/Veneer/Lumber Supply Contracts duly approved by the concerned Regional Executive Director;
- 1.2 At least 5% Tree Inventory of the forest/private tree plantation that includes under oath, narrative report, tally sheets, stand and stock table, geo-tagged photographs, and map of the area;
- 1.3 Electronic copy of the inventory data in MS Excel format;
- 1.4 Under oath validation report of the PENRO/RO as to the availability and sustainability of the volume of raw material covered by a Log/Veneer/Lumber Supply Contract duly approved by the Regional Executive Director (RED);
- 1.5 In case the source of raw materials is coming from forest plantations, a copy of tenure instrument (i.e. IFMA/CADT/CBFMA, etc.) and a copy of harvesting permit; and
- 1.6 In case the source of raw materials is coming from private tree plantations, a copy of Certificate of Tree Plantation Ownership (CTPO) and corresponding map of the area.

#### **2. For Imported Wood Materials**

- 2.1 Certificate of Registration as Log/Veneer/Lumber Importer; and

2.2 Original copy of Log/Veneer/Lumber Supply Contracts duly approved by the concerned Regional Executive Director.

- i. For individual persons, document reflecting proof of Filipino citizenship such as Birth Certificate or Certificate of Naturalization;
- j. Evidence of ownership of machineries;
- k. GIS generated map with corresponding geo-tagged photos showing the location of WPP; and
- l. Certification from the Regional Office that the WPP is not within the illegal logging hotspot area.

## **6.2. For Renewal of Application**

- a. Duly accomplished form (application must be submitted at least two (2) months prior the expiration to give ample time for the processing and evaluation of the submitted documents. However, application filed after expiration shall be treated as new);
- b. Previously approved WPP permit;
- c. Certificate of Good Standing to be executed by the concerned CENRO/Implementing PENRO/Regional Office in the case of NCR, stating among others that the subject WPP has never been involved in any illegal logging activities in the past;
- d. Application fee/permit fee (Official Receipt a proof of payment)
- e. Authorization issued by the Corporation, Partnership or Association in favor of the person signing the application;
- f. Business Plan;
- g. Business Permit issued by the Municipal/City Mayor;
- h. Copy of the original ECC issued by EMB and all pertinent permits and requirements stipulated therein; and
- i. Proof of sustainable sources of legally cut logs for a period of at least 5 years.

### **1. For Local Wood Raw Materials**

- 1.1 Original copy of Log/Veneer/Lumber Supply Contracts duly approved by the concerned Regional Executive Director;
- 1.2 At least 5% Tree Inventory of the forest/private tree plantation that includes under oath, narrative report, tally sheets, stand and stock table, geo-tagged photographs, and map of the area;
- 1.3 Electronic copy of the inventory data in MS Excel format;
- 1.4 Under oath validation report of the PENRO/RO as to the availability and sustainability of the volume of raw material covered by a Log Supply Contract duly approved by the Regional Executive Director (RED);
- 1.5 In case the source of raw materials is coming from forest plantations a copy of tenure instrument (i.e. IFMA/CADT/CBFMA, etc.) and a copy of harvesting permit;
- 1.6 In case the source of raw materials is coming from private tree plantations, a copy of Certificate of Tree Plantation Ownership (CTPO) and corresponding map of the area; and
- 1.7 Monthly Production and Disposition Report duly attested by the CENRO.

### **2. For Imported Wood Materials**

- 2.1 Certificate of Registration as Log/Veneer/Lumber Importer;
- 2.2 Original copy of Log/Veneer/Lumber Supply Contracts duly approved by the concerned Regional Executive Director;
- 2.3 Proof of importation (i.e. Bill of Lading, Phytosanitary Certificate, etc.) and

## 2.4 Monthly Production and Disposition Report.

- j. Certificate from concerned CENRO/Implementing PENRO/Regional Office in the case of NCR, that the WPP holder has already installed the required CCTV camera.

Section 7. **Determination of Annual Wood Requirement**– The Annual Wood Requirement (AWR) shall be computed based on the following formula:

### 7.1. Sawmill (Regular/Mini Sawmill)

$$\text{AWR} = \frac{\text{DRC}}{\% \text{ Recovery}} \times \text{No. of Working Days} \times \text{Capacity Utilization Factor}$$

Where:

DRC	=	Daily Rated Capacity
No. of working days	=	290 days
Capacity Utilization Factor	=	0.80
% Recovery	=	60%

### 7.2. Re-sawmill

$$\text{AWR} = \text{DRC} \times \text{No. of Working Days} \times \text{Capacity Utilization Factor}$$

Where:

DRC	=	Daily Rated Capacity
No. of working days	=	290 days
Capacity Utilization Factor	=	0.80

### 7.3. Veneering

$$\text{AWR} = \frac{\text{DRC} \times \text{No. of Working Days}}{\% \text{ Recovery}}$$

Where:

DRC	=	Daily Rated Capacity
No. of working days	=	290 days
% Recovery	=	50%

### 7.4 Plywood/Blockboard

$$\text{AWR} = \frac{\text{DRC} \times \text{No. of Working Days}}{\% \text{ Recovery}}$$

Where:

DRC	=	Daily Rated Capacity
No. of working days	=	290 days
% Recovery	=	43%

### 7.5 Fiberboard/Particleboard (and other wood-based panels)/Wood Treating Plant

$$\text{AWR} = \text{DRC} \times \text{No. of Working Days}$$

Where:

DRC	=	Daily Rated Capacity
No. of working days	=	290 days

In case of integrated wood processing plant, the total AWR is the summation of wood requirement annually which is computed using the formula for each type of wood processing plant as enumerated above. For example, integrated wood processing plant (veneer, mini-sawmill and plywood plants), total AWR is the summation of AWRs for veneer, mini-sawmill, and plywood plants.

The wood processing plant may increase their recovery factor based on a mill study to be conducted by the company in coordination with FMB following the guidelines on conducting mill study. Technical bulletins shall be issued if there are any deviations from the formula prescribed.

Section 8. **False Statement** – The making of false statement in the application or material omission or alteration of facts in bad faith shall be sufficient cause for the disapproval of such application. Any permit granted on the basis of an application found later to contain false statement or material omissions or alterations in bad faith may be cancelled without prejudice on the part of the Government to prosecute the guilty party under the Revised Penal Code and other relevant laws.

### CHAPTER III

#### FEES AND BONDS

Section 9. **Schedule of fees** – Fees and bonds shall be collected as prescribed under existing laws, rules and regulations. Unless repealed, the amount to be collected shall be in pursuant to DENR Administrative Order No. 2004-16 dated June 15, 2004 (*Prescribing the Revised Schedule of Forestry Administrative Fees*). The fees and bonds shall include the following:

A. Fees

1. Application fee for Wood Processing/Manufacturing Plants;
2. Annual Permit Fee to operate that is based on the Daily Rated Capacity of the Sawmill (i.e. Regular Sawmill, Mini-sawmill, Resaw mill) or Wood Processing Plant (i.e. Integrated Wood Processing Plant, Wood Chip Mill, Veneer/Plywood Plant, Wood Composites Plant and other wood-based panel plants);
3. Annual Permit Fee for all wood-based panel plants operated independently from the primary wood processing plants; and
4. Annual Fee for all Wood Treating Plants operated as independent units.

B. A surcharge of 8% per month shall be imposed for late payment of required fees.

### CHAPTER IV

#### VALIDITY OF WOOD PROCESSING PLANT PERMITS

Section 10. **Validity** – The permit to establish and operate wood processing plant shall be co-terminus with the forestry tenurial instruments issued such as CBFMA, IFMA, SIFMA, if the

applicant is also the holder of such forestry tenurial instrument. Provided, that the wood production from such forestry projects is the primary input to the processing plant.

For applicants who are not holders of forestry tenurial instrument, the newly issued permit shall have a duration of five (5) years consistent with the five-year sustainable source/supply of raw wood materials, and the succeeding renewal shall have the same duration. Provided that on the renewal, the applicant has complied with all the terms and conditions stipulated in the previously approved permit, corresponding performance assessment, and mill study (should there be any adjustment/change in the DRC). The proponent shall file renewal application sixty (60) days prior to the expiration of its WPP permit.

The applicants are encouraged to invest in tree plantation establishment as source of raw materials for their wood processing plants, and to promote vertical integration and sustainability of its operation. They may apply for a tenure instrument or enter into an agreement with the existing tenure holders for the establishment of these tree plantations.

Section 11. **Approving Authority.** The permit to establish and operate new Wood Processing Plant shall be issued by the Undersecretary for Field Operations. However, the renewal to operate, location transfer and expansion of existing WPPs shall be approved by the concerned Regional Executive Director, as well as with the replacement or installation of additional accessories.

## CHAPTER V

### CONDITIONS OF PERMIT

#### Section 12. **Records Required of Wood Processing Plants**

- 12.1. Logs/Veneer/Lumber purchased or delivered shall be entered in a log/veneer/lumber registry book in chronological order with the following information: a) volume in cubic meters, b) species, c) name of log supplier and d) number and date of the official receipt under which the forest charges and other required fees were paid.
- 12.2 All official receipts and corresponding auxiliary invoices and commercial invoices covering all logs purchased or received, which receipts and invoices to be made ready at all times for verification by any forest officer after due notice.

Section 13. **Reports to be Submitted by All Wood Processing Plant Permittees.** All WPP holders shall submit corresponding reports to concerned DENR Regional Offices copy furnished the Forest Management Bureau for record purposes, which shall include the following, to wit:

#### 13.1 Annually

- a. List of personnel and/or employees indicating their sex (male or female), positions and SSS numbers, if any; and
- b. Audited financial statement certified by a reputable accounting firm.

#### 13.2 Quarterly

- a. Report of production indicating the number of actual operational days; and
- b. Report of increase or decrease in employment.

#### 13.3 Monthly

Volume and source of logs purchased and processed and disposition showing the segregation between the volumes and prices of products sold locally or exported.



13.4 Anytime, as necessary:

- a. Report of stoppage of operation lasting more than two days due to breakage or repair of any part of equipment giving an estimate of the period of repair and time of the resumption of the plant operations;
- b. Report on additional machinery/equipment installed or to be installed; and
- c. Any other data or information pertaining to the operation of the wood processing plant shall be furnished to the Director of the Forest Management Bureau or the Regional Executive Director concerned whenever required.

**Section 14. Other Important Provisions**

- a. Display of Wood Processing Plant Permits– Every permittee shall display on the premises of his/her plant exposed to public view his/her WPP permit issued by the Undersecretary for Field Operations.
- b. Permittees Responsibility on Un-Invoiced Logs or Flitches – Permittees shall be held liable for the non-payment of forest charges and other required government charges, including surcharges, due on any log processed in their plant without proper invoice or on logs and other products cut in excess of the utilization of the mill.
- c. The company shall install a web-based CCTV camera, which can be accessed anytime, mounted at conspicuous places within the premises of the plant to augment the monitoring capability of the DENR.

**Section 15. Additional Rules**

- 15.1 Observe proper disposal of milling waste materials. Milling wastes shall not be dumped into rivers and streams or in any place which shall cause pollution or unsightly appearance of the vicinity. Herein permittee shall adopt safety and anti-pollution measures in their plant or shall install relative hereto that may hereafter be prescribed;
- 15.2 In cases of fortuitous events or other circumstances beyond human control, the permittee shall first secure authority from the DENR Secretary or his/her duly authorized representative in the procurement or purchase of logs from sources other than its approved log suppliers;
- 15.3 The permittee shall strive to maintain regular operation of at least 80% of the mill's rate capacity;
- 15.4 Failure to submit the report and requirements on time, and any violation of the terms and conditions of the permit will result to the suspension or cancellation of the permit and/or confiscation of the bond and such other penalties provided by law;
- 15.5 The CENRO concerned shall inspect the supply of logs upon arrival, and strictly monitor the operations of the plant. If anything illegal is undertaken, the wood processing plant shall be closed down;
- 15.6 Trees shall be planted/ maintained along the perimeter of the plant site to maintain and enhance the quality of the environment in the locality and in support to the climate change initiatives of the government;
- 15.7 The permit shall be renewed only if the permittee can show proof of sufficiency of wood raw materials to determine viability of operations of the plant;
- 15.8 Non-arrival or insufficient arrival of wood supply will result in suspension of operations of the WPP, to be issued by the concerned Regional Executive Director. Lifting of suspension will only be issued upon arrival of sufficient volume of raw

materials. The concerned RED will submit a quarterly report to the Office of the Undersecretary for Field Operations;

- 15.9 Expanding or moving operation to another place shall be approved by this Office;
- 15.10 Strict compliance with the terms and conditions provided under the approved Environmental Compliance Certificate issued by the concerned EMB Regional Office shall be observed; and
- 15.11 The permittee shall adopt measures to safeguard the health of his/her employees and workers following national guidelines.

Section 16. **Monitoring of WPP Operations**. Monitoring of the milling operations of the company shall be conducted by concerned DENR field offices to ensure compliance with forestry laws, rules and regulations.

All DENR Regional Offices shall submit the electronic copy of application and renewal documents, WPP permit issued by the Regional Office (within 30 days upon approval of WPP permit) and reports to be submitted by the permit holder to the DENR Secretary, copy furnished the Forest Management Bureau (FMB). The FMB may conduct validation as regards to the compliance with the submission of required application documents and with the terms and conditions of the issued wood processing plant permit.

## CHAPTER VI

### PENAL PROVISIONS

Section 17. **Penal Provisions** – Any owner or operator of a Wood Processing Plant who is found to have violated any of the provisions of this Order or the terms and conditions of the permit shall be cancelled subject to due process.

## CHAPTER VII

### IMPLEMENTING CIRCULAR, REPEALING CLAUSE AND EFFECTIVITY

Section 18. **Issuance of Implementing Guidelines and Instructions** – The Director of the Forest Management Bureau is hereby authorized to issue guidelines and instructions as may be necessary for the effective implementation of this Order.

Section 19. **Repealing Clause** – Provisions of Ministry Administrative Order No. 50 (series of 1986), DENR Administrative Order No. 2003-41, and other Administrative Orders, Memorandum Circulars and official issuances which are inconsistent herewith are hereby repealed or amended accordingly.

Section 20. **Effectivity** – This Order shall take effect fifteen (15) days after its publication in one (1) newspaper of general circulation and after its registration with the Office of the National Administrative Register (ONAR), UP Law Center, Quezon City.

Publication: The Manila Times  
May 04, 2021

Acknowledgement: U.P. Law Center  
May 04, 2021

  
ROY A. CIMATU  
Secretary



**SAMPLE PERMIT/TEMPLATE**

**DENR LOGO**

[NEW/RENEWAL]

**WOOD PROCESSING PLANT PERMIT**  
(Type of Wood Processing Plant)

No: \_\_\_\_\_

Pursuant to Presidential Decree No. 705 as amended, Republic Act No. 460 of 1950 and other existing laws and regulations, a Wood Processing Plant Permit is hereby issued to:

**NAME OF WOOD PROCESSING PLANT/PROPRIETOR**

a company/entity/citizen of the Philippines with office/permanent address at \_\_\_\_\_ to operate a Wood Processing Plant (Type of Wood Processing Plant) located at \_\_\_\_\_ having a Daily Rated Capacity (DRC) of approximately \_\_\_\_\_ cubic meters (m<sup>3</sup>) per 8-hour shift of operation.

The permittee has (Log/Lumber/Veneer/Wood Waste Supply Contract) for a period of five (5) years with:

**Supplier**

**Volume Contracted (cu.m.)**

(Indicate the supplier and contracted volume of the Permittee)

which volume is considered adequate to supply the wood requirements of the mill under this permit.

This permit is subject to the provisions of Presidential Decree No. 705 as amended by Executive Order No. 277 and other applicable laws, including the rules and regulations promulgated thereto, and subject to the Terms and Conditions enumerated in the succeeding pages (marked as Annex A) and such other additional regulations which may hereinafter be prescribed.

This permit is effective on the date of issue and expires on \_\_\_\_\_.

Issued on \_\_\_\_\_ at \_\_\_\_\_, Philippines.

**Approved:**

Undersecretary for Field Operations/  
Regional Executive Director

**TERMS AND CONDITIONS****A. RECORDS REQUIRED OF WOOD PROCESSING PLANTS**

1. Logs/Veneer/Lumber purchased or delivered shall be entered in a log/veneer/lumber registry book in chronological order with the following information: (a) Volume in cubic meters (b) Species (c) Name of Log Supplier and (d) Number and date of the official receipt under which the forest charges and other required fees were paid.
2. All official receipts and corresponding auxiliary invoices and commercial invoices covering all logs purchased or received, which receipts and invoices shall be made ready at all times for verification by any forest officer.

**B. REPORTS TO BE SUBMITTED BY ALL WOOD PROCESSING PLANT PERMITTEES:****1. *Annually***

- a. List of personnel and/or employees indicating their sex (male or female), positions and SSS numbers.
- b. Audited financial statement certified by a reputable accounting firm.

**2. *Quarterly***

- a. Report of production indicating the number of actual operational days.
- b. Report of increase or decrease in employment.

**3. *Monthly***

Volume and source of logs purchased and processed and disposition showing segregation between the volumes and prices of products sold locally or exported.

**4. *Anytime, as necessary***

- a. Report of stoppage of operation lasting more than two days due to breakage or repair of any part of equipment giving an estimate of the period of repair and time of the resumption of the plant operations.
- b. Report on additional machinery/equipment installed or to be installed.
- c. Any other data or information pertaining to the operation of the wood processing plant shall be furnished to the Director of the Forest Management Bureau or the Regional Executive Director concerned whenever required.

**C. OTHER IMPORTANT PROVISIONS**

1. **Display of Wood Processing Plant Permits** – The permittee shall display the approved WPP Permit on the premises of his/her plant visible to public view.
2. **Permittee's Responsibility on Un-invoiced Logs or Fitches** – The permittee shall be held liable for the non-payment of forest charges and other required government fees, including surcharges, due on any logs processed in their plant without proper invoice or on log and other products cut in excess of the utilization of the mill.
3. Install a functional and working Closed-Circuit Television (CCTV) Camera System within the wood processing plant (\_\_\_\_\_) [*for example Mini-sawmill*] premises which shall record the plant's operation 24-hours a day. The CCTV Cameras shall be web based and accessible to the DENR. The presence of CCTV system shall effectively monitor the operation of the plant to prevent illegal activities from occurring.

#### **D. ADDITIONAL RULES**

1. Observe proper disposal of milling waste materials. Milling wastes shall not be dumped into rivers and streams or in any place which shall cause pollution or unsightly appearance of the vicinity. Herein permittee shall adopt safety and anti-pollution measures in their plant or shall install devices relative hereto that may hereafter be prescribed.
2. In cases of fortuitous events or other circumstances beyond human control, the permittee shall first secure authority from the DENR Secretary or his/her duly authorized representative in the procurement or purchase of logs from sources other than its approved log suppliers.
3. The permittee shall strive to maintain regular operation of at least 80% of the mill's rated capacity.
4. Failure to submit on time the reports and requirements and any violation of the terms and conditions of the permit will result to the suspension or cancellation of the permit and/or confiscation of the bond and such other penalties provided by law.
5. The CENRO concerned shall inspect the supply of logs upon arrival, and strictly monitor the operations of the plant. If anything illegal is undertaken, the wood processing plant shall be closed down.
6. Observe proper disposal of milling wastes and other waste materials.
7. Trees shall be planted ten (10) meters apart along the perimeter of the plant site to maintain and enhance the environmental quality in the locality and in support to the climate change initiatives of the government.
8. The permit shall be renewed only if the permittee can show proof of sufficiency of wood raw materials to determine viability of operations of the plant.
9. The permit issued is only valid for five (5) years.
10. Non-arrival or insufficient arrival of log supply will result in suspension of operations of the WPP, to be issued by the Regional Executive Director, DENR-Region \_\_\_\_\_. Lifting of suspension will only be issued upon arrival of sufficient volume of raw materials. The Regional Executive Director, DENR-Region \_\_\_\_\_ will submit a quarterly report to the Office of the Undersecretary for Field Operations.
11. Approval of this Office shall be sought before expanding or moving operation to another location.
12. Strict compliance with the terms and conditions stipulated in the approved Environmental Compliance Certificate issued by the EMB, Regional Director, Region \_\_\_\_\_.
13. The permittee shall adopt measures to safeguard the health of his/her employees and workers following national standards.
14. Monitoring of the milling operations of the company shall be conducted by the DENR Regional Office/PENRO/CENRO to ensure compliance with forestry laws, rules and regulations.

**Approved:**

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Undersecretary for Field Operations/  
Regional Executive Director