

MINISTRY OF  
NATURAL RESOURCES

MNR ADMINISTRATIVE )  
NO. 4 :  
Series of 1984 )

FEB 21 1984

SUBJECT: RULES AND REGULATIONS GOVERNING  
THE DISPOSAL OF WOODWASTE

Pursuant to Sections 9 and 31 of PD 705, as amended, as well as the Presidential Directive of February 9, 1984, the following rules and regulations governing the collection and disposition of woodwastes are hereby promulgated:

RULE I

POLICY AND DEFINITION OF TERMS

SECTION 1. Statement of Policy. It is the policy of the government to:

- a. Generate alternative sources of energy out of indigenous and renewable wood raw materials to raise the income level of the rural communities as well as to reduce foreign exchange outflow through oil and coal imports.
- b. To optimize utilization of woodwastes by providing incentives to timber license agreement (TLA) holders to collect and dispose of these woodwastes for conversion into charcoal, wood products and other end-uses.

SECTION 2. Definitions. For purposes of this Order, the following terms shall be understood or interpreted as follows:

- a. Woodwastes - is the collective term for logging and processing wastes.
- b. Logging Wastes - wood residues generated in the course of normal logging operations. These include tree tops, branches, stumps, trimmings, and knocked down trees not within the definition of merchantable logs.

- c. Processing Wastes - wood residues generated in the process of converting wood materials into goods for consumption or commerce. These include saw dusts, slabs, edgings, log cores, trimmings, clippings, product rejects, shavings and sander dusts.
- d. Charcoal - carbonized wood produced thru pyrolysis.
- e. Wood products and other end-uses - as mentioned in Section 1 hereof, shall refer to fish/vegetable/fruit boxes and other articles of similar nature.
- f. Stack Volume - refers to the volume of logging wastes of various diameter and length, and stacked into a rectangular form. The gross stack volume shall be ascertained by multiplying the dimensions (L x W x H) of the stack. To ascertain the solid content or net volume of the stack, multiply the gross stack volume by 0.80. However, weight scaling may be authorized with the use of certified weighbridge after a weight to volume factor has been established and validated and approved for use by the Commissioner of Internal Revenue upon the recommendation of Director of the Bureau of Forest Development.

## RULE II

### AUTHORITY AND APPLICATION PROCEDURES

SECTION 3. TLA holders; other applicants. TLA holders are authorized to collect and dispose of their logging wastes in a manner as provided or may hereinafter be provided in the license agreement and following the guidelines prescribed in this Order.

Wood processors may, without restriction, dispose of their processing wastes in accordance with the objectives of this Order.

Other applicants, including holders of timber licenses other than TLAs, may be authorized to collect and dispose of woodwastes upon issuance of a permit by the Director of the Bureau of Forest Development.

- b. Permit Fee - permit fee, the computation of which is prescribed hereunder, shall be paid upon the issuance or renewal of the Logging Waste Permit:

$$P = 5\% (V \times SP)$$

Where:

P = Permit Fee  
V = Authorized Volume in cu.m.  
SP = Specific tax for logging wastes which is ₱2.00 per cu.m. in accordance with Batas Pambansa Blg. 83.

- c. Specific Taxes - holders of logging waste permit shall pay the specific tax as provided for under Batas Pambansa Blg. 83 as implemented under Revenue Regulations No. 2-81.
- d. Schedule of Bonds - holders of permits to gather and utilize logging wastes shall post bonds either in cash or surety at the rates indicated below:

<u>Authorized Volume, Cu.M.</u>	<u>Cash Bond</u>
Up to 10,000	₱1,000
10,000 to 20,000	1,500
Over 20,000	2,000

PROVIDED, that a surety bond may be posted in lieu of cash bond, but in such a case, it shall be increased by not less than 25 per cent (25%) nor more than 75 per cent (75%) at the discretion of the Director of Bureau of Forest Development.

- e. Forfeiture of Bond - a bond filed pursuant to the provisions of this Order shall be forfeited in accordance with existing rules and regulations.

### RULE III

#### ISSUANCE AND TENURE OF PERMITS

SECTION 6. Issuance and Tenure of Permits. The Director of Forest Development may, on the basis of the report of the District Forester and upon recom-

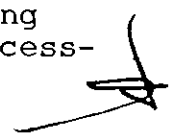
mendation of the Regional Director, issue a permit to collect and dispose of the logging wastes to the applicant for a period depending upon the volume available and capability of the applicant but not exceeding two (2) years subject to such terms and conditions as the Director of Forest Development may prescribe.

#### RULE IV

#### INCENTIVES

SECTION 7. Incentives. The following incentives shall be granted to holders of permit to collect, transport, dispose and utilize woodwastes:

a. Logging Wastes

- 1) The volume allowed under the permit to collect, transport, dispose and utilize logging wastes shall not be charged against the annual allowable cut under the License Agreement.
  - 2) If the licensee is the permittee, he shall be exempted from paying permit fees as provided above except for the payment of forest charges under Batas Pambansa Blg. 83.
  - 3) Permittees not holders of timber licenses but own/operate licensed forest products processing plants, shall pay only, in addition to application fees and forest charges, fifty per centum (50%) of the permit fees.
  - 4) Permittees who utilize or shall utilize logging wastes as fuel in running power plants, as fuelwood for industrial purposes in such a manner that logging wastes constitute at least fifty per centum (50%) of the total fuel requirements of the power plants or industrial processing plants or as raw materials for the manufacture of wood products and its derivatives shall be exempted from paying the required annual and permit fees in seeking the necessary permit to establish, expand, integrate or relocate forest products processing plants or the license to operate said processing plants.
- 

b. Milling Wastes

- 1) The utilization, transportation, and/or disposition for commercial purposes of milling wastes by owners/operators of forest products processing plants shall not require permits or payment of regulatory fees.
- 2) Owners/operators of forest products processing plants who utilize or shall utilize milling wastes as fuel for running power plants, as fuelwood for industrial purposes, or as raw materials for the manufacture of wood products and its derivatives shall be exempted from paying the required annual and permit fees in seeking the necessary permit to establish, expand, integrate or relocate forest products processing plants or the license to operate said processing plants.

RULE V


PENAL PROVISIONS

SECTION 8. Suspension And/Or Cancellation of Permit. Any infraction, violation or non-compliance with provisions of these regulations, shall be penalized in accordance with applicable Forest Laws and Regulations and Internal Revenue Laws.

RULE VI

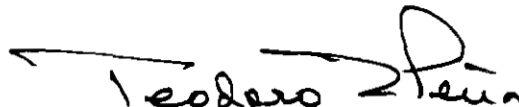
IMPLEMENTING CIRCULARS, REPEALING  
CLAUSE AND EFFECTIVITY

SECTION 9. The Issuance of Implementing Circulars and Instructions. The Director of Forest Development is hereby authorized to issue such circulars and instructions as may be necessary for the effective implementation of this Order.



SECTION 10. Repealing Clause. This Order supercedes MNR Administrative Order No. 165, s. 1983 and all other orders, circulars, and instructions inconsistent herewith.

SECTION 11. Effectivity. This Order shall take effect immediately.

  
TEODORO Q. PEÑA  
Minister

Recommending Approval:

  
EDMUNDO V. CORTES  
Director