

Administrative Order
No. 72
November 16, 1987

**SUBJECT: Guidelines in the Production and
Exportation of Boules**

In order to generate more foreign exchange earnings from processed wood products and in recognition of new and developing markets for non-traditional wood products such as boules, the following regulations are hereby promulgated to govern the production and exportation of boules.

**CHAPTER I
POLICY AND DEFINITION OF TERMS**

Section 1. Policy. It is the policy of the government to encourage local processing of wood and the exportation of processed wood products. Towards this end and in addition to the export of traditional processed wood products such as lumber, plywood, veneer and other processed wood products, the exportation of boules may be allowed under the following prescribed guidelines.

Section 2. Definition of Terms. For the purpose of this Order, the following terms shall mean:

- 2.1 **Log** - is a merchantable piece of unworked wood having a minimum length of 1.5 meters and an average diameter of at least 15 centimeters;
- 2.2 **Boule** - is an unedged lumber produced from a log which has been sawn without passing thru the edger and stickered back into its approximate original form;
- 2.3 **Lumber** - the product of a log thru sawing/milling process, edged and trimmed with a thickness of less than 15 centimeters (6 inches) and has not been subjected to further prefinishing operations;
- 2.4 **Fritch** - a piece of timber sawn or hewn on two or more sides with a minimum thickness of 15 centimeters (6 inches) and minimum width of 20 centimeters (8 inches) and intended for re-manufacture into lumber or veneer;

- 2.5 **Sawkerf** - is the width of wood removed by the sawtooth while cutting;
- 2.6 **Sawmill** - a wood processing plant used for the conversion of logs/timber into lumber, or the re-sizing/ripping of lumber, slabs and other wood wastes into desired dimensions and forms;
- 2.7 **Sawmill (regular)** - a sawmill equipped with a log carriage or with rails on which the head rig runs with a daily rated capacity of at least 10,000 bd. ft.;
- 2.8 **Timber (manufactured)** - refers to all timber other than round and squared timber and shall include logs longitudinally sawn into pieces even if only to facilitate transporting and hauling. The timber shall also include besides all sawn products, all timber hewn or otherwise worked to approximate its finished form, such as house posts, ship keels, mine props, crossties, railroad sleepers, trolley poles, table tops and other similar articles;
- 2.9 **Timber (squared)** - refers to timber squared with an axe or other similar mechanical hand tools in the forest and which, from the size of the piece and the character of the wood, is obviously unfit for use in that form;
- 2.10 **Wood Processing Plant** - a mechanical device, machine, combination of machines or set-up used for the conversion of logs and other wood raw materials into lumber, veneer, plywood, wall board, blackboard, pulp, paper or other finished wood products;
- 2.11 **Woodwastes** - the collective term for logging and processing wastes

CHAPTER II APPLICATION FOR SPECIAL AUTHORITY

Section 3. Who may apply. Only owners and operators of existing wood processing plants of good standing are eligible to apply for a permit or authority for the exportation of boules.

Section 4. Where to file application. All applications shall be filed with the Office of the Secretary, DENR through the Forest Management Bureau.

Section 5. Application requirements. All letter-applications for special authority to export boules shall be accompanied by the following:

- 5.1 Authenticated copy of the existing Wood Processing Plant Permit;
- 5.2 Authenticated copy of an existing Lumber Dealer's Permit;
- 5.3 Copy of initial Purchase Order confirmed by the foreign buyers; and
- 5.4 Affidavit of undertaking that they will not use any illegally cut logs in the production of boules.

CHAPTER III ISSUANCE AND TENURE OF PERMITS

Section 6. Issuance of Special Authority. All exportation of boules shall be covered by a Special Authority issued by the Secretary of the Department of Environment and Natural Resources. The Secretary shall issue such required Special Authority upon application and after he is satisfied of the merits of the request. The same Special Authority may be suspended and/or cancelled upon violations of any existing applicable forestry laws, rules and regulations and/or for such other causes prejudicial to the national interest.

Section 7. The Special Authority to export boules shall have a tenure based on per shipment or load with sufficient grace period to allow preparation, verification, and possible delays of the shipment.

CHAPTER IV PROCEDURES IN THE EXPORTATION OF BOULES

Section 8. Filing of Application for Export. For each boules shipment and upon confirmation of the foreign buyer of each purchase order, the permittee shall file a Notice of Boule Shipment (NOBS). At least fifteen (15) days before the ship's arrival, the exporter shall notify the FMB/DENR, and of the District Office concerned of any forthcoming shipment specifying the name of the ship, local address and telephone numbers of the shipping company or its local agent, the estimated time of arrival of the vessel, volume and consignee of shipment and port of destination.

Forthwith, the FMB/DENR shall dispatch telegraphic instructions to the Regional Executive Director concerned to conduct verification of the boules to be exported.

The inspector shall verify at the sawmill site the boules ready for shipment and place their hatchet marks legibly on both ends of each bundle/boule. At loading time, the Inspector shall supervise at shipside or on board the vessel, the loading of the boules.

CHAPTER V GENERAL PROVISIONS ON EXPORTATION OF BOULES

Section 9. Limitations. The exportation of separate/ unassembled piece of unedged lumber shall not be allowed hence it is imperative that the sawn components of the logs should be stickered back to form the original log configuration.

- 9.1 Not any one piece of the boule components should measure more than eight (8) centimeters in thickness with an allowance of 2 millimeters for shrinkage and surfacing;
- 9.2 All stickers used in separating boule components shall not be more than 5 mm in thickness and 10 mm in width;
- 9.3 Only species belonging to the Philippine Mahogany group of traditionally exported wood species shall be manufactured into boules. In no case shall premium species i.e., narra, almaciga and other similar premium hardwood species shall be processed and exported as boules;
- 9.4 The maximum volume that may be produced and exported as boules shall not exceed ten (10) percent of the yearly production of wood processing plant owners and operators;
- 9.5 The export price of boules shall not be lower than the current price established in accordance with existing regulations of the Central Bank and should be at least twenty percent more than the export price of lumber;
- 9.6 Loading of boules for export shall only be through the Manila Port.

CHAPTER VI VERIFICATION AND MONITORING

Section 10. Verification and Report. All exportation of boules shall be subject to a regular verification by a competent Lumber Grader and/or Authorized Lumber Inspector of the Forest Management Bureau.

- 10.1 The exportation of boules shall be covered by a verification clearance issued as such by the assigned Lumber Grader or Authorized Lumber Inspector in a form to be prescribed by this Office;
- 10.2 Lumber Grader or Authorized Inspectors shall submit a monthly report on the total volume, value, a consignee and other pertinent informations on the boules verified; and
- 10.3 The production and exportation of boules shall be included in the monthly log and lumber report of the sawmill operator to be submitted to the FMB/DENR through the Regional Executive Director concerned.

CHAPTER VII INSPECTION FEES

Section 11. Trust Fund. All expenses incurred in the verification/exportation of boules shall be borne by the exporter in the form of a Trust Fund in accordance with the rates prescribed under existing forestry regulations.

CHAPTER VIII IMPLEMENTING CIRCULAR, REPEALING CLAUSE AND EFFECTIVITY

Section 13. Issuance of Implementing Circulars and Instructions. The Director, Forest Management Bureau is hereby authorized to issue circulars and instructions as may be necessary for the effective implementation of this Order.

Section 14. Repealing Clause. All existing orders, circulars, memoranda or instructions which are inconsistent herewith are hereby repealed or amended accordingly.

Section 15. Effectivity. This Order takes effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary