

**DENR Administrative Order
No. 08
February 17, 1994**

**SUBJECT : Additional Requirements in the Issuance of New
Sawmill Permits and Certificates of Registration as
Lumber Dealers, Including Renewals Thereof.**

In line with the sustainable forest resource development thrust of Government particularly in forestalling the further degradation of the environment which has reached intolerable levels brought about among others by unauthorized tree cutting and processing the same into lumber and lumber products, the following additional requirements governing the issuance of new sawmill permits and certificates of registration as lumber dealers, including their renewal, are hereby issued for the information, guidance, and compliance by all concerned.

Sec. 1 All terms, words, and phrases used in this Order which refer to the forest resources, their utilization, and the disposition of products derived therefrom, are as defined in earlier orders and issuances of this Department.

Sec. 2 No new permits or renewal of expiring sawmill and certificates of registration as lumber dealer shall henceforth be issued unless the additional requirements for their grant as herein specified have been satisfactorily complied with.

Sec. 3 To be eligible for a new sawmill permit or for the renewal of those that are about to expire, the applicant shall submit log supply contracts from any and/or all of the following timber sources, duly approved by the Secretary or his authorized representative:

- 3.1 An existing timber license agreement (TLA);
- 3.2 An Industrial Forest Management Agreement (IFMA) which has been granted by the Department an annual allowable cut for the harvest of its natural residual forest and/or mature harvestable timber from its forest tree plantation;

- 3.3 A Private Land/Special Private Land Timber Permit (PLTP/SPLTP) authorized by the Secretary or his authorized representative to have its harvested timber sawn, preferably by a nearby sawmill plant; and
- 3.4 An importer of logs from a foreign country with the port of entry in the Philippines specified in the log sales/supply contract sworn to by the importer as a binding legal instrument.

However, should there be a change or substitution of log supplier(s) for reason of mutual rescission of any of the original log supply contract(s) or for reason of force majeure, and upon due notice by the sawmill permittee, the Department may allow such change or substitution.

Sec. 4 The local supply contract(s) shall have a validity of at least twelve (12) calendar months and shall be for a volume of not less than 50% but not more than the annual log requirement of the mill based on the rated capacity as determined by the Department, provided, that the committed volume is within the annual allowable cut of the log supplier(s); However, consistent with a previous policy on the matter the log supply contract requirement shall not apply to sawmills within the Greater Manila Area.

Sec. 5 Henceforth, and unless cleared by the Secretary, the acceptance and processing of applications to operate a new mini-sawmill is hereby suspended. Mini-sawmills with subsisting valid permits may be allowed to continue operations up to their expiry dates, PROVIDED, that only trees harvested from forest tree plantations shall be allowed to be milled.

Sec. 6 No sawmill permit shall be issued/granted in provinces or areas under a logging ban or moratorium in natural forest unless otherwise authorized by the Secretary.

Sec. 7 No new certificate of registration as lumber dealer (CRLD) or the renewal of those about to expire, shall be granted unless the applicant therefor can submit, together with other requirements provided for in other relevant regulations of the Department, Lumber Supply Contract(s) entered into by and between said applicant and the sawmill owner(s)/operator(s) at the time the application for certificate of registration is filed. However, small-scale lumber

retailers may secure their lumber supply contracts from other subsisting lumber dealers.

Sec. 8 Unless approved by the Regional Executive Director concerned, local log/lumber supply contract(s) submitted in compliance with this Order are deemed invalid and can not be considered as legal instrument for purposes hereof.

Sec. 9 All other procedures and requirement contained in subsisting regulations which are consistent herewith shall remain in force and effect.

Sec. 10 This Order shall take effect fifteen (15) days after its publication in at least two (2) local newspapers of national circulation.

ANGEL C. ALCALA
Secretary

Recommended by:

BEN S. MALAYANG III
Undersecretary for Field Operations