

## **PRESIDENTIAL DECREE NO. 1559**

### **FURTHER AMENDING PRESIDENTIAL DECREE NO. 705, OTHERWISE KNOWN AS THE "REVISED FORESTRY CODE OF THE PHILIPPINES"**

**WHEREAS**, there is need to further strengthen the Code to make it more responsive to present realities and to the new thrust of government policies and programs on forest development and conservation and rationalization of the wood industry;

**WHEREAS**, forest development and wood industry programs should complement, as well as enhance, the rural development program of the government; and

**WHEREAS**, there is a need to provide sufficient incentives to encourage and further expand the participation of the private sector in forest management, protection and development as well as in wood processing activities within the concept of joint or co-management of the forest resources.

**NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines**, by virtue of the powers vested in me by the Constitution, do hereby amend Presidential Decree No. 705 as follows:

**SECTION 1.** Sections 3, 11, 14, 17, 19, 20, 22, 26 and 30 of the said Decree are amended as follows.

**"SECTION 3. Definitions. —**

- "a) *Public forest* is the mass of lands of the public domain which has not been subject to the present system of classification for the determination of which lands are needed for forest purposes and which are not.
- "b) *Permanent forest or forest reserves* refers to those lands of the public domain which have been the subject of the present system of classification and determined to be needed for forest purposes.
- "c) *Alienable or disposable lands* refer to those lands of the public domain which have been the subject of the present system of classification and declared as not needed for forest purposes.
- "d) *Forest lands* includes the public forest, the permanent forest or forest reserves, and forest reservations.
- "e) *Grazing land* refers to that portion of the public domain which has been set aside, in view of the suitability of its topography and vegetation, for the raising of livestock.

- "f) *Mineral lands* refer to those lands of the public domain which have been classified as such by the Secretary of Natural Resources in accordance with prescribed and approved criteria, guidelines and procedure.
- "g) *Forest reservations* refer to forest lands which have been reserved by the President of the Philippines for any specific purpose or purposes.
- "h) *National park* refers to a forest land reservation essentially of primitive or wilderness character which has been withdrawn from settlement or occupancy and set aside as such exclusively to preserve the scenery, the natural and historic objects and the wild animals or plants therein, and to provide enjoyment of those features in such a manner as will leave them unimpaired for future generations.
- "i) *Game refuge or bird sanctuary* refers to a forest land designated for the protection of game animals, birds and fish and closed to hunting and fishing in order that the excess population may flow and restock surrounding areas.
- "j) *Marine park* refers to any public offshore area delimited as habitat of rare and unique species of marine flora and fauna.
- "k) *Seashore park* refers to any public shore area delimited for outdoor recreation, sports fishing, water skiing and related healthful activities.
- "l) *Watershed reservation* is a forest land reservation established to protect or improve the conditions of the water yield thereof or reduce sedimentation.
- "m) *Watershed* is a land area drained by a stream or fixed body of water and its tributaries having a common outlet for surface run-off.
- "n) *Critical watershed* is a drainage area of a river system supporting existing and proposed hydro-electric power, irrigation works or domestic water facilities needing immediate protection or rehabilitation.
- "o) *Mangrove* is a term implied to the type of forest occurring on tidal flat along the sea coast, extending along stream where the water is brackish.
- "p) *Kaingin* refers to a portion of the forest land which is subjected to shifting and/or permanent slash-and-burn cultivation.
- "q) *Forest products* means timber, pulpwood, firewood, bark, tree top, resin, gum, wood, oil, honey, beeswax, nipa, rattan, or other forest growth such as grass, shrub, and flowering plant, the associated water, fish, game scenic, historical, recreational and geologic resources in forest lands.

- "r) *Dipterocarp forest* is a forest dominated by trees of the dipterocarp species, such as red lauan, tanguile, tiaong, white lauan, almon, bagtikan and mayapis of the Philippine mahogany group, apitong and the yakals.
- "s) *Pine forest* as a forest type predominantly of pine trees.
- "t) *Industrial tree plantation* refers to any forest land extensively planted to three crops primarily to supply raw material requirements of existing or proposed wood processing plants and related industries.
- "u) *Tree farm* refers to any small forest land or tract of land purposely planted to tree crops.
- "v) *Agro-forestry* is a sustainable management for land which increases overall production, combines agriculture crops, tree crops and forest plants and/or animals simultaneously or sequentially, and applies management practices which are compatible with the cultural patterns of the local population.
- "w) *Multiple-use* is the harmonized utilization of the land, soil, water, wildlife, recreation value, grass and timber of forest lands.
- "x) *Selective logging* is the systematic removal of the mature, over-mature and defective trees in such manner as to leave adequate number and volume of healthy residual trees of the desired species necessary to assure a future crop of timber, and forest cover for the protection and conservation of soil, water and wildlife.
- "y) *Seed tree system* is a silvicultural system characterized by partial clear cutting leaving seed- trees to regenerate the area.
- "z) *Healthy residual* refers to a sound or slightly injured tree of the commercial species left after logging.
- "aa) *Sustained-yield management* implies continuous or periodic production of forest products in a working unit for the purpose of achieving at the earliest practicable time an approximate balance between growth and harvest or use. This is generally applied to the commercial timber resources and is also applicable to the water, grass, wildlife, and other renewable resources of the forest.
- "bb) *Processing plant* is any mechanical setup, device, machine or combination of machines used for the conservation of logs and other forest raw materials into lumber, veneer, plywood, fiberboard, blackboard, paper board, pulp, paper or other finished wood products.

- "cc) *Lease* is a privilege granted by the State to a person to occupy and possess, in consideration of specified rental, any forest land of the public domain in order to undertake any authorized activity therein.
- "dd) *License* is a privilege granted by the State to a person to utilize forest resources within any forest land, without any right of occupation and possession over the same, to the exclusion of others, or establish and operate a wood-processing plant, or conduct any activity involving the utilization of any forest resources.
- "ee) *License agreement* is a privilege granted by the State to a person to utilize forest resources within any forest land with the right of possession and occupation thereof to the exclusion of others, except the government, but with the corresponding obligation to develop, protect and rehabilitate the same in accordance with the terms and conditions set forth in said agreement.
- "ff) *Permit* is short-term privilege or authority granted by the State to a person to utilize any limited forest resources or undertake a limited activity within any forest land without any right of occupation and possession therein.
- "gg) *Annual allowable cut* is the volume of materials, whether of wood or other forest products, that is authorized to be cut yearly from a forest.
- "hh) *Cutting cycle* is the number of years between two major harvests in the same working unit and/or region.
- "ii) *Forest ecosystem* refers to the living and non-living components of a forest and their interaction.
- "jj) *Silviculture* is the establishment, development, reproduction and care of forest trees.
- "kk) *Rationalization* is the organization of a business or industry using management principles, systems and procedures to attain stability, efficiency and profitability of operation.
- "ll) *Forest officer* means any official or employee of the Bureau who has been appointed or delegated by law or by competent authority to execute, implement or enforce the provisions of this Code, other related laws, as well as their implementing regulations.
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- "mm) *Private right* means to refer to titled rights of ownership under existing laws, and in the case of national minority to rights of possession existing at the time a license is granted under this Code, which possession may include places of abode and worship, burial grounds, and old clearings, but exclude productive forest inclusive of logged-over areas, commercial forests and established plantations of the forest trees and trees of economic values.

"nn) *Person* includes natural as well as juridical person."

**"SECTION 11. Manpower and Policy Development.** — The Bureau shall establish and operate an in-service training center for the purpose of upgrading and training its personnel and new employees.

"The Bureau shall also set aside adequate funds to enable personnel to obtain specialized education and training in local or foreign colleges or institutions.

"There shall be established in the College of Forestry, University of the Philippines at Los Baños, in coordination with the Department of Natural Resources and the wood industry, a Forestry Development Center which shall conduct basic policy researches in forestry policy formulation and implementation. To help defray the cost of operating said Center, it is authorized to receive assistance from the wood industry and other sources."

**"SECTION 14. Existing Pasture Leases in Forest Lands.** — Forest lands which are not reservations and which are the subject of pasture leases shall be classified as grazing lands and areas covered by pasture permits shall remain forest lands until otherwise classified under the criteria, guidelines and methods of classification to be prescribed by the Department Head: Provided, That the administration, management and disposition of grazing lands shall remain under the Bureau."

**"SECTION 17. Establishment of Boundaries of Forest Lands.** — All boundaries between permanent forests and alienable or disposable lands shall be clearly marked and maintained on the ground, with infrastructure or roads, or concrete monuments at intervals of not more than five hundred (500) meters in accordance with established procedures and standards, or any other visible and practicable signs to insure protection of the forest.

"In all cases of boundary conflicts, reference shall be made to the Philippine Coast and Geodetic Survey Topo map."

**"SECTION 19. Multiple Use.** — The numerous beneficial uses of the timber, land, soil, water, wildlife, grass and recreation or aesthetic value of forest lands and grazing lands shall be evaluated and weighted before allowing their utilization, exploitation, occupation or possession thereof, or the conduct of any activity therein.

"Only the utilization, exploitation, occupation or possession of any forest lands and grazing lands, or any activity therein, involving one or more of its resources, which will produce the optimum benefits to the development and progress of the country and the public welfare, without impairment of with the least injury to its resources, shall be allowed.

"All forest reservations may be open to development or uses not inconsistent with the principal objectives of the reservation: **Provided**, That critical watersheds, national

parks and established experimental forests shall not be subject to commercial logging or grazing operations, and game refuges, bird sanctuaries, marine and seashore parks shall not be subject to hunting or fishing and other activities of commercial nature."

**"SECTION 20. License Agreement, License, Lease or Permit.** — No person may utilize, exploit, occupy, possess or conduct any activity within any forest and grazing land, or establish, install, add and operate any wood or forest products processing plant, unless he had been authorized to do under a license agreement, license, lease or permit: **Provided**, That when the national interest so requires, the President may amend, modify, replace, or rescind any contract, concession, permit, license, or any other form of privilege granted herein: **Provided, further**, That upon the recommendation of the appropriate government agency, the President may, pending the conduct of appropriate hearing, order the summary suspension of any such contract, concession, license, permit, lease or privilege granted under this decree for violation of any of the condition therein such as those pertaining but not limited to reforestation, pollution, environmental protection, export limitation or such condition as are prescribed by the Minister of Natural Resources in daily issued regulations."

**"SECTION 22. Silvicultural and Harvesting System.** — In any logging operation in production forests within forest lands, the proper silvicultural and harvesting system that will promote optimum sustained yield shall be practiced, to wit:

"a) For dipterocarp forest, selective logging with enrichment or supplemental planting when necessary.

"b) For pine mangrove forest, the seed tree system with planting when necessary: **Provided**, That subject to the approval of the Department Head, upon recommendation of the Director, any silvicultural and harvesting system that may be found suitable as a result of research may be adopted: **Provided, further**, That no authorized person shall cut, harvest or gather any timber, pulpwood, or other products of logging unless he plants three times of the same variety for every tree cut or destroyed by such logging or removal of logs. Any violation of this provision shall be sufficient ground for the immediate cancellation of the license, agreement, lease or permit.

**"SECTION 26. Annual Allowable Cut.** — The annual allowable cut or harvest of any particular forest land under a license agreement, license, lease or permit shall be determined on the basis of the size of the area, the volume and kind of harvestable timber or , forest products and healthy residuals, seed trees and reproduction found therein, and the established cutting cycle and rotation thereof.

"No person shall cut, harvest and gather any particular timber, pulpwood, firewood and other forest products unless he has been authorized under Section 20 hereof to do so and the particular annual allowable cut thereof has been granted.

"In the public interest and in accordance with Section 21 hereof, the Department Head shall review all existing annual allowable cut and thereupon shall prescribe the level of

annual allowable cut for the common dipterocarp timber, softwood and hardwood timber cutting of which is not prohibited, pulpwood, firewood and other forest products using as bases the factors as well as the updated aerial photographs and field inventories of such forest land: **Provided**, That pending the completion of such review and appropriate amendment of the annual allowable cut in existing license agreement, license, lease or permit, existing annual allowable cut that does not sufficiently support wood or forest products processing expansion program or new processing projects may be allowed to continue without change: **Provided, further**, That no additional or adjustment in annual allowable cut shall be made after such a review has been made."

"SECTION 30. Rationalization of the Wood or Forest Products Industry. — While the expansion and integration of existing wood or forest products processing plants, as well as the establishment of new processing plants shall be encouraged, their locations and operations shall be regulated in order to rationalize the whole industry.

"No expansion or integration of existing processing plant nor establishment of new processing plant shall be allowed unless environmental considerations are taken into account and adequate raw material supply on a sustained-yield basis is assured.

"A long-term assurance of raw material source from forest concessions and/or from industrial tree plantations, tree farms or agro-forest farms whose annual allowable cut and/or whose harvest is deemed sufficient to meet the requirement of such processing plant shall govern, among others, the grant of the privilege to establish, install additional capacity or operate a processing plant.

"Henceforth within one year from the date of this law, as a condition to exercise of the privileges granted them under a license agreement, license, lease or permit, wood or forest products processors without forest concessions or areas that may be developed into industrial tree plantations, tree farms or agro-forest farms and licensees, lessees or permittees without processing plants shall jointly adopt any feasible scheme or schemes, other than log supply contract, for the approval of the Department Head: **Provided**, That no license agreement, license, lease or permit, including processing plant permit, shall be granted or renewed unless said scheme or schemes are submitted to, and approved by, the Department Head.

"All processing plants existing, to be expanded, to be integrated or to be established shall obtain operating permits, licenses and/or approval from the Bureau or the Department, as the case maybe, and shall submit themselves to other regulations related to their operation.

"The Department Head may cancel, suspend, or phaseout all inefficient, wasteful, uneconomical or perennially short in raw material wood or forest products processing plants which are not responsible to the rationalization program of the government."

**SECTION 2.** Section 32, as amended by Presidential Decree No. 865, is further amended to read as follows:

"SECTION 32. Log Production and Processing. — Unless otherwise directed by the President, upon recommendation of the Department Head, the entire production of logs by all timber licensees shall, beginning January 1, 1976, be processed locally: Provided, That the following may be allowed to export a portion of their log production to be determined by the Department Head such that the total log export of these timber licensees shall not exceed twenty-five percent (25%) of the total national allowable cut:

- "1) Timber licensees with existing viable processing plants; or
- "2) Timber licensees with processing projects duly approved by the Department Head; or
- "3) Timber licensees who have acquired viable processing machinery and equipment which will be installed and will become operational in accordance with the schedule approved by the Department Head; and
- "4) Timber licensees whose log exports support, or are in line with, government-approved trade agreement:

Provided, further, That no person shall be given a permit to export if he has not complied with the requirements on replanting and reforestation. Provided, finally, That the President may, upon recommendation of the Department Head, whenever the export price of logs falls to unreasonably low level or whenever public interest so requires, cancel log exportation or reduce the maximum allowable proportion for log exports.

"All timber licensees who have no processing plant and who have no plan to establish the same shall, jointly with wood processors, adopt a scheme, or schemes for the processing of the log production in accordance with Section 30 hereof."

**SECTION 3.** Section 33, 34, 35, 36, 53, 55, 61, 62, 63, 68, 69, 71, and 76 of the same Decree are amended to read as follows:

"SECTION 33. Lands to be Reforested and/or Afforested. — Lands to be reforested and/or afforested are as follows:

"1. Public forest lands. —

- "a) Bare or grass-covered tracts of forest lands;
- "b) Brushlands or tracts of forest lands generally covered with brush, which need to be developed to increase their productivity;
- "c) Open tracts of forest lands interspersed with patches of forest;
- "d) Denuded or inadequately timbered areas proclaimed by the President as forest reserves and reservations as critical watersheds, national parks, game refuge, bird sanctuaries, national shrines, national historic sites;



- "e) Inadequately-stock forest lands within forest concessions;
- "f) Portions of areas covered by pasture leases or permits needing immediate reforestation;
- "g) River banks, easements, road right-of-ways, deltas, swamps, former river beds, and beaches.

"2. Private Lands. —

"a) Portions of private lands required to be reforested or planted to trees pursuant to Presidential Decree Nos. 953 and 1153 and other existing laws."

"SECTION 34. Industrial Tree Plantations, Tree Farms and Agro-forestry Farms. — A lease for a period of fifty (50) years for the establishment of an industrial tree plantations, tree farm or agro-forestry farm, may be granted by the Department Head, upon recommendation of the Director, to any person qualified to develop and exploit natural resources, over timber or forest lands of the public domain categorized in Section 33 (1) hereof except those under paragraphs (d) and (g) with a minimum area of one hundred (100) hectares for industrial tree plantations and agro-forestry farms and ten (10) hectares for tree farms: Provided, That the size of the area that may be granted under each category shall, in each case, depend upon the capability of the lessee to develop or convert the area into productive condition within the term of the lease.

"The lease may be granted under such terms and conditions as the Department Head may prescribe, taking into account, among others, the raw material needs of forest based and other industries and the maintenance of a wholesome ecological balance.

"Trees and other products raised within the industrial tree plantation, tree farm or agro-forestry farm belong to the lessee who shall have the right to sell, contract, convey, or dispose of said planted trees and other products in any manner he sees fit, in accordance with existing laws, rules and regulations.

"Reforestation projects of the Government, or portion thereof, which, upon field evaluation, are found to be more suitable for, or can better be developed as industrial tree plantations, tree farms or agro-forestry farms, in terms of benefits to the Government and the general surrounding area, may be the subject of a lease under this section."

"SECTION 35. Priority. — Over any suitable area covered by a timber license agreement or permit, the priority to establish industrial tree plantation, tree farms or agro-forestry farm shall be given to the holder thereof after the Bureau had determined the suitability of such and has set aside the same for the purpose.

"The priority herein granted must, however, be availed of within a reasonable period otherwise the area shall be declared open to any qualified person and consequently segregated from the licensee's or permittee's area.

"Priority shall also be given to the establishment of communal industries tree plantations by barangays, municipalities or cities and provinces."

"SECTION 36. Incentives. — To encourage qualified persons to engage in industrial tree plantation, tree farm and/or agro-forest farm, the following incentives are granted:

- "a) Payment of a nominal filing fee of Fifty centavos (P0.50) per hectare.
- "b) No rental shall be collected during the first five (5) years from the date of the lease; from the sixth year to the tenth year, the annual rental shall be Fifty centavos (P0.50) per hectare; and thereafter, the annual rental shall be One peso (1.00) per hectare: Provided, That lessees of areas long denuded, as certified by the Director and approved by the Department Head, shall be exempted from the payment of rental for the full term of the lease which shall not exceed twenty-five (25) years; for the first five (5) years following the renewal of the lease, the annual rental shall be Fifty centavos (P0.50) per hectare; and thereafter, the annual rental shall be One peso (1.00) per hectare: Provided, further, That notwithstanding the foregoing, no rental shall be collected from a lessee who, upon verification by the Bureau, substantially meets the schedule of development of the industrial tree plantation, the tree farm, or agro-forestry farm, as the case may be, as prescribed in the Ministry Head, upon recommendation of the Director;
- "c) The forest charges payable by a lessee on the timber and other forest products grown and cut or gathered in an industrial tree plantation, tree farm, or agro-forestry farm shall only be twenty-five percent (25%) of the regular forest charges prescribed in the National Internal Revenue Code;
- "d) Exemption from the payment of the percentage tax levied in Title V of the National Internal Revenue Code when the timber and forest products are sold, bartered or exchanged by the lessee, whether in their original state or not, as well as exemption from all forms of sales tax, local and municipal taxes, and from the real property tax under the provisions of Presidential Decree No. 853;
- "e) A lessee shall not be subject to any obligation prescribed in, or arising out of, the provisions of the National Internal Revenue Code on withholding of tax at source upon interest paid on borrowing incurred for development and operation of the industrial tree plantation, tree farms, or agro-forestry farm;
- "f) Except when public interest demands, the boundaries of an area covered by an industrial tree plantation, tree farm, or agro-forestry farm lease, once establish on the ground, shall not be altered or modified;

- "g) Amounts expended by a lessee in the development and operation of an industrial tree plantation, tree farm, or agro-forestry farm prior to the time when the production state is reached, may, at the option of the lessee, be regarded as ordinary and necessary business or as capital expenditures;
- "h) The Board of Investments shall, notwithstanding its nationality requirement on projects involving natural resources, classify industrial tree plantations, tree farms and agro-forestry farms as pioneer areas of investment under its annual priority plan, to be governed by the rules and regulations of said Board;
- "i) Approved industrial tree plantations, tree farms, and agro-forestry farms shall be given priority in securing credit assistance from the government and government-supported financing institutions which shall set aside adequate funds for lending to the lessee and/or investor at reasonable interest rates;
- "j) The lessee and its field employees and workers shall be exempted from the provisions of Presidential Decree No. 1153;
- "k) Government institutions administering or financing programs and projects requiring wood materials shall specify the purchase of, or utilize, manufactured products derived from trees grown and harvested from industrial tree plantations, tree farms or agro-forestry farms, whenever possible;
- "l) No wood, wood products or wood-derived products including pulp, paper and paperboard shall be imported if the same are available in required quantities and reasonable prices, as may be certified by the Department Head, from artificial or man-made forests, or local processing plants manufacturing the same;
- "m) No proceeding plant of whatever nature or type, made of, or utilizing, wood as primary materials shall be allowed to be established, expanded or integrated, and operated without a long-term assurance or raw materials source from forest concessions and/or from industrial tree plantations, tree farms or agro-forestry farms in accordance with Section 30 hereof.
- "n) Timber grown and harvested from industrial tree plantations, tree and agro-forestry farms may be exported without restriction in quantity of volume, and if the exporter is the same person or firm qualified and allowed to export logs under the provisions of this Decree, such timber from plantations/farms may be exported exclusive of the quantity or volume authorized under Section 32 hereof: Provided, That the rentals on

the forest land and the forest charges on the plantation timber shall have been paid: Provided, further, That, the export of the plantation timber shall be covered by a certificate to export issued by the Department Head on a yearly basis: Provided, finally, That the Department Head may at any time review the exportation of timber harvested from the plantations/farms and either reduce or totally suspend the export of such plantation timber whenever public interest so requires; and

"o) Free technical advice from government foresters and farm technicians.

"The Department Head may provide other incentives in addition to those hereinabove granted to promote industrial tree plantations, tree farms and agro-forestry farms in special areas such as, but not limited to, those where there are no roads or where roads are inadequate, or areas with rough topography and remote areas far from processing plants."

"SECTION 53. Criminal Prosecution. — Kaingeros, squatters, cultural minorities and other occupants who entered into forest lands and grazing lands before May 19, 1975, without permit or authority, shall not be prosecuted: Provided, That they do not increase their clearings: Provided, further, That they undertake, within two (2) months from notice thereof, the activities to be imposed upon them by the Bureau in accordance with management plan calculated to conserve and protect forest resources in the area: Provided, finally, That kaingeros, squatters, cultural minorities and other occupants shall whenever the best land use of the area so demands as determined by the Director, be ejected and relocated to the nearest accessible government resettlement area."

"SECTION 55. Wildlife. — All measures shall be adopted to conserve wildlife. The Director shall regulate the hunting of wildlife in forest lands in order to maintain an ecological balance of flora and fauna."

"SECTION 61. Transfer. — Unless authorized by the Department Head, no licensee, lessee, or permittee may transfer, exchange, sell or convey his license agreement, license, lease or permit, or any of his rights or interests therein, or any of his assets used in connection therewith.

"The licensee, lessee or permittee shall be allowed to transfer or convey his license agreement, license, lease or permit only if the license, lease or permit has been in existence for at least three (3) years; the licensee, lessee or permittee has not violated any forestry law, rule or regulation and has been faithfully complying with the terms and conditions of the license agreement, license, lease or permit: the transferee has all the qualifications and none of the disqualifications to hold a license agreement, license, lease or permit; there is no evidence that such transfer or conveyance is being made for purposes of speculation; and the transferee shall assume all the obligations of the transferor.

"As used in this section, the term "assets" shall not include cattle and other livestock or animals raised in grazing lands and forest lands, and planted trees and other products raised in industrial tree plantations, tree farms and agro-forestry farms."

"SECTION 64. Equity Sharing. — Every corporation holding a license agreement, license, lease or permit to utilize, exploit, occupy or possess any forest land, or conduct any activity therein, or establish and operate a wood-processing plant, shall within one (1) year after the effectivity of this amendatory Decree, formulate and submit to the Department Head for approval a plan for the sale of at least ten percent (10%) of its subscribed capital stock in favor of employees, laborers and the general public.

"The plan shall be so implemented that the sale of the shares of stocks shall be effected by the corporation not later than the sixth year of its operation, or the first year of effectivity of the amendatory Decree, if the corporation has been in operation for more than five (5) years prior to such effectivity.

"No corporation shall be issued any license agreement, license, lease or permit after the effectivity of his amendatory Decree, unless it submits such a plan and the same is approved for implementation within the sixth year of its operation.

"The Department Head shall promulgate the necessary rules and regulations to carry out the provisions of this section, particularly on the determination of the manner of payment, factors affecting the selling price, establishment of priorities in the purchase of the shares of stock, and the preparation of a fund to ensure the financial capability of the deserving employees and laborers. The industries concerned shall extend all assistance in the promulgation of policies on the matter, such as the submission of all data and information relative to their operation, personnel management and asset evaluation."

"SECTION 68. Cutting, Gathering and/or Collecting Timber or Other Products Without License. — Any person who shall cut, gather, collect, or remove timber or other forest products from any forest land, or timber from alienable or disposable public land or from private land whose title has no limitation on the disposition of forest products found therein, without any authority under a license agreement, lease, license or permit, shall be punished with the penalty imposed under Arts. 309 and 310 of the Revised Penal Code: Provided, That in the case of partnership, association or corporation, the officers who ordered the cutting, gathering, or collection shall be liable, and if such officers are aliens, they shall, in addition to the penalty, be deported without further proceedings on the part of the Commission on Immigration and Deportation.

"The Court shall further order the confiscation in the favor of the government of the timber of forest products so cut, gathered, collected or removed, as well as the machinery, equipment, implements and tools used therein and the forfeiture of his improvements in the area: Provided, That timber or forest products cut, gathered, collected or removed from a license area shall be delivered to the licensee, lessee or permittee in whose area the forest products were cut, gathered, collected or removed,

free from claims of the illegal cutter, but subject to the payment of the corresponding forest charges. Should the licensee refuse to accept the products, the same may be confiscated in favor of the government to be disposed in accordance with law, regulation or policy on the matter."

"SECTION 69. Unlawful Occupation or Destruction of Forest Lands and Grazing Lands. — Any person who enters and occupies or possesses, or makes kaingin for his own private use or for others, any forest land or grazing land without authority under a license agreement, lease, license or permit, or in any manner destroys such forest land or grazing land or part thereof, or causes any damage to the timber stand and other products and forest growth found therein, or who assists, aids or abets any other person to do so, or sets a fire, or negligently permits a fire to be set in any forest land or grazing land, or refuses to vacate the area when ordered to do so, pursuant to the provisions of Section 53 hereof shall, upon conviction, be fined in an amount of not less than five hundred pesos (P500.00), nor more than twenty thousand pesos (P20,000.00) and imprisoned for not less than six (6) months nor more than two (2) years for each such offense, and be liable to the payment to ten (10) times the rental fees and other charges which would have accrued had the occupational and use of the land been authorized under a license agreement, lease, license or permit: Provided, That in the case of an offender found guilty of making kaingin, the penalty shall be imprisonment for not less than two (2) nor more than four (4) years and a fine equal to eight (8) times the regular forest charges due on the forest products destroyed, without prejudice to the payment of the full cost of production of the occupied area as determined by the Bureau: Provided, further, That the maximum of the penalty prescribed herein shall be imposed upon the offender who repeats the same offense and who commits the same offense and double the maximum of the penalty upon the offender who commits the same offense for the third time.

"In all cases the Court shall further order the eviction of the offender from the land and the forfeiture to the government of all improvements made and all vehicles, domestic animals and equipment of any kind used in the commission of the offense. If not suitable for use by the Bureau, said vehicles, domestic animals, equipment and improvements shall be sold at public auction, the proceeds of which shall accrue to the Development Fund of the Bureau.

"In case the offender is a government official or employee, he shall, in addition to the above penalties be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position.

"SECTION 71. Illegal Occupation of National Parks System and Recreation Areas and Vandalism Therein. — Any person who, shall, without permit, occupy for any length of time any portion of the national parks system or shall, in any manner cut, destroy, damage or remove timber or any species of vegetation or forest cover and other natural resources found therein, or shall mutilate, deface or destroy objects of natural beauty or of scenic value within areas in the national parks system, shall be fined not less than Five hundred (P500.00) pesos or more than Twenty thousand (P20,000.00) pesos exclusive of the value of the thing damaged: Provided, That if the area requires

rehabilitation or restoration as determined by the Director, the offender shall also be required to restore or compensate for the restoration of the damage: Provided, further, That any person who, without proper permit shall hurt, capture or kill any kind of bird, fish or wild animal life within the area in the national parks system shall be subject to the same penalty: Provided, finally, That the Court shall order eviction of the offender from the land and the forfeiture in favor of the government of all timber or any species or vegetation and other natural resources collected or removed, and any construction or improvement made thereon by the offender. If the offender is an association or corporation, the president or manager shall be directly responsible and liable for the act of his employees or laborers.

"In the event that an official or employee of a city or municipal government is primarily responsible for detecting and convicting the violator of the provisions of this section, fifty per centum (50%) of the fine collected shall accrue to such municipality or city for the development of local parks."

"SECTION 76. Coercion and Influence. — Any person who coerces, influences, abets or persuades the public officer or employee referred to in Sections 74 and 75 commit any of the acts mentioned therein shall suffer imprisonment of not less than one (1) year and pay a fine of Five hundred pesos (P500.00) for every hectare or a fraction thereof so improperly surveyed, classified or released.

"In all other cases, any person who coerces, influences, abets or persuades the public officer or employee by using power and influence in deciding any pending case or matter in his favor shall be punished by a fine of not more than Five thousand pesos (P5,000.00) and imprisonment of not less than one (1) year."

SECTION 4. The same Decree is amended by inserting after Section 80 thereof, a new section which shall read as follows:

"SECTION 80-A. The Armed Forces of the Philippines shall organize a special force in every region to help enforce the provisions of this Act under such rules and regulations as may be agreed upon by the Secretaries of National Defense and Natural Resources."

"SECTION 80-B. Administrative Authority of the Director to Impose Fines. — In all cases of violations of this Code and other forest laws, rules and regulations where fine is the principal penalty, the Director is hereby authorized to impose administratively the penalty consisting of the fine."

**SECTION 5. Appropriation.** — The sum of Three million pesos is hereby authorized to be appropriated out of any fund in the National Treasury not otherwise appropriated, for the operation of the Forestry Development Center for the current fiscal year. Thereafter, the appropriation for said Center shall be included in the appropriations for the University of the Philippines.

**SECTION 6. Repealing Clause.** — The Pasture Land Act (C.A. No. 462) and its implementing rules and regulations and other laws, rules and regulations in conflict with the provisions of this Decree are repealed.

**SECTION 7.** This Decree shall take effect immediately.

Done in the City of Manila, this 11th day of June, in the year of Our Lord, Nineteen Hundred and seventy-eight.

**(SGD) FERDINAND E. MARCOS**  
President  
Republic of the Philippines