

Memorandum Order

No. 3

February 4, 1987

SUBJECT: Forest Products Monitoring Teams

In line with the forest protection and conservation objectives of the Government and as one of the measures to ensure that forest products being supplied to primary wood processing plants have been cut, gathered, manifested, and transported in consonance with existing forest laws, rules and regulations, the following instructions are hereby issued:

Section 1. Monitoring Teams. There shall be created in the Regional and District Offices of the Bureau of Forest Development forest products monitoring teams to be deployed to forest products processing plants following the guidelines and instructions prescribed herein.

Section 2. Composition. The monitoring teams that may hereinafter be created shall be composed of at least three (3) forest officers having adequate training and experience in forest products assessment and documentation, aside from a working knowledge on forest and related laws, rules and regulations.

Section 3. Functions. The teams created pursuant herewith shall perform the following basic functions:

- 3.1 Ensure that forest products delivered to processing plants are cut, gathered, manifested, assessed, and documented in consonance with applicable laws, rules and regulations;
- 3.2 Verify, following procedures prescribed therefor, timber and other forest products within their respective areas of operation to determine whether same have been properly measured, assessed, and documented;
- 3.3 Timber and other forest products verified to have been cut illegally or transported without the appropriate documents shall be immediately confiscated and/or placed under seizure proceedings for disposition following prescribed guidelines. On the other hand, forest products which have been verified to have been cut and transported in accordance with existing regulations but which are found to have been under-declared/-measured shall be reassessed for payment of the government fees and charges due thereon;

- 3.4 Submit a monthly report of activities and accomplishment in compliance hereof; and,
- 3.5 Perform such other related functions as may be assigned by superior officers;

Section 4. Team Assignment; Tour of duty. Regional Directors and District Foresters concerned shall, as a general rule, see to it that a monitoring team shall be assigned on a rotation basis to each forest products processing plant for a period not exceeding fifteen (15 days). Depending, however, on the availability of qualified personnel and ease of management and supervision, a monitoring team may be assigned not more than two (2) processing plants per tour of duty. A monthly schedule of team assignments shall be prepared, furnishing the Minister and the Director copies thereof for information, record and reference.

Section 5. Supervision. To further ensure that monitoring teams perform their functions properly and effectively, Regional Directors and District Foresters concerned, or their duly authorized representatives, shall supervise and coordinate the activities of the monitoring teams.

Section 6. Penalty Clause. Regional Directors and District Foresters shall be held personally responsible and accountable for the proper implementation of these instructions. Any deviations hereof shall be dealt with accordingly as may be warranted by the circumstances.

Section 7. Effectivity. This shall take effect immediately and shall be for the strict compliance by all concerned.

CARLOS G. DOMINGUEZ
Minister

**Memorandum Order
No. 4
February 6, 1987**

**SUBJECT: Strengthening the Procedures on the
Documentation of Forest Products and the
Monitoring of the Movement Thereof**

1. As an added measure to strengthen the implementation of the provisions of various issuances governing the documentation and the monitoring of the movements of timber and non-timber forest products, the following instructions are hereby issued:
 - 1.1 All timber and non-timber forest products before same are transported, shall be properly documented in consonance with existing forestry laws, rules and regulations;
 - 1.2 More specifically, forest products covered by these instructions shall be accompanied by the shipping documents required under BFD Circulars No. 8, No. 9 and No. 10, S. 1983, and provisions of MNR Memorandum Order No. 7-86 dated 30 June 1986 relating to the use of Domestic Log Shipment Declaration (DLSD);
 - 1.3 In applying the use of the DLSD, however, the following general guidelines shall be invariably followed:
 - 1.3.1 As a general rule, all logs transported locally through the water routes, whether loaded on watergoing ships, barges, or towed by tugboats shall, aside from the Certificate of Timber Origin (CTO) be accompanied by the DLSD duly issued by the Forest Officer concerned and such other documents required under existing forestry rules and regulations.
 - 1.3.2 In the event that the logs subject of the immediately preceding paragraph are re-transported/reshipped to their final point of destination as per the accompanying CTO, the said shipment shall be accompanied by a Certificate of Verification issued by the concerned forest officer at the point of transshipment/initial discharge, together with a copy of the DLSD. PROVIDED, that if the logs are being transported from the licensee's concession area to its logpond passing through provincial/national roads and water channels, only the CTO

shall be required. PROVIDED FURTHER, that if the logs are being transported by timber license holders from their logpond using the water route and passing through one or more regions, the CTO and DLSD shall be required, PROVIDED FINALLY, that logs cut and collected from private tree plantation holdings for delivery to timber licensees/buyers via the waterways, both the CTO and DLSD shall accompany such shipment.

- 1.4 Consistent with the provisions of BFD Administrative Order No. 1, s. 1985 and Ministry Administrative Order No. 40, s. 1986, holders of wood processing plant permits without back-up timber concession but with a duly approved Equity Participation Agreement (EPA) or long term log supply contract with a timber concessionaire may buy their log supply from other legitimate sources outside of the EPA, PROVIDED, that the sale of the logs so bought are covered by a duly approved Log Sales/Purchase Agreement (LSPA); PROVIDED FURTHER, that the transport of said logs shall be accompanied by the documents required herein, PROVIDED FINALLY, that log sales transactions between parties not covered by Sec. 30 of PD No. 704, as amended, and those covered by duly approved EPA may not be required the use of the LS/PA.
2. This Memorandum Order which complements existing Orders, Circulars and Instructions consistent herewith shall be circularized by Forestry Officials concerned, for proper guidance and compliance.
3. This Memorandum Circular shall take effect immediately.

CARLOS G. DOMINGUEZ
Minister

Memorandum Order

No. 5

May 22, 1987

SUBJECT: Prescribing the Deadline in the Submission of the Five-Year Forest Management Plans of TLA Holders

1. Considering the previous delays in the preparation and submission of Five-Year Forest Management Plans and in order to properly determine the sustainability of the remaining forest resources of the concession areas, all holders of commercial timber licenses are hereby enjoined to prepare and submit their respective Five-Year Forest Management Plans not later than **December 31, 1987**.
2. Timber licensees required to submit such Plans until the aforementioned prescribed period are categorized as follows:
 - 2.1 Those who have not submitted or have no approved Plans inclusive of the Calendar Year 1988; and
 - 2.2 Those whose approved Plans are due to expire on December 31, 1987.
3. Failure of the timber licensee concerned to submit the Plan until the deadline set forth herein shall be sufficient cause for suspending or disallowing their logging operation starting with the Calendar Year 1988.
4. This Order supersedes all previous orders, circulars, policies or instructions inconsistent herewith and shall take effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary

Recommended by:

CRISOSTOMO M. CORPIN
OIC, Administrator, WIDA

Memorandum Order
No. 7
September 14, 1987

**SUBJECT: Manufacture and Transport of Finished
 Wood and Wood-based Forest Products**

1. In line with the policy of Government encouraging the local processing and manufacture of timber and following its commitment to provide support to local processors engaged in the production of wood and wood-based products as a catalyst to national economic recovery, the following instructions are hereby issued:
 - 1.1 Effective immediately, the movement of manufactured wood and wood-based forest products, whether in their finished or semi-finished knock-down forms, shall not be unnecessarily impeded;
 - 1.2 Towards this end, the transport/shipment documents normally required under BFD Circulars No. 8, 9 and 10, Series of 1983, shall not apply to the wood and wood-based forest products contemplated herein, except for the delivery receipt which should accompany the commodities being transported;
 - 1.3 The shipper shall furnish the Office of the District Forester concerned with a copy of the required delivery receipt for record purposes;
 - 1.4 To provide adequate raw material supply to local manufacturers engaged in the production of the forest products commodities subject of this Order, holders of timber licenses/concessions are hereby urged to sell at least 10% of their log and/or lumber production, or to make available their logging and processing wastes to said manufacturers.
2. The Director, Bureau of Forest Development is hereby instructed to issue such circulars or instructions as are necessary for the effective implementation of this Order.
3. This Memorandum Order shall take effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary

Memorandum Order
No. 9
November 19, 1987

**SUBJECT: Interim Guideline for the Renewal of
Rattan Cutting Permits**

Pursuant to the pertinent provision of Executive Order No. 192 and in response to initial consultation with the industry and the public concerned, the following is hereby ordered:

1. All rattan cutting permits with expiry dates on December 31, 1987 shall be automatically renewed up to March 31, 1988, provided said permittees have not violated any forestry rules and regulations.
2. This Order shall take effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary

**Memorandum Order
No. 11
December 22, 1987**

**SUBJECT: Processing of Applications to Establish
and/or Operate a Sawmill/Mini-Sawmill/
Re-Saw**

In addition to the requirements under MAO No. 50 dated 19 November, Series of 1986, the following are hereby promulgated:

1. Applications with accomplished requirements per Annex "A" herewith, for the establishment and/or operation of sawmills, mini-sawmills or re-saws shall be evaluated as follows:
 - a. Preference shall be given to the processing of more value-added timber products, e.g. veneer, plywood, parquet, furniture manufacturing, woodcraft, boxes, crates, etc.;
 - b. Preference shall be given to those located in non-residential areas;
 - c. Applicants shall use more efficient and high-recovery machineries;
 - d. Priority shall be given to renewals rather than new applications;
 - e. The size and location of the mills shall not encourage illegal logging of residual forests; and
 - f. Fair warning shall be given to the applicants on the possible implications of a limited, if not curtailment of log supply due to the intended implementation of a policy based on a macro-level decision.
2. This Order shall take effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary

SUMMARY PROCEDURES:

- I. File application with the Regional Executive Director
cc. Forest Management Bureau

File application with Regional Office with:

1. Annual Concession Report
 2. Operations Plan for the next six (6) months to be approved by RED
- II. Regional Office validation of the above especially with regard to selective logging, forest protection and reforestation.
 - III. Endorsement by the RED to Undersecretary for Field Operations (if no conflict) and to ASEC concerned (if there is conflict)
 - IV. USEC and FMB recommends to Technical Review Committee who then evaluates
 - V. Technical Review Committee recommends to the Secretary for approval/denial

NOTE: Steps I - IV (15 days for regions and ten (10) days for FMB)

SCHEDULE OF PERMIT FEES AND BONDS

Sawmill capacity Bd. Ft./day	Annual Permit Fee	Forestry Bond	
		CASH	or SURETY
10,000 & below	750.00	5,000.00	6,250.00
15,000	900.00	7,500.00	9,375.00
18,000	900.00	9,000.00	11,250.00
20,000	1,000.00	10,000.00	12,500.00
25,000	1,000.00	12,500.00	15,625.00
30,000	1,000.00	15,000.00	18,750.00
40,000	1,000.00	20,000.00	25,000.00
50,000	1,000.00	25,000.00	31,250.00

"ANNEX B"

REQUIREMENTS FOR SAWMILL/MINI-SAWMILL/RESAW PERMIT APPLICATIONS

COMMON

1. In case of private corporation, partnership or association, a copy of the latest Articles of Incorporation, Partnership or Association as the case may be, duly certified by the Securities and Exchange Commission;
2. In case of Single Proprietorship, a copy of the Certificate of Registration with the Bureau of Domestic Trade;
3. Appropriate authorization issued by the Corporation, Partnership, Association or Proprietor in favor of the person signing the application;
4. Locational/local clearance from the concerned municipal government;
5. If the applicant is not a timber licensee, the source to assure the sawmill log supply shall be indicated.

FOR AUTHORITY TO ESTABLISH AND OPERATE NEW MILLS

Requirement Nos. 1 to 5 and

6. Letter-request addressed to the Secretary of the Department of Environment and Natural Resources filed with the Regional Office.

FOR PERMIT TO OPERATE NEW MILLS

Requirement Nos. 1 to 6 and the following:

7. Duly accomplished Application Form;
8. Application Fee and Oath Fee - P255.00

FOR PERMIT RENEWAL

Requirement Nos. 1 to 8

Memorandum Order
No. 12
December 22, 1987

**SUBJECT: Interim Guidelines on Expired or Expiring
Timber License Agreements Prior to the
Implementation of the Regulations to
Implement E.O. 278**

Pursuant to E.O. 192 and 278 and in order to provide action on Timber License Agreements expired or expiring so as to avoid a gap from the period of expiration up to the period of implementation of E.O. 278, the following interim guidelines are hereby promulgated for implementation as follows:

1. Applications for Provisional Timber Production Agreements over expired or expiring Timber License Agreements shall be processed in accordance with the summary procedure herein attached as Annex A and Provisional Timber Production Agreement shall be entered into, subject to the following conditions:
 - a. the Provisional Agreement shall be for a period of six (6) months unless earlier terminated for the implementation of the new schemes under E.O. 278;
 - b. the applicant has not seriously violated selective logging, reforestation and forest protection rules and regulations;
 - c. the holder of the said Provisional Agreement shall participate in the conduct of prequalification and bidding of the license area upon implementation of the new scheme;
 - d. the holder of the Provisional Agreement shall assume all obligations defined under the terms and conditions of their expired timber license;
 - e. the applicant agrees to pay, exclusive of the BIR rates of forest charges and realty taxes, a new forest fee for forest management of P250.00 per cubic meters for First and Second Group timber only; and
 - f. the applicant shall file the application at the Regional Office concerned at least fifteen (15) days before expiry of the Timber License Agreement. For licenses that expired from February 2 to October 31, 1987, applications should be filed within 15 days from issuance of this Order and operations shall resume after approval of the Provisional

Timber Production Agreement. For those that expired from November 1 to December 31, 1987, applications should be filed within fifteen (15) days from issuance of this Order and the operations shall continue while the Provisional Timber Production Agreement is being processed. All applications should be filed together with the annual concession reports and the integrated operations plans for six (6) months.

2. This Order shall take effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary