

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS

First Regular Session

House Bill No. 2032



Introduced by Rep. EDUARDO K. VELOSO

This bill seeks to provide a new comprehensive policy for the sustainable management of forestlands and forest resources that will enable government and forest stakeholders to address the country's forestry crisis.

There is a consensus among those in the forestry sector that the current shortage of forest goods and services and serious environmental degradation of forestlands can be attributed to inadequate policies, strategies, and programs pursued within an outdated policy framework -- Presidential Decree No. 705, Revising Presidential Decree No. 389, otherwise known as the Forestry Reform Code of the Philippines, as amended, which was crafted more than twenty-five years ago.

The bill affirms the important role of forest-based communities in forest resource development, conservation, protection and rehabilitation. Through the institutionalization of Community-Based Forest Management Strategy (CBFMS), the estimated twenty million (20M) forest-based communities composed of migrants and indigenous peoples, individually or through their organizations, will become partners of the State in managing, protecting, and conserving the country's forestlands. This partnership will be formalized through tenurial instruments that will define the obligations, rights, and responsibilities of the participating individuals, organizations, or communities, and government's commitments to provide material and technical assistance to its partners. As much as possible, private investors who have the expertise and capital must be encouraged to work in partnership with the local communities.

The bill rationalizes the management and development of forestlands for economic growth, particularly areas therein ideal for the production of timber and other forest products. It also complements and affirms the policy of the State to conserve and protect certain areas of the country pursuant to Republic Act No. 7586 or the National Integrated Protected Areas System (NIPAS) Act. A total commercial logging ban is declared in areas under the NIPAS, including those areas formally outside it but endowed with characteristics that will contribute to biodiversity conservation and environmental protection. The salient features of the bill are summarized as follows:

1. Adopts the Community-Based Forest Management Strategy (CBFMS) as the principal strategy in forest management;

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2. Commercial logging activities in production forestlands to be undertaken by the communities or the private sector shall be under the full control of the State through: co-production, joint venture, or production sharing agreements;
3. Degraded areas and critical watersheds shall be given priority in reforestation;
4. Private sector investment in reforestation shall be encouraged through incentives;
5. Cities and municipalities are required to maintain forest and communal parks/areas; subdivisions shall be required to establish tree parks; and tree planting activities shall be undertaken on road sides;
6. A total commercial logging ban is declared in protection forestlands, including areas vulnerable to soil erosion, those with primary/virgin forests, swamps, and mangroves within production forests;
7. Training centers on forest management shall be established in all regions;
8. The establishment of plantations of non-timber forest products, e.g. rattan, bamboos, vines, herbs, etc., shall be encouraged and supported, giving priority to forest-based communities, forest resident families, and indigenous peoples;
9. A Sustainable Forest Development Fund is created to be taken from thirty percent (30%) of all forest charges, fines, penalties, and proceeds derived from the disposition of confiscated forest products and from endowments from various sources whether domestic or foreign; and
10. Stiffer penalties are provided for violation of prohibited acts within forestlands.

In view of the foregoing, approval of the bill is earnestly being sought.


Rep. EDUARDO K. VELOSO
Third District of Leyte

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress

First Regular Session

House Bill No. **2032**

Introduced by **Rep. EDUARDO K. VELOSO**

AN ACT
PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT
AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

CHAPTER I

BASIC FORESTRY POLICIES

SECTION 1. *Short Title.*- This Act shall be known as the "The Sustainable Forest Management Act of 2004."

SEC. 2. *Basic Policies.*- In conformity with the provisions of the Constitution to promote the general welfare and social justice in all phases of national development, to protect and advance the right of the Filipino people to a balanced and healthful ecology in accord with the rhythm and harmony of nature, and to conserve and develop the patrimony of the nation, it is hereby declared the policy of the State to adopt integrated and sustainable management as the guiding policy in the development, conservation, protection, and utilization of forest resources.

In carrying out the above policy, the following strategies shall be pursued:

(i) Individuals, communities, non-government organizations, indigenous communities, branches and units of government including State colleges and universities, non-government organizations and associations, peoples' organizations, including private corporations, shall be encouraged to participate as direct or indirect partners of the government in promoting the sustainable management and development of forestland resources.

(ii) The watershed shall be the basic planning unit in forestland management, guided by the concepts of sustainability, multiple-use, and biodiversity conservation.

1 (iii) The participation of all sectors of society in sustainable forestland
2 conservation, management, and development shall be promoted to ensure equitable
3 sharing of the benefits derived from forestlands.

4 (iv) The protection of forestlands, especially all protected areas and the natural
5 resources therein shall be given priority in order to ensure environmental stability,
6 enhance biological diversity, increase productivity, and provide economic benefits.

7 (v) Reforestation activities shall be given emphasis in order to rehabilitate and
8 restore the usefulness or productivity of denuded and degraded forestlands as well as to
9 increase the income of communities concerned.

10 (vi) Pursuant to the principles of sustainable and multi-use forest management
11 and equitable access to forest resources, a secured tenure shall be guaranteed to
12 responsible stakeholders concerned.

13 (vii) A dynamic, professional, and people-oriented forest service shall be fully
14 supported.

15 **SEC. 3. Definition of Terms.-**

16 (a) "Agroforestry" refers to a strategy for the sustainable management of lands
17 which increases their overall productivity by properly combining agricultural crops or
18 livestock with forest crops simultaneously through the application of management
19 practices which are compatible with the local climate, topography, slope, soil, as well as
20 the cultural patterns or customary laws of the local population.

21 (b) "Alienable and Disposable Lands" refers to lands of the public domain which
22 have been delimited, classified and declared as such, and available for disposition under
23 the provisions of the Commonwealth Act No. 141, as amended, otherwise known as the
24 Public Land Act.

25 (c) "Ancestral Domain" refers to all lands and natural resources occupied or
26 possessed by indigenous cultural communities as recognized and delineated pursuant to
27 Republic Act No. 8371 or the Indigenous Peoples Rights Act (IPRA).

28 (d) "Ancestral Lands" refers to lands recognized and delineated pursuant to the
29 IPRA.

30 (e) "Biological Diversity or Biodiversity" means the variability among living
31 organisms including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the
32 ecological complexes of which they are part. This includes diversity within species,
33 between species and ecosystems.

1 (f) "Commercial Logging" refers to the cutting or felling of trees for the purpose
2 of disposing of the cut or felled logs for monetary profits beyond survival and livelihood
3 means.

4 (g) "Communal Forest" refers to a tract of forestland set aside and established for
5 and under the protection, administration, and management of a city, municipality, or
6 barangay as a source of wood material for fuel, shelter, and manufactured products; as
7 source of water for the community; and area for ecotourism and/or environmental
8 protection or socio-economic projects of local government units consistent with
9 sustainable development.

10 (h) "Community-Based Forest Management Strategy" refers to all organized
11 efforts of the government to work with forest resident families and communities inside
12 and adjacent to public forestlands with the intent to empower them and entrust to them
13 the protection, rehabilitation, management, conservation, and utilization of the
14 forestlands and resources therein.

15 (i) "Conservation" refers to planned protection and management of forests and
16 their resources so as to prevent waste and ensure future use.

17 (j) "Conveyance" refers to any vehicle, vessel, device or animal used in gathering
18 or transporting forest products.

19 (k) "Co-production Agreement" refers to an agreement entered into by and
20 between a qualified person and the government for the former to develop, utilize, and
21 manage, consistent with the principles of sustainable development, a private land or
22 portion of a forestland wherein both parties agree to provide inputs and share the products
23 or their equivalent cash value.

24 (l) "Department" refers to the Department of Environment and Natural Resources.

25 (m) "Denuded Forestlands" refers to forestlands that are devoid of forest tree
26 cover.

27 (n) "Degraded Forests" refers to natural forests containing less than five (5)
28 square meters in basal area per hectare of commercial tree species with diameters at
29 breast height or diameter above buttress of less than sixty-five (65) centimeters.

30 (o) "Environmental Impact Assessment (EIA)" refers to the process of predicting
31 the likely environmental consequences of implementing a project or undertaking and
32 designing the appropriate preventive, mitigating, or enhancement measures.

1 (p) "Environmental Compliance Certificate (ECC)" refers to the document issued
2 by the Department certifying that a proposed project or undertaking will not cause a
3 significant negative impact on the environment; that the proponent has complied with all
4 the requirements of the Environmental Impact Assessment (EIA) System; and that the
5 proponent is committed to implement its approved Environment Management Plan found
6 in the Environmental Impact Statement (EIS) or mitigation measures identified in the
7 Initial Environment Examination (IEE).

8 (q) "Environmental Impact Statement (EIS) System" refers to the organization,
9 administration, and procedures that have been institutionalized pursuant to Presidential
10 Decree No. 1586 for purposes of assessing the significance of the effects of any project or
11 undertaking on the quality of the physical, biological, and social-economic environment
12 and designing the appropriate mitigating and enhancement measures.

13 (r) "Forest" refers to land with tree crown cover or equivalent stocking level of
14 more than ten percent (10%) and an area of more than half a hectare (0.5 ha.). The trees
15 should be able to reach a minimum height of five meters (5m.) at maturity *in situ*. It may
16 consist either of closed forest formations where trees of various storeys and undergrowth
17 cover a high proportion of the ground, or open forest formation with a continuous
18 vegetation cover in which tree crown cover exceeds ten percent (10%). Young natural
19 stands and all plantations established for forestry purposes which have yet to reach a
20 crown density of ten percent (10%) or tree height of five meters (5 m.) are included under
21 forest, as are areas normally forming part of the forest area which are temporarily
22 unstocked as a result of human intervention or natural causes but which are expected to
23 revert to forest. Forests include such stand types as dipterocarp, pine, mossy, molave,
24 beach, and mangrove. For the purpose of this Act, natural forests may be classified
25 according to: 1) primary use and management, a forest shall be either classified as: a)
26 protection forest, or b) production forest after its most suitable and dominant multi-use
27 function has been determined pursuant to this Act. In terms of growth formation, a forest
28 is classified as either closed forest or open forest. Closed forests have trees in the various
29 storeys and the undergrowth that cover a high proportion, greater than forty percent
30 (>40%), of the ground and do not have a continuous dense grass layer. Closed forests are
31 either managed or unmanaged forests, primary or in advanced state of reconstitution, and
32 may have been logged-over one or more times but have kept their characteristics of forest
33 stands, possibly with modified structure and composition. Open forests have trees that

1 are of discontinuous layer, with a coverage of at least ten percent (10%) and less than
2 forty percent (40%). Generally, there is a continuous grass layer allowing grazing and
3 spreading of fires.

4 (s) "Forest Charges" refers to the levy imposed and collected by the government
5 on naturally growing timber and other forest products cut, harvested, or gathered from the
6 forestlands and from "alienable and disposable" (A&D) lands.

7 (t) "Forest-Based Industries" refers to various industries that are dependent on raw
8 materials or products derived from forests such as but not limited to wood, rattan,
9 bamboo, vines, latex, resins, saps, essences, fruits, flowers, or wild flora and fauna.

10 (u) "Forest-Based Community" refers to a group of people residing inside or
11 immediately adjacent to a particular forestland who are largely or partly dependent on the
12 forest resources found therein for their livelihood.

13 (v) "Forestlands" refers to lands of the public domain that have been classified as
14 such and all unclassified lands of the public domain.

15 (w) "Forest Officer" refers to any public officer who by the nature of his
16 appointment or the functions of the position to which he is appointed is delegated by law
17 and regulations or commissioned by competent authorities to execute, implement or
18 enforce the provisions of this Act and other related laws and regulations.

19 (x) "Forest Plantation" refers to a forest stand established by planting and/or
20 seeding in the process of afforestation and reforestation. They are either of introduced
21 species (all planted stands), or intensively managed stands of indigenous species, which
22 meet all the following criteria: one or two species at plantation, even-aged class, and
23 regular spacing.

24 (y) "Forest Resources" refers to all resources whether biomass such as plants and
25 animals or non-biomass such as soil, water, scenery, as well as the intangible services and
26 values present in forestlands or in other lands devoted for forest purposes.

27 (z) "Grazing Land" refers to a part of the forestland designated and managed for
28 the raising of livestock.

29 (aa) "Indigenous Cultural Community (ICC)" refers to a group of people or tribe
30 of indigenous Filipinos as defined or described under the IPRA Law. As used in this Act,
31 indigenous cultural community is synonymous with indigenous people.

32 (bb) "Integrated Wood Processing Plant" refers to a combination of two or more
33 up-stream wood-based processing facilities such as sawmills, veneer and plywood plants,

1 or pulp and paper plants, and downstream plants of semi- or completely manufactured
2 wood products.

3 (cc) "Joint Venture Agreement" refers to an agreement wherein the government
4 and a qualified person organize a joint-venture company, with both parties having equity
5 shares, to develop and manage, consistent with the principles of sustainable development,
6 a portion of forestland. Aside from earnings on the equity, the Government shall be
7 entitled to a share in the output computed at a certain percentage mutually agreed upon
8 by and beneficial to both parties.

9 (dd) "Kaingin" refers to areas inside forestlands tilled or being tilled by upland
10 dwellers who practice slash-and-burn or shifting cultivation.

11 (ee) "Managed Forest" refers to a forestland under a deliberate system of
12 protection, rehabilitation, and development which include utilization of resources to
13 ensure the continuous production of desired forest products and/or services and the
14 conservation of soil, water, wildlife, and other natural resources therein.

15 (ff) "Multiple Use" refers to the harmonized utilization, development, and
16 management of forestlands for the production of two or more products, goods and/or
17 services in conformity with the principle of sustainable development.

18 (gg) "National Park" refers to an area of the public domain essentially natural,
19 wilderness, scenic, or historic in character which has been withdrawn from settlement,
20 occupancy, or any form of exploitation except in conformity with an approved
21 management plan and set aside exclusively to conserve the area or preserve the scenery,
22 the natural and historic objects, wild animals, and plants therein mainly for the purpose of
23 biodiversity conservation or human enjoyment.

24 (hh) "Natural Forest" refers to forests composed of indigenous trees, not planted
25 by man, whose structure, functions, and dynamics have been largely the result of natural
26 succession processes.

27 (ii) "Non-Government Organization (NGO)" refers to a non-stock, non-profit, and
28 voluntary organization established primarily to provide assistance or service.

29 (jj) "Permit" refers to the privilege granted by the government to a person to
30 utilize limited forest and wildlife resources; to undertake specified forestry activity inside
31 forestlands which may or may not include any right of possession thereof and occupation
32 therein; or to establish and operate a plant or mill for processing timber, non-timber, or
33 other forest products.

1 (kk) "Person" refers to a natural as well as juridical person, including local forest
2 communities or indigenous peoples organized in accordance with law or custom.

3 (ll) "President" refers to the President of the Republic of the Philippines.

4 (mm) "Processing Plant or Mill" refers to a physical structure, including its
5 complement of machinery and equipment, used in the processing of timber or logs, other
6 raw wood, non-timber, or other forest products into semi-finished or finished forms.

7 (nn) "Production Sharing Agreement" refers to a contract between the government
8 and a person, whether natural or juridical, wherein both parties exercise the right to
9 manage, develop, and utilize forest resources within a specific area of production
10 forestlands and period of time with the person providing the financing, technology,
11 management, personnel, marketing, and other inputs necessary to implement the
12 agreement and both parties sharing the benefits under the terms and conditions set forth
13 in said agreement.

14 (oo) "Protected Areas" refers to areas defined and designated as such pursuant to
15 the NIPAS Act.

16 (pp) "Reforestation" refers to the artificial establishment of forest on lands that
17 carried forest before.

18 (qq) "Reservation" refers to an area of the public domain reserved by law for a
19 specific purpose.

20 (rr) "Rotation" refers to the number of years between the initial establishment of a
21 plantation and the time when it is considered ready for harvesting.

22 (ss) "Secretary" refers to the Secretary of the Department of Environment and
23 Natural Resources.

24 (tt) "Semi-Finished Wood Products" refers to wood products requiring final stages
25 of manufacture and/or assembly such as, but not limited to, window components,
26 tabletops, veneer and other similar wood product.

27 (uu) "Sustainable Development" means meeting the needs of the present
28 generation without compromising the ability of the future generations to meet their own
29 needs.

30 (vv) "Sustainable Forest Management and Development" refers to the process of
31 conserving, protecting, developing, and utilizing forestland resources to achieve the
32 production of desired products or services without impairing the inherent productivity of
33 the forest thereby ensuring the continuous flow of these products or services.

(ww) "Tenure" refers to guaranteed peaceful access to and use of specific forestland area and the resources found therein through an agreement, contract, or grant which cannot be altered or abrogated without due process.

(xx) "Timber License Agreement or TLA" refers to a privilege granted by the State to a person to utilize forest resources within a forestland 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 the said agreement.

(yy) "Trade" refers to the act of engaging in the exchange, purchase, or sale of forest products locally or internationally.

(zz) "Watershed" refers to a land area drained by a stream or a fixed body of water and with tributaries having a common outlet for surface runoff.

(aaa) "Watershed Reservation" refers to a forestland that has been proclaimed by law as such, primarily for water production purposes. However, other compatible uses may be allowed by law or by the Secretary under the sustainable and multiple use management concepts.

(bbb) "Wildlife" refers to wild forms and varieties of flora and fauna.

(ccc) "Wood-Based Industries" refers to various industries that use wood as the principal raw material including but not limited to sawmilling, pulp and paper making, and plywood and veneer manufacturing or the upstream wood-based industries, as well as the secondary and tertiary wood processing or downstream industry such as moldings and furniture manufacturing, among other things.

CHAPTER II

LIMITS AND CLASSIFICATION OF FORESTLANDS

SEC. 4. *Limits of Permanent Forestland.* – The permanent forestlands shall be those lands of the public domain classified and delimited pursuant to this Act.

Within one (1) year from the effectivity of this Act, the Department shall submit to Congress maps of appropriate and uniform scale indicating by province and by region the specific limits of land already classified as permanent forestlands under the Department's land classification program.

The Department shall complete the classification of the remaining unclassified lands of the public domain within three (3) years from the effectivity of this Act. The

1 classification of all lands previously classified under the Department's land classification
2 program before the effectivity of this Act as well as those subsequently classified shall be
3 approved by Congress.

4 Department records pertaining to the specific limits of forestlands shall be made
5 available to the public upon request. Moreover, the Department shall furnish all
6 provincial, municipal and city government copies of the maps of permanent forestlands
7 located within their respective territorial jurisdiction.

8 **SEC. 5. *Additional Areas to be included as Permanent Forestlands.*** - The
9 following lands although below eighteen (18%) in slope are needed for environmental
10 protection and forestry purposes and shall not therefore be classified as alienable and
11 disposable lands, nor be subject to logging, mining, quarrying and such other form of
12 land use or resource extraction activities:

13 (a) Areas less than two hundred fifty (250) hectares which are far from or not
14 contiguous with any certified alienable and disposable lands;

15 (b) Isolated patches of forest of at least five (5) hectares in area with rocky terrain
16 or which protect a spring for communal use;

17 (c) All mangroves and swamplands, including twenty-meter wide strips thereof
18 facing oceans, lakes and other bodies of water not yet classified as alienable and
19 disposable lands;

20 (d) Ridge tops and plateaus regardless of size found within or surrounded wholly
21 or partially by forestlands where headwaters emanate;

22 (e) Twenty-meter wide strips of land from the edge of the normal high waterline
23 of rivers and streams with channels of at least five (5) meters wide which are not yet
24 classified as alienable and disposable;

25 (f) Areas previously proclaimed by law or set aside by the President of the
26 Philippines for purposes of public interest, such as national parks, national historical
27 sites, game refuge, wildlife, national shrines, and research/experimental areas; and,

28 (g) Areas considered environmentally critical because of their vulnerability to
29 damage from landslides, volcanic eruptions, and other natural causes.

30 Owners who have acquired vested rights over lands enumerated above are
31 required to implement soil and water conservation measures, in coordination with the
32 Department and the appropriate local government unit. An Environmental Compliance
33 Certificate (ECC) shall be required in these environmentally critical areas in accordance

1 with existing law: *Provided*, That the Department and/or the local government unit
2 (LGU) concerned shall immediately take the necessary steps to expropriate the property
3 concerned or cancel or amend any titles issued thereon or impose fines under any of the
4 following conditions:

5 (a) Failure of the owner, after due notice, to implement appropriate soil and water
6 conservation;

7 (b) Failure of the owner/s to comply with ECC requirements when required;

8 (c) The issuance of titles over such areas was accomplished through fraud, deceit,
9 misrepresentations or other anomalies; or

10 (d) When public interest so requires.

11 **SEC. 6. *Non-Diminution of the Specific Limits of Forestlands.*** - The specific
12 limits of permanent forestlands as determined in accordance with Sections 4 and 5 herein
13 cannot be altered except by an Act of Congress.

14 **SEC. 7. *Delineation of Boundaries of Forestlands.*** - Upon the effectivity of this
15 Act, the Department shall delineate on the ground the boundaries between the permanent
16 forestlands and alienable or disposable lands. Said boundaries shall be established by
17 concrete monuments with each monument connected to the next by a line of flowering
18 trees or distinctive species. Road, infrastructure, or any visible, permanent, and
19 practicable signs may also be used to establish said boundaries: *Provided*, that the
20 Department shall give priority to critical or vulnerable forestlands: *Provided, further*,
21 That the delineation of boundaries shall be finished within ten (10) years from the
22 approval of this Act.

23 **SEC. 8. *Sub-Classification of the Forestlands.*** - The Department, after due
24 consultation with concerned communities, LGUs, and other stakeholders shall have the
25 authority to sub-classify the permanent forestlands into the following categories
26 according to primary use:

27 (a) Protection forestlands. - All areas within the forestlands designated or set aside
28 as protected areas pursuant to the NIPAS Act shall constitute the protection forests. All
29 mossy and primary/virgin forests and natural beach, swamp and mangrove forests within
30 production forestlands shall also be sub-classified as protection forests. The
31 establishment and management of protection forests shall be in accordance with the
32 NIPAS Act.

1 (b) Production forestlands - All forestlands not sub-classified as protection
2 forestlands defined in this Section shall be sub-classified as production forestlands to be
3 devoted to the production of timber and/or non-forest products or the establishment of
4 industrial tree plantations, tree farms, communal forests, agroforestry, grazing, or as
5 multiple-use forests: *Provided*, that they shall be managed, developed, and utilized in
6 accordance with a Department-approved management plan based on sustainable forest
7 management principles: *Provided, further*, That the department may change the sub-
8 classification of specific areas into protection forestlands and recommend their
9 establishment as part of the integrated protected area systems in accordance with the
10 NIPAS Act.

12 CHAPTER II

13 ADMINISTRATION AND MANAGEMENT OF FORESTLANDS

14 **SEC. 9. *Jurisdiction and Control of Forestlands.*** - The Department shall be the
15 primary agency responsible for the conservation, management, and utilization of all
16 forestlands and the unclassified lands of the public domain. The Department, in
17 coordination with LGUs and other government agencies pursuant to Section 10 and 11
18 herein, shall ensure that forestlands and unclassified lands of the public domain are
19 managed, conserved, developed, utilized, and protected consistent with the policies and
20 strategies promulgated in this Act. The utilization and development of forestlands and
21 unclassified lands of the public domain including the natural resources therein shall be
22 undertaken in accordance with Department-approved management plans.

23 **SEC. 10. *Participation of LGUs in Forest Management.*** - Pursuant to the
24 pertinent provisions of Republic Act. No. 7160 or the Local Government Code, LGUs
25 shall share the responsibility in the sustainable management and utilization of forest
26 resources within their territorial jurisdiction including those assigned by law to other
27 government agencies as defined in Section 11 herein. Subject to vested rights, LGUs and
28 the Department, in consultation with other government agencies, local communities, non-
29 government organizations, and other sectors shall jointly undertake the preparation of
30 indicative forestland use and watershed management plans which shall be made an
31 integral component of the LGU's comprehensive land use and development plan. The
32 LGUs shall be consulted on all forestry projects to be implemented in their territorial
33 jurisdiction and shall have equitable share of incomes derived therefrom. For this

1 purpose, the Department, the Department of Interior and Local Government (DILG), the
2 leagues of provinces, cities, municipalities, and barangays shall formulate a joint strategy
3 and program to implement this provision within one (1) year from the passage of this Act.

4 **SEC. 11. *Forestlands Under Other Government Agencies.*** - Forestlands and/or
5 portions thereof which have been assigned by law to the administration and management
6 of other government agencies for a specific purpose, including those devolved to the
7 LGUs prior to the passage of this Act, shall remain under the administration and
8 management of these government agencies which shall be responsible for their
9 conservation, protection, rehabilitation, and sub-classification into protection forestland
10 and the specific purpose for which the entire area has been assigned or reserved unless
11 said assignment or reservation is consistent with the use of such area as protection
12 forestland. The Secretary or a duly authorized representative shall exercise visitatorial
13 powers over these forestlands. Moreover, these forestlands shall be administered in
14 accordance with a forest management plan, which shall be prepared by the government
15 agency or concerned LGU in coordination with the Department and local communities
16 and organizations within one year from the effectivity of this Act: *Provided*, That the
17 Department and the LGU or government agency concerned shall periodically review,
18 monitor, and evaluate the implementation of the said management plan. *Provided*,
19 *further*, That the harvesting of forest resources and building of roads and other
20 infrastructure therein shall be undertaken only with the prior approval of the Secretary
21 and after compliance with EIS and ECC requirements: *Provided finally*, That the
22 Secretary shall recommend to Congress or the President of the Philippines the reversion
23 to the Department of the jurisdiction and control over forestlands that are no longer
24 needed nor used for the purpose by which they have been constituted or in case the
25 agency or LGU concerned fails to rehabilitate, protect, and conserve the forestland
26 resources in accordance with the approved management plan. The Department shall
27 determine the use of the reverted forestlands.

28 **SEC. 12. *Forest Resources Within Alienable and Disposable Lands.*** - All
29 forest resources planted or raised within alienable and disposable lands belong to the
30 owner who shall have the right to sell, contract, convey or dispose of the same without
31 the necessity of any clearance from the Department. The Department shall encourage
32 and provide incentives to landowners of alienable and disposable lands to develop,
33 maintain and manage forests on their lands or to develop and maintain a tree plantation

1 on such lands. Landowners who register their lands for forestry purposes with the
2 Department shall be assisted by the Department in the preparation of a management plan
3 and shall be entitled to appropriate incentives provided under Section 26 herein, on
4 reforestation in private lands: *Provided*, That alienable and disposable lands devoted to
5 the planting and harvesting of forest resources shall remain subject to the provisions of
6 Republic Act No. 6657 or the Comprehensive Agrarian Reform Law.

8 CHAPTER IV

9 SUSTAINABLE MANAGEMENT OF FOREST RESOURCES

10 SEC. 13. *Sustainable Forest Management Planning.* – Subject to vested or
11 prior rights, the Department, in consultation and coordination with LGUs, other
12 government agencies, local communities, non-government organizations, individual and
13 corporate entities, private sectors, and other concerned sectors shall, within one (1) year
14 from the effectivity of this Act, develop and adopt a sustainable forest management
15 strategy for each well-defined watershed or other appropriate forest management unit
16 based on criteria, indicators, and standards for sustainable forest management which, at
17 their minimum, address the following requirements:

18 a) Rational allocation of forestland uses and promotion of land use practices that
19 increase productivity and conserve soil, water, and other forestland resources;

20 b) Protection of existing forest resources and conservation of biodiversity;

21 c) Rehabilitation or development of denuded areas to expand the forest resource
22 base and promote food production activities;

23 d) Enhancement of the socio-economic well-being of local communities including
24 indigenous peoples who are largely dependent on the forest for their livelihood;

25 e) Promotion of closer coordination between and among the Department, LGUs,
26 other national agencies, non-government organizations, local communities, the private
27 sector and other entities in the sustainable management of forestlands;

28 f) Adoption of community-based forest management as a principal strategy in the
29 management of forestlands and resources; and

30 g) Integration of forest management plan to the local land use and development
31 plans, including the adoption of effective impact monitoring system of forest
32 management.

1 **SEC. 14. Watershed Management Strategy.**- The Department shall adopt a
2 Watershed and Ecosystems Planning Framework in Environment and Natural Resources
3 Management. The strategy for improved watershed resources management shall be
4 demand-driven, community-based, and multiple and sustainable use considering national
5 priorities and concerns of local stakeholders. Watershed management programs shall be
6 guided by ecological, socio-cultural, economic, and institutional sustainability principles.
7 A National Watershed Information System shall be developed to guide policy
8 formulation, program development, and implementation of watershed management
9 initiatives.

10 **SEC. 15. Priority Watersheds.**- A system of prioritization of watersheds shall be
11 pursued considering the following: a) water supply for domestic, irrigation, power,
12 industrial, and commercial use; b) contribution to the economy; c) biodiversity; d)
13 cultural and historical value; and e) effect on downstream areas.

14 **SEC. 16. Forest Resource Database and Monitoring System.** - The Department
15 shall establish a forestland resource database which shall consist of a comprehensive up-
16 to-date information on the physical, social, economic, biological, and environmental
17 components of the country's forestlands and shall include a log control monitoring or
18 timber identification system to enable the Department and its field offices to track the
19 movement or transfer of timber and other forest products from a forestland source to their
20 end users. The Department shall conduct and/or update forest resource inventory at least
21 once every five (5) years to ensure effective management.

22 **SEC. 17. Environmental Impact Assessment, Monitoring, and Accounting.** -
23 All new critical projects to be implemented in forestlands such as harvesting, grazing and
24 other special uses, mineral prospecting and exploration, road, infrastructure, and mill
25 construction shall be subject to Environmental Impact Assessment (EIA) in accordance
26 with Presidential Decree No. 1151 or the Philippine Environmental Policy, and
27 Presidential Decree No. 1586, Establishing an Environmental Impact Statement System.
28 The Department shall design and implement a system of environmental monitoring and
29 evaluation system as well as environmental and natural resources accounting for various
30 forestry management plans and projects.

31 32 **CHAPTER V**

33 **COMMUNITY-BASED FOREST MANAGEMENT**

1 **SEC. 18. *Community-Based Forest Management Strategy (CBFMS).*** -
2 Whenever they are present, forest resident families, communities, and indigenous peoples
3 whose lives, cultures, and general well-being are intimately linked with the forests, shall
4 be given priority access to forest resources and shall be entrusted with the responsibility
5 to protect, manage, develop, and utilize said forest resources under the principle of
6 stewardship. Pursuant thereto, the Community-Based Forest Management Strategy
7 (CBFMS) as herein defined is hereby adopted as having precedence over other strategies.
8 The Department shall develop policies, criteria, guidelines, and tenurial instruments that
9 will simplify, facilitate, and make permanent access of forest resident families, local
10 communities, and indigenous peoples to forestland resources. The Department shall
11 furthermore develop policies, guidelines and incentives for private sector investors to
12 enter into mutually-beneficial relationships with forest-based communities in pursuit of
13 CBFMS on a sustainable forest management basis.

14 **SEC. 19. *Areas Available for CBFM.*** - Subject to vested or prior rights, CBFM
15 may be implemented in all appropriate public forestlands, ancestral domains of ICCs, and
16 on protected areas subject to the provisions of the NIPAS Law. The Secretary may also
17 allow CBFM in watershed reservations to promote their protection and rehabilitation:
18 *Provided, however,* That the land-use practices and activities therein are in accordance
19 with a management plan duly approved by the Secretary and would not induce severe soil
20 erosion and surface run-off: *Provided, further,* That no CBFM agreement shall be issued
21 over ancestral lands and domains or parts thereof without the prior informed consent of
22 the concerned indigenous cultural community.

23 **SEC. 20. *Community Resource Management in CBFM Areas.*** - The
24 management of forestland resources in CBFM areas shall be embodied in a community
25 resource management plan, which shall contain the community's vision, aspirations, and
26 strategies in the management of forestland resources. The Department, LGUs, other
27 government agencies, non-government organizations, private companies, individuals, and
28 other sectors concerned shall provide these communities with appropriate long-term
29 security of tenure, technical, managerial and financial assistance, training, and other
30 assistance, as the case may be, to empower them to manage and benefit from the
31 forestland resources on a sustainable basis.

32 **SEC. 21. *Qualified Participants.***- Only organized forest communities as defined
33 herein shall be eligible to participate in the CBFM program. Indigenous peoples shall be

1 encouraged to actively participate in the implementation of CBFM activities in
2 recognition of their rights to their ancestral domains and lands.

3 All organizations eligible to participate in CBFM shall have the following
4 qualifications:

5 a. Members shall be Filipino citizens; and

6 b. Members may either be:

7 1. Actually tilling portions of the area to be awarded;

8 2. Traditionally utilizing the resource for all or a substantial portion of
9 their livelihood; or

10 3. Actually residing within or adjacent to the areas to be awarded.

11 **SEC. 22. *Recognition and Management of Ancestral Domains.*** - The
12 recognition, ownership, and management of ancestral lands and domains shall be
13 governed by the provisions of the IPRA but any project proposal by a holder of a
14 Certificate of Ancestral Domain Title or any such similar instrument to develop or use
15 forestlands or forest resources therein that would result in severe soil erosion or
16 environmental degradation, shall be subject to the provisions of Environmental Impact
17 Assessment (EIA) in accordance with Presidential Decree No. 1151 or the Philippine
18 Environmental Policy, and Presidential Decree No. 1586, Establishing an Environmental
19 Impact Statement System and this Act. The National Commission on Indigenous Peoples
20 (NCIP) shall coordinate with the Department in providing assistance to the indigenous
21 peoples in the sustainable management of forest resources within ancestral lands and
22 domains.

23 24 **CHAPTER VI**

25 **REFORESTATION PROGRAM**

26 **SEC. 23. *Reforestation in Protection Forestlands.*** - The reforestation of all
27 critical, denuded, and degraded forests within protection forestland not otherwise covered
28 by the CBFM program shall be given top priority and shall be vigorously pursued by the
29 Department consistent with the NIPAS Act and the strategies and management plans
30 therefor. The Department, in coordination with LGUs, other government agencies,
31 NGOs, local residents and communities, and other sectors concerned, shall identify and
32 prioritize forestlands to be reforested. An accelerated reforestation program in such
33 identified priority protection forestlands shall be undertaken to raise the forest cover

1 therein to at least fifty percent (50%) within five (5) years, and to at least eighty percent
2 (80%) within ten (10) years from the effectivity of this Act. The Department shall allot
3 funds to effectively accomplish reforestation either by its own or through contract in
4 protection forestland. The Department or other agencies responsible for reforestation
5 shall give priority to local communities in the granting of technical and financial
6 assistance for reforestation activities. No commercial cutting, harvesting, or logging of
7 timber or gathering of forest products shall be allowed in protection forestlands.

8 **SEC. 24. *Reforestation or Forest Plantation Development in Production***
9 ***Forestlands.*** - In accordance with Section 42 herein, modes of forest management
10 agreement, the State through the Department may enter into joint venture, co-production,
11 or production sharing agreement with qualified forest community organizations, local
12 government units, government -owned or -controlled corporations, private companies and
13 individuals, and other interested parties concerned in the development of forest
14 plantations in production forestlands: *Provided, That* protection forests inside production
15 forestlands as categorized in Section 8(b) herein and production residual forests, unless in
16 degraded condition as determined by the Department, shall not be converted into forest
17 plantations.

18 **SEC. 25. *Reforestation in Forestlands under the Jurisdiction of Other***
19 ***Government Agencies.***- Government agencies and institutions having management
20 control over forestlands as provided under Section 10, participation of LGUs in forest
21 management, and Section 11, forestlands under other government agencies, shall be
22 responsible for the reforestation of denuded and/or degraded portions of the forestlands.
23 The reforestation program of these agencies shall be undertaken to increase the
24 vegetation of the degraded areas by fifty percent (50%) within the first five (5) years and
25 at least eighty percent (80%) within ten (10) years from the effectivity of this Act:
26 *Provided, however, That* in areas where CBFMS, pursuant to Section 18 of this Act, will
27 be implemented in coordination with the Department, the period for the completion of the
28 reforestation shall be subject to the conditions provided in the CBFMS tenurial document
29 to be awarded by the Department to the participating local community or individual. The
30 Department shall provide the reforestation plan and technical assistance upon request by
31 the concerned agencies. Failure to reforest said denuded and/or degraded forestland
32 within the period herein prescribed shall be sufficient ground to revert the said
33 forestlands to the jurisdiction and control of the Department.

1 **SEC. 26. Reforestation in Alienable and Disposable Lands or Private Lands. -**

2 Reforestation or the establishment of tree farms or forest plantations in private lands shall
3 be encouraged: *Provided*, That such private lands and other alienable and disposable
4 lands are not prime agricultural lands as determined or certified by the Department of
5 Agriculture (DA). Consistent with Section 12 herein, forest resources within alienable
6 lands, all trees and other forest products planted or raised on private lands shall be
7 considered agricultural crops belonging to the owner who shall have the right to sell,
8 contract, convey, or dispose of the same in any manner he sees legitimately fit. The
9 owner(s) shall also be entitled to the incentives provided for under Section 27 herein,
10 particularly subsections (a), (b), (c), (d), and (e): *Provided*, That such private forest
11 plantations are duly registered with the Department.

12 **SEC. 27. Incentives.-** To encourage qualified persons to engage in forest
13 plantation activities, the following incentives shall be granted, in addition to those already
14 provided by existing laws:

15 a. The agreement holder shall not be subject to any obligation prescribed or
16 arising out of the provisions of the National Internal Revenue Code on withholding tax at
17 source on interest paid on a loan/s incurred for the development of forest plantation;

18 b. Amounts expended by the agreement holder in the development and operation
19 of a forest plantation prior to the commercial harvest shall be regarded as ordinary and
20 necessary expenses or as capital expenditure;

21 c. The Board of Investments (BOI) shall classify forest plantations as pioneer and
22 preferred areas of investment under its annual priority plan subject to the rules and
23 regulations of the said Board;

24 d. The agreement holder shall be given priority to access credit assistance being
25 granted by Government-owned, -controlled and/or -supported financial institutions;

26 e. Upon the premature termination of the agreement at no fault of the holder, all
27 depreciable permanent and semi-permanent improvements such as roads, buildings, and
28 nurseries including the planted and standing trees and other forest crops introduced and to
29 be retained in the area shall be properly evaluated and the holder shall be entitled to a fair
30 compensation thereof, the amount of which shall be mutually agreed upon by both the
31 Department and the agreement holder, and in case of disagreement between them, by
32 arbitration through a mutually acceptable and impartial third party adjudicator,

1 f. No contract or agreement shall be terminated except for cause or for reason of
2 public interest and only after due process; and

3 g. The agreement holder has the right to transfer, contract, sell, or convey his
4 rights to any qualified person following the guidelines to be issued by the Secretary.

5 The Secretary may provide or recommend to the President or to Congress other
6 incentives in addition to those granted herein and in existing laws in order to promote
7 reforestation and the establishment of forest plantations.

8 **SEC. 28. *Voluntary Offer to Reforest.***- Private landowners, whether natural or
9 juridical persons, may participate in reforestation and plantation development or similar
10 programs of the Department, with the landowner contributing his land and the
11 Department furnishing funds to reforest the area on a co-production agreement: *Provided,*
12 That the property shall be exclusively devoted to the planting of forest species for at least
13 one (1) rotation, which undertaking shall be annotated at the back of the title of the
14 property: *Provided, further,* That prime agricultural lands as determined or certified by
15 the DA shall not be the subject of a voluntary offer to reforest.

16 **SEC. 29. *Establishment of City or Municipal Parks or Communal Forest.*** -
17 Every city or municipality shall establish a city or municipal park or communal forest and
18 shall include in its yearly budget the necessary funds for its establishment and
19 maintenance. Upon request by a city or municipality concerned, the Department shall set
20 aside an appropriate area of the public forestlands as city or municipal park or communal
21 forest and shall provide technical assistance thereto.

22 **SEC. 30. *Establishment of Tree Parks in Subdivision and Tree Planting on***
23 ***Roadsides.*** - Every subdivision project to be developed after the passage of this Act shall
24 include the establishment of a tree park of not less than fifty percent (50%) of the
25 required total open spaces as provided in Section 2 of Presidential Decree No. 953
26 (Requiring the Planting of Trees in Certain Places). Guidelines for the establishment of
27 tree parks within a subdivision shall be prepared jointly by the subdivision owner
28 concerned, the Housing and Land Use Regulatory Board (HLURB) and the Department.
29 The subdivision owner shall provide the funds for this purpose. For every major public
30 road or irrigation construction project, the Department of Public Works and Highways
31 (DPWH) shall include the planting and maintenance of trees along the road/highway or
32 irrigation canals *cum* landscaped rest areas every twenty-five (25) kilometers thereof and
33 shall provide adequate funds for this purpose. Each city and municipality shall also

1 allocate adequate funds for the planting, care, and maintenance of trees or perennial
2 shrubs in "greenbelts" or "green spaces" such as road/street sides, center islands, etc.
3

4 CHAPTER VII

5 FOREST PROTECTION

6 SEC. 31. *Commercial Logging Ban.* - There shall be a permanent ban on
7 commercial logging activities in all protection forestlands defined, categorized, and sub-
8 classified in Section 8(a) herein. No licenses, permits, or agreements to cut any timber
9 therein shall be issued.

10 Protection forestlands found inside an agreement or licensed area shall also be
11 excluded from logging operations and the holder of the agreement or license shall
12 establish a buffer zone and delineate their boundaries with the production forestlands,
13 marking the same with concrete monuments, road, or infrastructure, or any other visible,
14 permanent, and practicable signs. Pending the constitution of a Protected Area
15 Management Board (PAMB) pursuant to the NIPAS Act, the agreement- or license-
16 holders shall protect and conserve such protection forestland following a plan approved
17 by the Department. The agreement- or license-holder concerned shall be accountable for
18 the destruction of such protection forestlands that did not result from *force majeure*, and
19 such destruction shall serve as basis, in addition to the other violations enumerated in
20 Section 81 hereof, transitory provision, for the termination of the agreement, license, or
21 permit, and the filing of proper charges under the NIPAS Act and pertinent forestry laws,
22 rules and regulations. In the absence of a contractor or agreement holder within such
23 production forestlands, the delineation of said boundary shall be undertaken and
24 prioritized by the Department.

25 To ensure the conservation and sustainable use of forest resources, holders of
26 timber licenses, leases, and permits shall submit to the Department an Integrated
27 Operations Plan (IOP) containing strict environmental guidelines such as ECC
28 compliance. All forest development activities such as logging, reforestation, timber stand
29 improvement, forest protection, and delivery of community service within an area
30 covered by timber concessions shall be consolidated under the IOP, which shall be
31 prepared by or under the supervision of an accredited private registered forester whose
32 signature and dry seal shall appear in the plan and the supporting documents submitted
33 for the purpose.

1 Upon its expiration or termination for cause, no extension shall be made on any
2 TLA and the area covered by the agreement shall be sub-classified as protection
3 forestland after the Department had excluded those areas that may be properly developed
4 as production forestland.

5 **SEC. 32. Assistance of Law Enforcement Agencies.** - The Department may call
6 upon law enforcement agencies and instrumentalities of the Government such as the
7 Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), and the
8 National Bureau of Investigation (NBI) for the enforcement of the logging ban in all
9 protection forestlands and for the protection and conservation of forests. The assistance
10 of LGUs, NGOs, citizen groups, and community organizations may also be utilized for
11 the same purpose.

12 The Secretary of Justice shall designate in every city and province a special
13 prosecutor who shall immediately file charges against forest violators to ensure their
14 speedy prosecution.

15 **SEC. 33. Role of LGUs and Local Residents.** - It shall be incumbent upon LGUs
16 concerned to render assistance in protecting and conserving forestlands within their
17 respective territorial jurisdiction. Qualified local residents shall be deputized by the
18 Department to assist in the drive against illegal logging, kaingin-making and forestland
19 occupation. These deputized residents shall likewise be authorized to arrest forest
20 violators within their communities subject to existing laws and regulations on arrest and
21 detention.

22 **SEC. 34. Prevention of Forest Fires and Control of Forest Pests and Diseases.**
23 - In collaboration with concerned LGUs, the Department shall formulate and implement
24 a fire prevention and control program, providing incentives to LGUs, community
25 organizations, or individuals who participate in preventing and controlling forest or grass
26 fire.

27 The Department shall likewise formulate and implement a national integrated
28 forest pest and disease management program including quarantine procedures for
29 imported seeds, plants, and plant products as well as wildlife to prevent or control forest
30 or wildlife pests and diseases.

31 **SEC. 35. Information and Rewards System.** - The Department shall establish an
32 information and rewards system as part of the community's participation in the protection
33 of forest resources. The rewards shall be payable immediately upon the establishment of

1 *prima facie* proof of violation. When an information given leads to the seizure of logs or
2 timber and other forest product and results in a conviction, the informer shall be entitled
3 to twenty percent (20%) of the gross proceeds generated from the public bidding of the
4 seized logs or timber and other forest products which shall be payable within three (3)
5 days after full payment by the winning bidder.

6 **CHAPTER VIII**
7 **FORESTRY RESEARCH, EDUCATION, TRAINING,**
8 **AND EXTENSION**

9 **SEC. 36. *Research and Technology Development Transfer.*** - Research and
10 technology development transfer shall be strengthened to support sustainable
11 management of forest resources. The Department, the Department of Science and
12 Technology (DOST), the Commission on Higher Education (CHED), and the colleges of
13 forestry of State universities shall, within one (1) year from the passage of this Act,
14 prepare a comprehensive national forestry and environmental research and technology
15 development and transfer program in furtherance of sustainable forest management which
16 shall be implemented, monitored, and reviewed in accordance with existing research
17 management systems. Adequate and sustainable funds to implement research and
18 technology development plans and transfer program shall be provided by each of the
19 aforementioned agencies and institutions under the General Appropriations Act.

20 **SEC. 37. *National Public Information, Education and Advocacy Campaign.*** -
21 With the support from LGUs, NGOs, media and other organizations, the Department, the
22 Philippine Information Agency (PIA), the Department of Education (DepEd), CHED,
23 State-owned and private universities and colleges shall formulate and implement a
24 nationwide program for sustained public information and advocacy campaign for forest
25 and natural resources conservation and sustainable forest development and management.
26 The DepEd shall include subjects on forest and natural resources in the curricula for
27 elementary and high school education. The CHED shall likewise include ecology and
28 environment courses in the general education curricula. Congress shall allocate funds to
29 the Department for the purpose of coordinating a systematic campaign to promote

1 community ecological awareness, including the preparation of informational and
2 educational materials therefor.

3 **SEC. 38. *Formal Forestry Education.*** - The CHED, in collaboration with the
4 Department, the Board of Examiners for Foresters of the Professional Regulations
5 Commission (PRC), and the duly accredited national professional foresters organization
6 shall actively pursue the rationalization of formal forestry education and the
7 establishment of centers of excellence in forestry and environmental education to ensure
8 high quality manpower output to meet the needs of the forestry sector.

9 **SEC. 39. *Continuing Education on Forestry.*** - A non-formal program of
10 continuing education shall be established to maintain the growth of the forestry
11 profession. The PRC Board of Examiners for Foresters and the Civil Service
12 Commission (CSC) shall provide the guidelines for a program in continuing education in
13 forestry. By itself or in cooperation with academic institutions, the Department shall
14 develop the infrastructures to institutionalize non-formal continuing education for the
15 forestry sector.

16 **SEC. 40. *Establishment of Training Centers.*** - In coordination with TESDA,
17 DepEd, CHED and State colleges and universities, the Department shall establish and
18 institutionalize a network of training centers in strategic parts of the country to provide
19 regular and up-to-date training on the various aspects of sustainable forest management,
20 development, and utilization to forest officers, LGUs, NGOs, local communities, and
21 indigenous peoples. Furthermore, the Department shall ensure that personnel appointed
22 to critical and sensitive positions undergo training to prepare them to discharge their
23 duties and responsibilities professionally, efficiently and effectively.

24 **SEC. 41. *Forestry Development Center.*** - The Forestry Development Center
25 (FDC) based in the College of Forestry and Natural Resources, University of the
26 Philippines at Los Baños, shall continue to serve as the primary policy research and
27 development center for forestry and natural resources management. The FDC shall
28 perform its functions in close coordination with the Department and other policy research
29 institutions in the country. It shall assist the Department in the formulation, review, and
30 evaluation of proposed and existing policies on forestry and natural resources
31 management.

32 33 **CHAPTER IX**

DISPOSITION AND UTILIZATION OF FOREST RESOURCES

SEC. 42. *Modes of Forest Management Agreement.* - The development, utilization, and management of forestlands and/or forest resources shall be undertaken under the full control and supervision of the State through the Department. The State may directly undertake such activities or it may enter into co-production, joint venture or production sharing agreement with qualified Filipino citizens or corporations or associations, subject to relevant laws, rules and regulations: *Provided*, That interested local communities and indigenous peoples through their organized and duly recognized associations shall be given priority in the grant of appropriate tenurial instruments implementing the said agreements. Such tenurial instruments and/or agreements shall have a duration of twenty-five (25) years, renewable for another twenty-five (25) years, under such terms and conditions as may be provided by the Secretary: *Provided, further*, That such tenurial instruments and/or agreements may not be terminated except for cause or if public interest so requires.

Current valid and subsisting licenses, contracts, or agreements granted by the government for the development, management, and utilization of forest resources shall be allowed to continue under the same terms and conditions until their expiry, subject to the pertinent provisions in Section 31, commercial logging ban, and Section 81, transitory provision, or prior to their expiry shall be allowed to be converted into any mode authorized herein under the guidelines promulgated by the Secretary: *Provided*, That no such conversion shall be allowed in protection forestlands as defined in Section 8 herein, on sub-classification of forestlands.

The Department is hereby authorized to formulate rules and regulations covering the relevant terms and conditions thereof including the determination and collection of the government share, subject to the approval of Congress.

SEC. 43. *Transfer.* - No holder of a co-production, joint venture, or production sharing agreement or contract shall sub-contract, transfer, exchange, sell or convey the same or any of his right or interests therein without a written authority from the Secretary. Moreover, no transfer shall be authorized unless the agreement or contract has been in existence and active for at least three consecutive years from issuance thereof: *Provided*, That the transferor has faithfully complied with the terms and conditions of the said agreement or contract; the transferee has all the qualifications and none of the disqualifications to hold the same; and the transferee shall assume the obligations of the

1 transferor. Failure to comply with these conditions shall be sufficient cause for the
2 cancellation of the agreement or contract.

3 **SEC. 44. *Non-timber Forest Products.*** - Rattan, bamboos, vines, herbs, exudates
4 and other non-timber forest products are integral parts of the forest ecosystem. The
5 establishment of plantations of non-timber producing species shall be encouraged and
6 supported. The development, management and utilization of non-timber forest products
7 shall be allowed in accordance with the guidelines to be promulgated by the Department.
8 However, in granting permits to harvest or utilize non-timber forest products in their
9 natural or original state from production forestlands, priority shall be given to forest
10 resident families, local communities, and indigenous peoples living nearest the subject
11 forestlands.

12 **SEC. 45. *Grazing.*** - The Department shall identify and delimit areas in the
13 production forestland suitable for grazing purposes: *Provided*, That no forestland fifty
14 percent (50%) in slope or over may be utilized for grazing purposes: *Provided, further*,
15 That existing pasture lease agreements or forestland grazing lease agreements shall be
16 allowed to continue under the same terms and conditions until their expiry: *Provided*,
17 *finally*, That abandoned or idle, expired, or cancelled grazing or pasture lands shall be
18 subject to land use capability assessment to determine their best use or combination of
19 uses. No new grazing or pasture permit, lease, or contract shall be issued, nor existing
20 ones allowed to continue unless covered by the EIS and an ECC.

21 **SEC. 46. *Mining and Power Generation Operations in Forestlands.*** - Forest
22 resources inside mineral lands are under the Department's jurisdiction, and their
23 management and utilization are subject to the provisions of this Act. Power generation
24 and small-scale mining operations in forestlands may be allowed only when covered by
25 the EIS and an ECC.

26 **SEC. 47. *Roads and Other Infrastructures.*** - Roads and other infrastructure
27 including the development of mineral reservations and energy resources inside
28 forestlands shall be constructed with the least impairment to the resource values found in
29 such forestlands. Government agencies and their contractors undertaking the
30 construction of roads, bridges, communication and other infrastructure facilities and
31 installations inside forestlands shall seek prior authority from the Department and shall
32 comply with the EIS and ECC requirements.

33

CHAPTER X

FOREST-BASED INDUSTRIES

SEC. 48. *Establishment and Operations of Forest-Based Industries.* - To meet the demands for forest-based goods and services of a growing population the State through the Department shall promote the establishment, operations, and development of forest-based industries based on regulations and incentives to be promulgated by the Secretary.

SEC. 49. *Incentives for Forest-Based Industries.* - To enable forest-based industries to be more efficient, competitive, and economically viable, the following incentives are hereby granted in addition to those already provided by existing laws:

a. All processing plants or mills shall be assured of their supply of raw materials, preferably but not exclusively from local sources;

b. All processing plants or mills shall be granted operating permits for five (5) years renewable for another five (5) years: *Provided*, That permits for processing plants owned or operated by holders of forest management agreements or contracts shall be co-terminus with said agreements or contracts; and

c. The Department shall promote and strengthen the linkages among corporate, family-based, and community-based industries.

The Department may provide on its own or propose to the President or to Congress, other incentives to encourage the establishment and development of integrated forest-based, particularly wood-based plants. Warranties to and agreements with existing integrated forest-based plants to ensure the availability of raw materials shall be automatically extended for as long as such integrated plants are operating. Agreements or licenses over forest areas granted to wood-based plants shall be converted into any mode authorized in this act subject to Section 8, sub-classification of forestlands, and Section 31, commercial logging ban, herein. Expansion in capacity of wood-based plants shall be encouraged and the same shall be given priority access to production forestlands and other areas available for development as source of raw materials.

SEC. 50. *Export and Sale of Locally Produced Wood Products.* - Logs derived from natural grown trees of whatever species cut, gathered, or removed from the local natural forest and raw or rough lumber manufactured from such logs shall not be exported. Only finished and semi-finished lumber products, wood manufactures, wood panels, and other finished wood products from such logs may be exported.

1 Logs, lumber and other finished products from forest plantations shall be exported
2 only under such guidelines as the Secretary may promulgate.

3 No person shall sell or offer for sale any log, lumber, veneer, plywood or other
4 manufactured wood products in the international or domestic market without complying
5 with the grading rules established or to be established by the government. Failure to
6 adhere to the established grading rules and standards, or any act of falsification on the
7 volume of logs, lumber, veneer, plywood or other wood products sold in the international
8 or domestic market shall be sufficient cause for the cancellation of export license, wood
9 processing permit, or other license or permit authorizing the manufacture or sale of such
10 products.

11 **SEC. 51. *Importation and Sale of Logs and Other Forest and Wood Products.* -**

12 Logs, lumber, and other forest- and wood-based products may be imported to the country
13 subject to the authorization of the Secretary and to the tariff and duties under Presidential
14 Decree No.1464 as well as quarantine regulations. Any product manufactured or
15 remanufactured out of imported forest and wood materials shall be allowed to be sold in
16 the domestic or international market: *Provided*, That the grading rules and standards
17 therefor are complied with, otherwise the sanctions in Section 50 hereof shall be
18 imposed.

19
20 **CHAPTER XII**

21 **FOREST CHARGES, FEES, AND RENTALS**

22 **SEC. 52. *Fees and Rentals for the Utilization, Exploitation, Occupation,***
23 ***Possession of, and Activities within Forestlands.* -** Subject to the approval of Congress,
24 the Department shall prescribe appropriate fees and rentals for the different kinds of
25 utilization, exploitation, occupation, possession, or activities within forestlands:
26 *Provided*, That payment of or collection of such fees and rentals shall be waived for
27 parties/industries mandated by law to manage, conserve, develop and protect forestlands
28 and forest resources found therein, except administrative fees for the filing and
29 processing of applications for the issuance and renewal of licenses, permits, and
30 agreements.

31 The Department shall recommend to Congress appropriate and equitable fees for
32 the use of water and forest for power generation, irrigation, domestic and industrial, and

1 for carbon sequestration and biodiversity benefits respectively, by parties/industries
2 concerned.

3 **SEC. 53. Forest Charges.** - There shall be collected charges on each cubic meter
4 of timber cut in forestland, whether belonging to the first, second, third or fourth group,
5 twenty-five percent (25%) of the actual FOB market price based on species and grading:
6 *Provided, however,* That, in the case of pulpwood and matchwood cut in forestland,
7 forest charges on each cubic meter shall be ten percent (10%) of the actual FOB market
8 price.

9 **SEC. 54. Charges on Firewood, Branches, and Other Recoverable Wood**
10 **Wastes of Timber.** - Except for all mangrove species whose cutting shall be banned, there
11 shall be collected forest charges on each cubic meter of firewood cut in forestland,
12 branches and other recoverable wood wastes of timber, such as timber ends, tops and
13 stumps, when used as raw materials for the manufacture of finished products, Ten pesos
14 (P10.00).

15 Only third or fourth group wood can be taken for firewood. However, if jointly
16 authorized by the Secretaries of both the Department of Environment and Natural
17 Resources and the Department of Agriculture, first and second group woods may be
18 removed for firewood purposes from land which is more valuable for agricultural than for
19 forest purposes.

20 **SEC. 55. Charges on Minor Forest Products.** - All other forest products of
21 forestland which are not covered by the preceding section shall be exempt from any or all
22 forest charges, except rattans, gums and resins, beeswax, gutapercha, almaciga resin and
23 bamboo which shall be charged at ten percent (10%) of the actual FOB market price.

24 **SEC. 56. Determination of Market Price of Forest Products.** - The actual FOB
25 market price of forest products shall be justly determined once a year by the Secretary of
26 Environment and Natural Resources: *Provided,* That he shall cause the creation of a
27 committee to be composed of representatives of the Department, the National Economic
28 and Development Authority, the Department of Trade and Industry, the Bureau of
29 Internal Revenue and the wood and furniture industry and consumers sectors which shall
30 formulate the criteria and/or guidelines in the determination of the actual FOB market
31 price to be used as the basis for the assessment of the *ad valorem* tax, taking into
32 consideration production cost (developing cost, contingencies, and miscellaneous cost),
33 species and grade of timber, government share, reforestation, tariff duties, taxes, risk

involved, and a reasonable margin of profit for domestic and export market prices for wood and wood products.

These forest charges shall be applied to naturally growing timber and forest products gathered within public forestlands, alienable and disposable lands, and private lands. Forest charges collected shall be in lieu of the administrative charge on environment and other fees and charges imposed thereon: *Provided*, That planted trees and other forest products harvested from industrial tree plantations and private lands covered by existing tiller or by approved land application are exempted from payment of forest charges.

The duties incident to the measuring of forest products and the invoicing and collection of the charges thereon shall be discharged by the Forest Management Bureau under regulations of the Secretary of the Environment and Natural Resources, who shall likewise provide for the time, manner and place of payment of such charges.

SEC. 57. *Fees for Administrative Services Rendered by the Department.* - Fees shall be collected for various services rendered by personnel of the Department in connection with their duties and responsibilities as may be requested by interested parties, including but not limited, to surveying, mapping and other similar service activities: *Provided*, That administrative fees shall be waived for services rendered to local communities or indigenous peoples in the preparation of their management plans.

CHAPTER XII

APPROPRIATIONS AND FINANCIAL SUPPORT

SEC. 58. *Appropriations.*- The Secretary of the Department of Environment and Natural Resources shall include in the Department's program and issue such rules and regulations to implement the provisions of this Act, the initial funding of which shall be charged against the current year's appropriations of the Department and thereafter included in the annual General Appropriations Act. For local government units, the funding requirements shall be taken from their internal revenue allotment (IRA) and other LGU income.

SEC. 59. *Sustainable Forestry Development Fund.* - A Sustainable Forestry Development Fund (SFDF) to be administered by the Department as a special account in the national treasury is hereby established to provide sustainable funds for forest protection, reforestation, and forest development and management, including

1 rehabilitation and preservation of watershed areas, CBFM program, information and
2 educational campaign as well as scholarship and policy research. At least thirty percent
3 (30%) of the forest charges and government share in all products removed from the
4 forestlands, rentals, proceeds from sales of confiscated forest products including
5 conveyances, fines and penalties, and administrative fees collected shall be set aside for
6 the buildup of the SFDF. The fund may be augmented by grants, donations, endowment
7 from various sources, domestic or foreign for purposes related to their functions.

8 Disbursements from the fund shall be subject to the usual accounting and
9 budgeting rules and regulations: *Provided*, That no amount shall be disbursed to cover the
10 operating expenses of the Department and other concerned agencies.

11 A trust fund committee, composed of the Secretary as Chair and the Secretary of
12 the Department of Budget and Management, the DILG Secretary, and the National
13 Treasurer as members shall manage the SFDF, with the Forest Management Bureau as
14 Secretariat.

16 CHAPTER XIII

17 CRIMINAL OFFENSES AND PENALTIES

18 SEC. 60. *Harvesting, Gathering and/or Collecting Timber or Other Forest*
19 *Products Without Authority*.— Any person who shall harvest, cut, gather, collect, or
20 remove timber or other forest products from any forestland, or timber from natural forest
21 inside alienable and disposable public land except as provided in Section 12 hereof, on
22 forest resources in alienable and disposable lands, without authority from the Secretary or
23 found to possess the same without pertinent required legal documents shall be punished
24 by imprisonment ranging from *prison mayor* minimum period to *reclusion temporal*
25 minimum period and/or a fine equivalent to ten (10) times the value of the said forest
26 product but not less than fifty thousand pesos (P50,000.00): *Provided*, That in the case of
27 partnerships, associations or corporations, the president, managing partner, and general
28 manager shall be held liable, and if such officer is an alien, he shall, in addition to the
29 penalty, be deported without further proceedings on the part of the Bureau of
30 Immigration and Deportation. Offenders who are public officials shall be deemed
31 automatically dismissed from office and permanently disqualified from holding any
32 elective or appointive position. All timber or any forest products cut, gathered, collected,
33 removed, or possessed and all the conveyances, machinery, equipment, implements, work

1 animals, and tools used in connection with this violation shall be seized and confiscated
2 in favor of the government.

3 **SEC. 61. *Illegal Cutting as an Act of Economic Sabotage.*** - Any of the acts
4 enumerated in the preceding section that shall be committed by an armed group or
5 organized group through conspiracy shall be considered as an economic sabotage and
6 shall be punishable by *reclusion perpetua*.

7 **SEC. 62. *Use of Illegally Cut Timber in Government Infrastructure Projects.*** -
8 Contractors of government infrastructure projects are hereby required to obtain
9 certification from the Department that the logs or lumber to be used therein were obtained
10 from legitimate sources. The use of illegally cut naturally grown timber in government
11 infrastructure projects shall be sufficient cause for the imposition of penalties provided in
12 Section 57, harvesting forest products without authority, and Section 58, illegal cutting as
13 an economic sabotage, including the withholding of the payment to the contractor.

14 **SEC. 63. *Damage to Residual Trees.*** - To ensure the sustainability of the natural
15 forests, adequate number of residual trees shall be marked, to be retained as parts of the
16 managed forests and as the future timber crop, before any harvesting operation shall
17 commence. Any marked residual tree that is damaged during such operation is subject to
18 a fine equivalent to four (4) times the regular forest charges.

19 **SEC. 64. *Grazing Livestock on Forestlands Without a Permit.*** - Imprisonment
20 of not less than two (2) years nor more than four (4) years and a fine equivalent to ten
21 times the regular rentals due in addition to confiscation of such livestock and all
22 improvements introduced in the area in favor of the government shall be imposed on any
23 person found to have no authority under a lease or permit to graze or found to cause to
24 graze livestock in forestlands and grazing lands: *Provided*, That in case the offender is a
25 corporation, partnership, or association, the officer or director thereof who directly
26 caused or ordered such shall be liable. In case the offender is a public officer or
27 employee, he shall, in addition to the above penalties, be deemed automatically dismissed
28 from office and permanently disqualified from holding any elective or appointive
29 position in the government service.

30 **SEC. 65. *Unlawful Occupation or Destruction of Forestlands.*** - Any person
31 who, without authority from the Secretary, enters and occupies or possesses, or makes
32 kaingin for his own private use or for others, any forestland or grazing land, or in any
33 manner destroys such forestland or part thereof, or causes any damage to the timber

1 stands and other forest product found therein, or assists, aids or abets another person to
2 do so, or sets a fire, or negligently permits a fire to be set therein, or refuses lawful orders
3 to vacate the area when ordered to do so shall, upon conviction, be punished with
4 penalties in the amount of not less than Twenty thousand pesos (P20,000.00) nor more
5 than One hundred thousand pesos (P100,000.00) and imprisonment of not less than two
6 (2) years nor more than six (6) years for each offense: *Provided*, That in the case of an
7 offender found guilty of making kaingin, the penalty shall be imprisonment of not less
8 than ten (10) years nor more than twelve (12) years and a fine equivalent to eight times
9 the regular forest charges due on the forest products destroyed without prejudice to
10 payment of the full cost of rehabilitation of the occupied areas as determined by the
11 Department: *Provided, further*, That the maximum of the penalty prescribed herein shall
12 be imposed upon the offender who repeats the same offense, and double the maximum
13 penalty upon the offender who commits the same offense for the third time or more.

14 In all cases, the court shall further order the eviction of the offender from the area
15 occupied and the forfeiture to the government of all improvements made therein,
16 including all vehicles, domestic animals and equipment of any kind used in the
17 commission of the offense. If not suitable for use by the Department, said improvements,
18 vehicles, domestic animals and equipment shall be sold at public auction, the proceeds
19 from which shall accrue to the SFDF.

20 If the offender is an alien, he shall be deported after serving his sentence and
21 payment of fines, without any further proceedings. An offender who is a government
22 officer or employee, shall, in addition to the above penalties, be deemed automatically
23 dismissed from office and permanently disqualified from holding any elective or
24 appointive position in the government service.

25 **SEC. 66. *Illegal Acts on Wildlife.***- It shall be unlawful for any person to collect,
26 catch, possess, hunt, wound, kill, capture, destroy the nests or eggs, host plants, wild flora
27 and fauna, and their habitats, or to trade, display or keep in pet shops wild or threatened
28 fauna or in flower shops, orchidariums, nurseries, and the like wild or threatened flora.
29 Any person violating this provision shall be punished by imprisonment of six (6) years
30 and one (1) day to twelve (12) years and a fine of One million pesos (P1,000,000.00) for
31 species listed under the Convention of International Trade in Endangered Species of Wild
32 Fauna and Flora (CITES) I; Seven hundred fifty thousand pesos (P750,000.00) for

1 species listed under CITES II; and Five hundred thousand pesos (P500,000.00) for
2 threatened species.

3 A criminal action for violation of this provision shall not bar the institution of a
4 civil action for damages that may proceed independently.

5 All wildlife and its derivatives or by-products, and all paraphernalia, tools and
6 conveyances used in connection with violations of this provision shall be seized and
7 confiscated in favor of the government.

8 An offender who is an alien shall be deported after serving his sentence and
9 payment of fines, without any further proceedings.

10 **SEC. 67. *Misdeclaration or Falsification of Reports on Forest Resource***
11 ***Inventory, Scaling, and Survey by a Government Official or Employee.*** - Any public
12 officer or employee who knowingly misdeclares or falsifies reports pertaining to forest
13 resource inventory, scaling, survey, and other similar activity which are contrary to the
14 criteria and standards established in the rules and regulations promulgated by the
15 Secretary therefor, after an appropriate administrative proceeding, shall be dismissed
16 from the service with prejudice to re-employment. Upon conviction by a court of
17 competent jurisdiction, the same public officer or employee shall further suffer an
18 imprisonment of not less than eight (8) years nor more than twelve (12) years and a fine
19 of not less than Twenty thousand pesos (P20,000.00) nor more than One hundred
20 thousand pesos (P100,000.00). *Provided, That the inventory, survey, scale,*
21 *classification, and similar reports referred herein shall be rendered null and avoid.*

22 **SEC. 68. *Prohibition on Issuance of Tax Declaration on Forestlands.***- Any
23 public officer or employee who issues a tax declaration for any purpose on any part of
24 forestlands, shall suffer imprisonment for a period of not less than four (4) years nor more
25 than eight (8) years and perpetual disqualification from holding an elective or appointive
26 office: *Provided, That such tax declaration shall be considered null and void.*

27 **SEC. 69. *Unlawful Possession of Implements and Devices Used by Forest***
28 ***Officers.*** - Any person found possessing or using implements and devices used by forest
29 officers shall be penalized with imprisonment of not less than four (4) years nor more
30 than eight (8) years and a fine of not less than Twenty thousand pesos (P20,000.00) nor
31 more than One hundred thousand pesos (P100,000.00) in addition to the confiscation of
32 such implements and devices and the automatic cancellation of any license agreement,
33 license, lease or permit.

1 Any forest officer who willingly allowed unauthorized person(s) to use these
2 implements and devices under his care shall be penalized with imprisonment of not less
3 four (4) years to no more than eight (8) years and a fine of not less than Twenty thousand
4 pesos (P20,000.00) nor more than One hundred thousand pesos (P100,000.00). In
5 addition, the said forest officer shall be dismissed from the service with prejudice to
6 reinstatement and with perpetual disqualification from holding an elective or appointive
7 position.

8 **SEC. 70. *Unauthorized Introduction of Logging Tools and Equipment Inside***
9 ***Forestlands and National Parks.*** - It shall be unlawful for any person or entity to
10 possess, bring or introduce any chainsaw or any logging tools or equipment inside
11 forestlands without prior authority from the Secretary or his duly authorized
12 representative. Any person found guilty of illegal possession of said chainsaw and
13 logging tools or equipment shall be liable to imprisonment of twelve (12) years and one
14 (1) day to fourteen (14) years and eight (8) months or fined not less than Fifty thousand
15 pesos (P50,000.00) nor more than One hundred thousand pesos (P100,000.00) or both,
16 and confiscation of said chainsaw and logging tools and equipment in favor of the
17 government.

18 **SEC. 71. *Non-Payment and Non-Remittance of Forest Charges.*** - Any person
19 who fails to pay the amount due and payable as forest charges to the government shall not
20 be allowed to transport, convey, sell, nor use the timber or forest product. Moreover,
21 failure to pay within thirty (30) days upon assessment of forest charges shall be a ground
22 for confiscation of the said timber or forest product in favor of the government. Any
23 person who fails or refuses to remit to the proper authorities said forest charges
24 collectible pursuant to the provisions of this Act or the National Internal Revenue Code,
25 as amended, or who delays, obstructs or prevents the same, or who orders, causes or
26 effects the transfer or diversion of the funds for purposes other than those specified in
27 said Acts shall, upon conviction, be imprisoned for not less than six (6) years nor more
28 than ten (10) years and fined from Twenty thousand pesos (P20,000.00) to One hundred
29 thousand pesos (P100,000.00). If the offender is a corporation, partnership, or
30 association, the officers and directors thereof shall be liable.

31 **SEC. 72. *Institution of Criminal Action by Forest Officers.*** - Any forest officer
32 shall arrest even without warrant any person who has committed or is about to commit, or
33 is committing in his presence any of the offenses defined in this chapter. The tools,

1 animals, equipment and conveyances used in committing the offense, and the forest
2 products cut, gathered, taken or possessed by the offender in the process of committing
3 the offense shall also be seized and confiscated in favor of the government. The arresting
4 forest officer shall thereafter deliver within six (6) hours from the time of arrest or seizure
5 both the offender and the confiscated forest products, conveyances, tools and equipment,
6 or the documents pertaining to the same, and file the proper complaint with the
7 appropriate official designated by law to conduct preliminary investigation and file
8 information in court. If the arrest and seizure are made in the forest far from authorities
9 designated by law to conduct preliminary investigations, the delivery to and filing of the
10 complaint with the latter shall be done within a reasonable time sufficient for ordinary
11 travel from the place of arrest to the place of delivery. The seized forest products,
12 materials, conveyances, tools and equipment shall be immediately disposed of in
13 accordance with the regulations promulgated by the Secretary.

14 The Secretary may deputize any agency, barangay or barrio official, or any
15 qualified person to protect the forest and exercise the powers or authority provided for in
16 the preceding paragraph. Reports and complaints regarding the commission of any of the
17 offenses defined in this chapter not committed in the presence of any forest officer or any
18 of the deputized officers shall immediately be reported to the forest officer assigned in
19 the area where the offense was allegedly committed. Thereupon, the investigating officer
20 shall receive the evidences supporting the report or complaint and submit the same with
21 the appropriate official authorized by law to conduct a preliminary investigation of
22 criminal cases and file the information in court.

23 **SEC. 73. Liability of Confiscating Officers.** – Any public officer who fails to
24 produce the timber or forest products, including tools, conveyances, equipment, and
25 devices in his custody pursuant to a seizure or confiscation made thereon, or who shall
26 appropriate, take, misappropriate, or shall permit another person to take such timber
27 forest products wholly or partially, shall suffer the penalty provided for in Article 217, on
28 Malversation of Public Funds or Property, of the Revised Penal Code. In addition, the
29 said public officer shall be dismissed from service with prejudice to reinstatement and
30 with perpetual disqualification from holding any elective or appointive office.

31
32 **CHAPTER XIV**
33 **ADMINISTRATIVE PROVISIONS**

1 **SEC. 74. *Strengthening of the Forest Management Sector.*** - In order to
2 effectively implement the provisions of this Act, the Forest Management Bureau (FMB)
3 shall be transformed into a line bureau with functions clearly defined and enumerated
4 under the implementing rules and regulations of this Act. To ensure that the scientific
5 practice of forestry in the country is properly implemented, only registered foresters shall
6 be appointed to the positions of Director and Assistant Director, and Regional Directors
7 of the FMB as well as to all other positions where the services of professional foresters
8 are required in accordance with existing laws and Civil Service rules and regulations.
9 The Secretary, in consultation with the CSC and the DBM, is hereby authorized to
10 recognize the FMB and the forestry sector at the field level.

11 **SEC. 75. *Authority of the Secretary on the Utilization of Forest Resources.*** -
12 The utilization of forest resources from natural forests found in forestlands, government-
13 established reservations, and all other lands including ancestral domains or under the
14 management of other government agencies shall be prohibited unless covered by permits
15 issued by the Department: *Provided*, That in the case of ancestral lands and domains, the
16 terms of the agreement with the concerned indigenous cultural community shall likewise
17 govern.

18 **SEC. 76. *Administrative Authority of the Secretary or his Duly Authorized***
19 ***Representative to Order Confiscation.*** - In all cases of violations of this Act or other
20 forest laws, rules, and regulations, the Secretary or his duly authorized representative
21 may order the confiscation of forest products illegally harvested, cut, gathered, removed
22 or possessed or abandoned, and all conveyances used either by land, water, or air as well
23 as all machinery, equipment, implements, and tools used in the commission of the offense
24 and to dispose of the same in accordance with pertinent laws, regulations, or policies on
25 the matter.

26 If the confiscated forest products are in danger of deteriorating, the Secretary may
27 order that the same be sold at public auction even before the termination of the judicial
28 proceedings, with the proceeds kept in trust to await the outcome of the judicial
29 proceedings.

30 No court of the Philippines shall have jurisdiction to issue any *Writ of Replevin*,
31 restraining order, or preliminary mandatory injunction in any case involving or growing
32 out of any action by the Secretary or his duly authorized representative in the exercise of
33 the foregoing administrative authority.

1 **SEC. 77. *Administrative Authority of the Secretary to Impose Fines.*** - In all
2 cases of violations of this Act and other forest laws, rules and regulations where fine is
3 the principal penalty, the Secretary, after consultation with the forest-based industries
4 affected, is hereby authorized to impose administratively the penalty consisting of the
5 amount and the schedules of the fine which he shall cause official publication of.

6 **SEC. 78. *Authority of Forest Officers.*** - When in the performance of their
7 official duties, forest officers or other government officials or employees duly authorized
8 by the Secretary shall have free entry into areas covered by a contract, agreement,
9 license, lease or permit. Forest officers are authorized to inspect and to open closed vans
10 suspected to contain illegally harvested, collected or transported forest product: *Provided,*
11 That it is done in the presence of the shipper or consignee or two (2) responsible public
12 officials in the locality. Forest officers are authorized to administer oath, take
13 acknowledgment in official matters connected with the functions of their office, or take
14 testimony in official investigations conducted under the authority of this Act and the
15 implementing rules and regulations issued by the Secretary pursuant thereof.

16 **SEC. 79. *Visitorial Powers.*** - The Secretary or his duly authorized representative
17 shall, from time to time, investigate, inspect, and examine records and other documents
18 except bank records related to the operation of any person granted the privilege, contract,
19 or agreement to utilize forest resources to determine compliance with the terms and
20 conditions stipulated in the grant, contract or agreement, this Act, and pertinent laws,
21 rules, and regulations.

22 **SEC. 80. *Other Incentives.***- Twenty percent (20%) of the value of confiscated
23 materials shall be used as incentives to informants and members of multi-sectoral forest
24 management councils, including Department personnel. Confiscated forest products may
25 also be donated to LGUs and other government agencies for forest protection activities.
26 Additional incentives may be provided to personnel of the Department, in addition to
27 those provided under the Government Service Insurance System (GSIS) or Workmen's
28 Compensation Law. They shall also be entitled to free legal assistance should legal cases
29 be filed against them in the performance of official duties.

30 **SEC. 81. *Citizens' Suits.*** - For purposes of enforcing the provisions of this Act or
31 its implementing rules and regulations, any citizen may file an appropriate civil, criminal
32 or administrative action in the proper court against: (a) any person who violates or fails to
33 comply with the provisions of this Act or its implementing rules and regulations; or (b)

1 the Department or other implementing agencies with respect to orders, rules and
2 regulations issued inconsistent with this Act; and (c) any public officer who willfully or
3 grossly neglects the performance of an Act specifically enjoined as a duty by this Act or
4 its implementing rules and regulations, or abuses his authority in the performance of his
5 duty, or in any manner, improperly performs his duties under this Act or its implementing
6 rules and regulations: *Provided, however,* That no suit can be filed until after a thirty-day
7 notice has been given to the public officer and the alleged violator concerned and no
8 appropriate action has been taken thereon.

9 The court shall exempt such action from the payment of filing fees, except fees
10 for actions not capable of pecuniary estimations, and shall, likewise, upon *prima facie*
11 showing of the non-enforcement or violation complained of, exempt the plaintiff from the
12 filing of an injunction bond for the issuance of a preliminary injunction.

13 **SEC. 82. *Protection to Witnesses in Violation of Forestry Laws.*** - Witnesses to
14 violations of this Act or other forestry laws and regulations, including the immediate
15 members of the family of said witnesses shall be given protection, security and benefit,
16 subject to the provisions of Republic Act No. 6981, otherwise known as "The Witness
17 Protection, Security and Benefit Act" and its implementing rules and regulations.

18 **SEC. 83. *Rule-Making Authority.*** - In coordination with the NCIP, the DILG,
19 the Department of Finance, and other government agencies mentioned herein, the
20 Department shall promulgate the implementing rules and regulations within one (1) year
21 from the effectivity of this Act.

22 **SEC. 84. *Transitory Provision.***- Upon the approval of this Act, the Department
23 shall evaluate the conditions of all forestlands covered by existing TLAs, licenses, or
24 permits and the like, which shall be allowed to continue until their expiry unless
25 terminated for cause, such as:

- 26 (a) when the licensee has been found to be a dummy;
- 27 (b) farming out the license or receiving royalty of any kind;
- 28 (c) cutting or operating outside the limits of the license or that specifically
29 designated by the Department;
- 30 (d) allowing illegally cut timber to be invoiced under the license of inducing any
31 other person to log in other areas in violation of the Department's regulations;
- 32 (e) failure to submit to the Department the required copies of auxiliary invoices
33 covering timber manifested under the license;

1 (f) failure to leave undamaged an adequate stand of young trees for residual
2 growing stock or for seeding purposes and to employ the necessary number of laborers
3 needed for timber management work;

4 (g) when the licensee has, for the third time after written warning, intentionally
5 cut, injured or destroyed trees marked by forest officers and unmarked poles and saplings
6 for future growing stock, seeding, or protection;

7 (h) failure to employ the required number of concession guards as determined by
8 the Department;

9 (i) failure to protect the concession or license area from *kaingin*-making, illegal
10 timber cutting, and other forms of trespass;

11 (j) when made a condition in the award of the area and the grant of the license, to
12 put up the processing plant for the area within the required period;

13 (k) failure to pay pending forest accounts;

14 (l) failure to maintain and make conspicuous the approved and established
15 boundaries of his concession or license area;

16 (m) failure to suspend operations within a conflicted area when so required by the
17 Department or its authorized representatives, pending final decision of the conflict;

18 (n) when the license is found to have been obtained through fraud or
19 misrepresentation or by false, misleading statements;

20 (o) allowing a contractor to operate the license area or concession; and

21 (p) violation of any of the terms and conditions of the license or any of the
22 provisions of the internal revenue, labor, and NIPAS laws and Department regulations.

23 Any of the violations enumerated above will be cause for the immediate
24 cancellation of the permit or timber license agreement.

25 **SEC. 85. *Separability Clause.*** - Should any provision herein be declared
26 unconstitutional or invalid, the same shall not affect the validity or legality of the other
27 provisions.

28 **SEC. 86. *Repealing Clause.*** - Subsections (b), (d), (e), (f), (g), and (i) of Section
29 4 of Act No. 3915; Republic Act Nos. 460 and 7161; Presidential Decree Nos. 705, 1153,
30 1515, 1559, 1775 and 1998; Letter of Instruction No. 818; Executive Order Nos. 277 and
31 278, series of 1987, and Executive Order no. 725, series of 1981, are hereby repealed,
32 and all laws, orders, rules and regulations, or any part thereof which are inconsistent

1 herewith are hereby repealed or amended accordingly: *Provided*, That this Act shall not
2 in any manner amend the IPRA and the NIPAS law.

3 **SEC. 87. *Effectivity*.** - This Act shall take effect thirty (30) days from the date of
4 its publication in the Official Gazette and in at least two (2) newspapers of general
5 circulation.

6 Approved,