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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

13th CONGRESS
First Regular Session

HOUSE BILL NO. 2568

Introduced by HON. ORLANDO A. FUA, JR.

EXPLANATORY NOTE

Sustainable management means the ability to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. This is the framework under which the present bill has been crafted.

The bill aims to mark on the ground permanent boundaries for all forest lands as mandated by the 1987 constitution, in order to, among others, to accelerated and sustain the rehabilitation and protection of denuded forest areas, with watersheds as priority.

Forest lands will be subdivided into management units such as protection forest lands to be managed under the NIPAS law, watersheds and the like. There will be a comprehensive management plan for each unit that will be implemented by a multi-sectoral management team composed of DENR, LGU, community and NGO representatives.

Forest plantations will be encouraged in private lands as well as denuded forest lands. This will be done in a sustained and well-planned manner.

The bill recognizes the role of local communities as protectors of forest lands through the Community Based Forest Management Program or CBFM Priority shall be placed on indigenous peoples through the recognition of their ancestral domains and the establishment of CBFM in the land where they have lived upon for centuries. Local communities shall be trained to acquire the kills, values and organizational capability to manage the forest areas adjoining their residence. This will directly benefit more than 13 million Filipinos residing in upland communities.

Government , private sector and other groups will assist local communities including indigenous peoples to effectively perform their role as forest managers. Alternative livelihood opportunities shall be identified and created for upland peoples to lessen the pressures on cutting trees as the sole means of livelihood. Part of the income from the utilization of forest resources shall be set aside for forest protection, income generating activities and community development projects.

Approval of the bill is earnestly requested.

HON. ORLANDO A FUA, JR.

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HOUSE BILL NO. 2568

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An Act

PROVIDING FOR SUSTAINABLE MNAGEMENT OF FOREST RESOURCES AND OFR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives in congress Assembled :

CHAPTER 1. BASIC FORETRY POLICIES

SECTION 1. Title . This Act shall be known and cited as " The Sustainable Management of Forest Resources Act of 1998 ".

SECTION 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, both men and women, to a balanced and healthy ecosystem in accord with the the rhythm and harmony of nature, and to conserve and develop the patrimony of the nation, the State hereby adopts the following policies relative to its forest resources :

(a.) The management and development of forest resources on a Sustainable basis , which focuses on the resource and the people who manage and benefit from it , shall be the guiding principle in

resources. An integrated forest management system shall be pursued;

(b.) Community-based forest management shall be a principal strategy to promote the management and development of forest resources on a sustainable basis. It shall have precedence over the other strategies;

(c.) The participation of all sectors of society in sustainable forest management and development shall be promoted and the equitable sharing of the benefits derived from the forest shall be ensured;

(d.) Reforestation, agroforestry and other appropriate measures shall be given emphasis in order to rehabilitate and restore productivity of denuded and degraded lands as well as increase income of the marginal sectors of society;

(e.) The protection and rehabilitation of forest lands including all protected areas shall be given priority to ensure environmental stability, enhance biological diversity and provide economic benefits;

(f.) The specific limits of forest lands shall be fixed and demarcated;

(g.) The use of forest resources shall bear a social function, responsibility and accountability to promote common good;

(h.) A dynamic, professional and people-oriented forest service shall be established and fully supported

(i.) In pursuance of the principal of sustainable forest management, a secured tenure shall be guaranted by the State.

SEC. 3. Definitions. As used in this Act, the following terms shall mean:

Agroforestry refers to a sustainable management of lands which increase their over-all productivity by properly combining agricultural crops, and/or livestock with forest crops simultaneously or sequentially through the application of management practices which are compatible with the local climate, topography, slope and soil as well as with the cultural patterns or customary laws of the local population.

Alienable and Disposable Lands are those lands of the public domain which have been delimited, classified and declared as such and available for disposition under Commonwealth Act. No. 141, as amended, otherwise known as the Public Land Act.

Ancestral Domain refers to all lands and natural resources occupied or possessed by indigenous cultural communities, by themselves or through their ancestors, communally or individually, in accordance with their customs and traditions since time immemorial, continuously to the present except when interrupted by war, force majeure, or displaced by force, deceit or stealth.

Annual Allowable Harvest refers to the amount or volume of materials, whether of timber, non-timber or other forest products, authorized by the government to be harvested within each year from the forests.

Biological Diversity means the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part ; this includes diversity within species,

threaten species and ecosystems.

Brushlands refer to areas characterized by discontinuous cover of shrubby and non-wood vegetation including grasses resulting from repeated clearing or burning.

Buffer Zones are areas outside the boundaries of and immediately adjacent to protected areas designated as such pursuant to Section 8 of NIPAS Act that need special development control in order to avoid or minimize harm to the protected area.

By-Product refers to any part taken from wildlife species such as hides, antlers, feathers, fur, internal organs, roots, trunk, branches, leaves, stems, flowers and the like.

Conveyance refers to any vehicle, vessel, device or animals used in transporting forest products.

Co-Production Agreement is an agreement entered into by and between a qualified person and the government, for the former to develop, utilize and manage, consistent with the principle of sustainable development, a specified portion of the forest land, wherein the government provides inputs to the operation in additional to the forest resources. The products harvested or removed therefrom or the equivalent cash value thereof shall be shared by said person and the government.

Critical Watershed is a drainage area of a river system supporting existing and proposed hydroelectric power plants, irrigation works or water facilities and other infrastructure and in need of protection and immediate rehabilitation.

Department refers to the Department of Environment and Natural Resources.

Finished Wood Products refer to end products that are ready

for use without need for further processing such as, but not limited to, doors, door jambs, mouldings, plywood, floor parquets, and other similar products.

Fishpond Lease Agreement is a contract entered into by and between a qualified person and the government for the former to occupy and possess in consideration of a specified rental any public land for the raising of fish and other aquatic products.

Forest refers to either natural vegetation or plantation of forest crops such as trees, or both, occupying a definable, uninterrupted or contiguous area exceeding but not less than one hectare in size with the tree crowns covering at least ten (10) percent of the area, exclusive of the associated seedlings, saplings, palms, bamboos and other undercover vegetation. A natural forest is a stand constituted by natural succession without human intervention which includes such stand types as dipterocarp, pine, mossy, beach and/or mangrove, and for purposes of this Act is classified according to 1) primary use and management and 2) growth formation. As to primary use and management, a forest shall be either a 1) protection forest or 2) production forest after its most effective function has been determined in pursuance to this Act. As to the growth formation, a natural forest is classified according to either 1) a primary or old growth forest which refers to forest virtually uninfluenced by human activity; or 2) a residual or second growth forest which refers to a natural forest which has been subjected to timber harvesting and extraction.

Forest Charges refer to the charges imposed and collected by the government on forest products cut, harvested or

gathered from forest lands.

Forest Community is a group of people who may or may not share a common interest, needs, visions, goals and beliefs, occupying a particular territory inside or adjacent to a forest land and also who are usually dependent on the forest resources found therein for subsistence.

Forest Based Industry refers to any industry that makes use of forest resources as raw materials or use them as basis for its business.

Forest Lands are those lands of the public domain which have been classified as such by this Act and all unclassified lands of the public domain.

Forest Officer refers to any public officer who by the nature of his appointment, or functions of the position to which he is appointed, or is delegated by the law and regulations or by competent authorities, executes, implements or enforces the provisions of this Act and other related laws and regulations.

Forest Plantation refers to a tract of land extensively planted to forest trees, rattan, bamboo, and other forest species.

Forest Product refers to any forest resource that is harvested or utilized, except minerals.

Forest resources refer to all natural resources whether biomass such as plants and animals or non-biomass such as soil and water as well as the intangible services and values present in forest lands or in other lands devoted for forest purposes.

Grazing Land refers to a part of the forest land designated and managed for the raising of livestock.

Harvest Cycle refers to the number of years between two successive major harvest interventions of a forest product in the same forest area within a management unit.

Indigenous Cultural Community refers to a group or tribe of indigenous Filipinos who have continuously lived as communities on communally bounded and defined land since time immemorial, continuously to the present, except when interrupted by war, force majeure or displaced by force, deceit or stealth, and have succeeded in preserving, maintaining and sharing common bonds of languages, customs, traditions, and other distinctive cultural traits. As used in this Act, indigenous cultural community is synonymous with indigenous peoples.

Joint Venture Agreement is an agreement where a joint-venture company is organized by the government and a qualified person, with both parties having equity shares, to develop, utilize and manage, consistent with the principles of sustainable development, a portion of a forest land. Aside from earnings on the equity, the Government shall be entitled to a share in the gross output.

Multiple-Use refers to the compatible or harmonized utilization, development and management of the forest land and forest resources therein in conformity with the principle of sustainable development.

National Park refers to a land area of the public domain essentially of natural, wilderness, scenic or historic character which has been withdrawn from settlement, occupancy or any form of development, except in conformity with a approved management plan, and set aside as such to conserve the are and to

preserve the scenery, the natural and historic objects, wild animals and plants therein mainly for biodiversity conservation and/or human enjoyment.

Non-Government Organization refers to a private, non-stock, voluntary organization established primarily for service. Cooperatives and people's organizations shall be considered as NGOs for purposes of this definition.

Permit refers to a privilege granted by the government to a person to utilize limited forest and wildlife resources, or to undertake specified forestry activity inside the forest land without any right of possession and occupation therein, or to establish and operate a plant for processing timber, non-timber or other forest products.

Person refers to natural as well as juridical person.

Processing Plant or Mill refers to a physical structure including its complement of machineries and equipment used for processing of timber or logs, other raw wood, non-timber or other forest products into their semi-finished or finished forms.

Production Sharing Agreement is a contract wherein the government grants to a person the privilege to manage, develop and utilize forest resources within specific area and period of time. The government shall share in the gross output at a pre-determined value of the forest products so harvested and utilized by the agreement holder upon execution of the contract. The contractor shall provide the financing, technology, management, personnel and all other inputs necessary for the implementation of the agreement.

Protected Areas are those areas defined and designated

as such pursuant to Republic Act. No. 7586 or NIPAS Law.

Reservation refers to an area of forest land which has been reserved by law for specific purpose.

Rotation refers to the number of years between the initial establishment of a plantation and the time when it is considered ready for cutting and regeneration.

Secretary refers to the Secretary of the Department of Environment and Natural Resources.

Semi-Finished Wood Products refer to end products requiring final stages of manufacture and/or assembly such as, but not limited to, window components, table tops, veneer and other similar products.

Sustainable Development means meeting the needs and aspiration of the people without comprising the ability of the future generation to meet theirs.

Sustainable Forest Management and Development is the process of managing, developing, and utilizing forest land and resources therein to achieve the production of desired products or services without impairing the inherent productivity of the forest thereby ensuring a continuous flow of these products or services and without undesirable effects on the physical and social environment.

Tenure means guaranteed peaceful possession and use of specific forest land area and the resources found therein covered by an agreement, contract or grant which cannot be altered or abrogated without due process.

Trade means the act of engaging in the exchange, purchase or sale of forest products locally or internationally.

Watershed is a land area drained by a stream or fixed body of water and its tributaries having a common outlet for surface run-off.

Watershed Reservation refers to a forest land that has been proclaimed by law as such, primarily for water production purposes.

Wildlife means wild forms and varieties of flora and fauna.

Wood-Based Industries refer to various industries that are dependent on wood as the principle raw material including, but not limited to, the saw milling industry, pulp and paper industry, plywood and veneer manufacturing industry as well as the secondary and tertiary wood processing industries such as moldings and furniture manufacturing, among others.

CHAPTER II. LIMITS AND CLASSIFICATION OF FOREST LANDS

SEC. 4. Limits of Permanent Forest Lands. The permanent forest lands shall be those portions of the lands of the public domain classified and delimited pursuant to this Act. All lands of the public domain classified as forest lands by the Department as of December 1994, under its Land Classification Program are hereby declared as permanent forest lands.

Within six months from the effectivity of this Act, the Department shall submit to congress map of appropriate and uniform scale indicating the specific limits of permanent forest lands by province.

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. All such lands which

shall be classified as forest lands shall also be declared permanent forest lands upon submission by the Department to Congress, the maps of said forest lands. Provided, that no lands of the public domain eighteen percent (18%) or over in slope shall be classified as alienable and disposable lands except those with well established communities duly recognized under the Local Government Code. Provided, finally that all Department records pertaining to the specific limits of forest lands shall be made available to the public upon request. The Department shall furnish all provincial, municipal and city governments copies of the maps of permanent forest lands located within their respective territorial jurisdiction.

SEC. 5. Additional Areas to be Included as Permanent Forest Lands. The following lands, even if they are below eighteen per cent (18%) in slope, are needed for environmental protection and forest protection purposes and shall not therefore, be classified as alienable and disposable lands, nor be subject to logging, mining, quarrying, and other such resource extraction activities:

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

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

c) Areas of not less than ten (10) hectares covered with natural forest;

d) All mangroves and swamp lands which are not yet

f) Ridge tops and plateaus regardless of size found within, or surrounded wholly or partly by forest lands where [illegible] exists;

g) Appropriately located road rights-of-way;

h) Twenty meter (20) strips of land along the edge of the normal high waterline of rivers and stream with channels of at least five (5) meters wide, which are not yet classified as alienable and disposable.

i) Strips of mangrove or swamplands at least twenty (20) meters wide, along shoreline facing oceans, lakes and other bodies of water, and strips of lands at least twenty (20) meters wide inside lakes, which are not yet classified as alienable and disposable;

j) Areas needed for other purposes of public interest such as national parks, national historical sites, game refuge and wildlife sanctuaries, forest station sites, research/experimental purposes, and others;

k) Areas previously proclaimed by law as forest reserves, national parks, game refuge, bird sanctuaries, national shrines, national historic shrines, national historic sites;

l) Areas within watersheds reservations; and

m) Areas considered environmentally critical because of their vulnerability to damage from typhoons, landslides, volcanic eruptions and other natural causes.

Owners who have acquired vested rights over lands enumerated above are required to implement soil and water conservation measures in coordination with the Department and the appropriate

local government unit. Provided, that the department and/or the local government unit concerned, shall immediately take the necessary steps to expropriate the property concerned or cancel or amend any titles issued thereon under any of the following conditions:

1) Failure of the owner, after due notice, to implement appropriate soil and water conservation;

2) Issuance of titles over such areas was accomplished through fraud, deceit, misrepresentation or other anomalies; and

3) Public interest so requires.

SEC. 6. Non-Diminution of the Specific Limits of Forest Lands. The specific limits of the permanent forest lands as determined in accordance with Section 4 of this Act can not be altered except by an act of Congress.

SEC. 7. Delineation of Boundaries of Forest Lands. The Department shall within three (3) years upon the effectivity of this Act delineate on the ground the boundaries between forest lands and alienable or disposable lands with concrete monuments, road or infrastructure, or any other visible, permanent and practicable signs.

SEC. 8. Sub-Classification of the Forest Land. The Department shall have the authority to sub-classify the forest lands into the following categories according to primary use:

8.a. Protection Forest. All areas within the forest lands designated or set aside as protected areas pursuant to the NIPAS Act shall constitute the Protection Forests. All mossy and old growth forests shall also be classified as Protection Forest. The establishment and management of

protection forests shall be in accordance with the said NIPAS Act.

8.b. Production Forest Land. All permanent forest lands not classified as Protection Forest as defined in Section 8a of this Act shall be classified as Production Forests. These forests shall be mainly devoted to the production of forest products and services in accordance with an approved sustainable management plan.

CHAPTER III. ADMINISTRATION AND MANAGEMENT OF FOREST LANDS.

SEC.9. Jurisdiction and Control of Forest Lands. The Department shall have jurisdiction, control and authority over all forest lands and unclassified lands of the public domain and shall see to it that these forest lands and unclassified lands of the public domain are managed, conserved, developed, utilized, and protected consistent with the policies promulgated in this Act. The utilization and development of forest lands and unclassified lands of the public domain including the natural resources therein shall not be allowed except upon prior authorization by the Secretary.

SEC. 10. Forest Lands Under Other Government Agencies. Forest lands and/or portions thereof, which have been assigned by law under the administration and management of other government agencies including those devolved to the local government units, prior to the passage of this Act, shall remain under the administration and management of these government agencies who shall be responsible for their protection, rehabilitation, conservation and development. These forest

lands shall be managed and developed in accordance with a sustainable management plan, which shall be prepared within one year from the effectivity of this Act, in coordination with the Department, LGUs concerned, local communities and organizations. Provided, That the Department and the government agency concerned shall periodically review and monitor the implementation of the said management plan. Provided, further, that harvesting or utilization of forest resources or road construction or building of infrastructure shall be undertaken only upon prior approval of the Secretary and after compliance with an Environmental Impact Statement (EIS) and Environmental Compliance Certificate (ECC) requirements. The Secretary or his duly authorized representative shall have visitorial powers over forest lands under the administration of other government agencies. Provided, finally, That these forest lands or portion thereof, shall be reverted to the jurisdiction and control of the Department when they are no longer needed for the purpose by which they have been constituted, or in the event of failure of the agency concerned to rehabilitate, protect, develop and manage the forest in accordance with the approved management plan. The use of these reverted forest lands shall be determined by the Department.

Sec. 11. Forest Resources Within Alienable and Disposable Lands. The Department shall encourage and provide incentives to land owners of alienable and disposable lands to keep the natural forest on their lands under sustainable management or develop and maintain a tree plantation on the same. Landowners may register their forests with the Department and shall be

assisted in the preparation of a management plan, given other technical assistance and allowed to harvest the trees in accordance with the plan. No utilization of natural forest resources shall be allowed without prior authorization by the Secretary.

SEC. 12. Participation of Local Government Units in Forest Management. Pursuant to the pertinent provisions of RA 7160 otherwise known as the Local Government Code, the LGUs shall share with the Department the responsibility in the sustainable management and development of forest resources within their territorial jurisidiction. The LGUs, with the Department's assistance shall implement, supervise, control as well as provide funds for forestry projects and activities included in the devolved functions of the Department pursuant to the said Local Government Code. They shall be consulted on any and all forest projects to be implemented and shall have equitable share of the revenues derived from the forests within their territorial jurisdiction. For this purpose, the Department, the Department of Interior and Local Government (DILG), the Leagues of Provinces, Cities, Municipalities and Barangays, shall, within one (1) year from the passage of this Act, formulate a joint strategy and program to implement the provision of this Act.

CHAPTER IV. SUSTAINABLE MANAGEMENT OF FOREST RESOURCES

SEC. 13. Sustainable Forest Management Planning. In pursuit of the management and development of forest resources on a sustainable basis, government shall adopt and implement a long-term strategic plan implemented through medium term plans and annual operations plans.

promote the multiple-use and sustained yield of the forests to provide the optimum benefits to the people without impairment of the bio-physical and social environment.

SEC. 14. Sustainable Forest Management Unit. Forest lands shall be divided into sustainable forest management units based on watershed boundaries or other practical considerations, by the Department in coordination with the LGU concerned. Each sustainable forest management unit shall be managed, developed, protected and utilized according to an approved sustainable management plan.

SEC. 15. Sustainable Allowable Harvest. For each sustainable forest management unit, the sustainable allowable harvest shall be determined on the basis of the area, volume and kind of harvestable forest resources, regeneration capacity of the forest resources, prescribed silvicultural treatments, harvesting cycle and rotation thereof among others. The Secretary shall issue guidelines for determining the sustainable allowable harvest. No person shall cut, harvest and gather any forest products unless duly authorized to do so in accordance with Section 9 hereof.

In no case shall the original forest cover of the management unit be reduced as a result of timber or any other forest product harvesting and other activity.

SEC 16. Environmental Impact Assessment and Monitoring of Forest Cover. All new projects to be implemented in forest lands including harvesting, grazing and other special uses, mineral prospecting and exploration, road, infrastructure, and

Assessment (EIA) consistent with PD No. 1151 and Presidential Decree No. 1586. The Department shall design and implement a system of environmental impact assessment, monitoring and evaluation system for all forestry projects. The Department shall periodically monitor changes in and status of forest cover using practical but reliable assessment techniques.

CHAPTER V. COMMUNITY-BASED FOREST MANAGEMENT

SEC. 17. Community-Based Forest Management Strategy. Forest communities, indigenous peoples and other communities whose lives, culture and general well-being are intimately linked with the forests, shall be entrusted with the responsibility to manage, develop and protect forest resources under the principle of stewardship and empowerment. They shall be given the privilege to utilize forest resources in accordance with an approved comprehensive management plan and shall be entitled to the incentives on establishment of forest plantations as provided for in Section 32, hereof and other incentives as the government may later on provide. The Department, local government units, other government agencies, non-government organizations and private companies and individuals shall concertedly provide these communities with appropriate long term tenure security, technical assistance, training and other assistance necessary to strengthen the community's capability to protect, develop, manage, utilize and benefit from forest resources. Pursuant to these policies, the State herein adopts Community Based Forest Management Strategy (CBFMS) as a principal strategy to achieve sustainable forest management,

social justice and economic development particularly in the rural areas. The community shall be provided with a long term security of tenure.

SEC. 18. Management of Forest Resources in CBFM Areas. The management of forest resources in CBFM areas shall be embodied in a Comprehensive Resource Management Plan which shall provide guidance for the access, use, and protection of natural resources therein, within the framework of and consistent with the overall strategy for development of the larger and/or entire watershed area. Implementation of the Comprehensive Resource Management Plan should result in a) sound environmental management; b) improved land productivity; c) socio-economic upliftment; d) active community participation; e) development of strong, sustainable community organization; and f) security of tenure.

SEC 19 . Qualified Participants. Only organized forest communities as defined in this Act shall be eligible to participate in the CBFMS. The indigenous peoples shall be encouraged to actively participate in the implementation of CBFM activities in recognition of their rights to their ancestral domains and lands. All organizations eligible to participate in CBFMS shall set as basic requirements for accepting membership the following qualifications:

1. Members shall be Filipino citizens.

2. Members may either be:

a. Actually tilling portions of the area to be awarded.

b. Traditionally utilizing the resource for all substantial portion of their livelihood, or

c. Actually residing within or adjacent to the areas to be awarded.

SEC. 20. Involvement of LGUs, POs, NGOs, and other Groups in CBFM. The Department shall work with local government units, people's organizations (POs), non-government organizations (NGOs), religious groups, business and industry, and other concerned organizations to ensure that communities are empowered to initiate and achieve the objectives of this Act.

SEC. 21. Community-Based Forest Management Special Account (CBFMSA). The Department shall establish and manage a Community-Based Forest Management Special Account (CBFMSA) to support the implementation of the strategy and provide financial and professional incentive system for deserving communities and government personnel. The Department may source local and international grants and donations for the establishment of the CBFMSA. Other sources of fund may later be determined by the Department subject to existing government regulations.

SEC. 22. Creation of Financing Mechanisms for CBFM. Within six (6) months after the enactment of this Act, government financial institutions, such as the Development Bank of the Philippines (DBP), the Land Bank of the Philippines (LBP), Government Service Insurance System (GSIS), and the Social Security System (SSS), in consultation with the Department shall formulate favorable financing mechanisms for access by communities and organizations in the pursuit of the CBFM strategy and its sub-strategies such as community training and empowerment, enterprise development, agroforestry development, forest plantations development, and other non-forest-based

SEC. 23. Funding. In its budget preparation, the Department and the Local Government Units shall allot adequate funds to effectively accomplish CBFM targets and shall ensure the inclusion of such budgetary allocations in the annual General Appropriations Act.

SEC. 24. Areas Available for CBFM. Subject to prior vested rights, CBFM shall be implemented on all public lands, ancestral domains of ICCs, and on protected areas subject to the provisions of the NIPAS Law.

SEC. 25. Recognition of Rights to Ancestral Domains. The government shall protect the rights of Indigenous Cultural Communities (ICCs) to their ancestral domains to ensure their economic, social, and cultural well-being. The vested rights of these communities over the forest resources within their ancestral domains shall be recognized and respected.

Unless otherwise Congress provides, the Department shall, in consultation with the indigenous cultural communities, undertake the delineation of ancestral domains claims in accordance with the guidelines promulgated by the Department.

SEC. 26. Rights, Responsibilities and Limitations. An Indigenous Cultural Community occupying a recognized ancestral domain shall have the right to possess and occupy the territory peacefully; to use the land, waters and other natural resources for subsistence, livelihood and income generation; to have access to communal areas, including fishing and hunting grounds, sources of water, forest products and other resources; to preserve, restore and maintain a balanced ecology in the

ancestral domain by protecting the flora and fauna, watershed areas and forest preserves; and to observe and comply with the provisions of this Act and the rules and regulations promulgated in pursuance thereof. Provided, however, That no portion of the ancestral domain shall be alienated or encumbered except to bonafide member of the recognized indigenous cultural community; Provided, further, that extraction of natural resources shall be in accordance with an approved ancestral domain management plan and other pertinent rules and regulations of the Department.

SEC. 27. Management of Ancestral Domains. Existing laws to the contrary notwithstanding, ancestral domains shall be managed by the indigenous cultural communities. Provided, however, That the management thereof is consistent with the principles of community-based forestry and of sustainable development. Provided further, That the Department shall exercise general supervision over the management of these areas.

CHAPTER VI. REFORESTATION AND FOREST PLANTATIONS DEVELOPMENT

SEC. 28. Objectives and Plans. It shall be a major objective of the State to reforest all degraded and denuded forest lands and other idle lands deemed more suitable for growing trees than for other purposes. Toward this end, the Department shall formulate a long term reforestation program, to be implemented into medium term and annual reforestation plans and which shall form an integral part of the sustainable management plan consistent with Section 13 hereof. Forest lands to be reforested shall be identified and prioritized. The reforestation program shall take into account (1) the forest

products and water supplies required by a growing population, (2) environmental imperatives such as the need for conservation of soil resources and biological diversity, and (3) the potential to use reforestation as a strategy for increasing livelihood opportunities and improving socio-economic conditions in the rural areas. Specific reforestation plan within a forest management unit shall clearly define the objectives and the strategies to attain them.

The State shall promote the broad-based participation of all sectors of society, including the upland communities, government agencies, local government units, non-government organizations, private landowners and corporations in reforesting denuded or degraded lands. It shall also adopt techniques and strategies that will promote diversity of species in reforestation areas.

SEC. 29. Reforestation in Protection Forest. The reforestation and rehabilitation of degraded areas inside protection forest shall be undertaken in accordance with the NIPAS Act.

SEC. 30 . Establishment of Forest Plantation in Production Forest Land. The State may enter into joint venture, co-production agreement and production sharing agreement, consistent with Sections 49 and 50 hereof, with qualified community organizations, local government units, non-government organizations, private companies and other interested persons for the establishments of forest plantations in forest lands under such terms and conditions as may be promulgated by the Department. The management agreement shall be for a period of twenty five (25) years renewable for another twenty five (25)

years and it shall not be terminated except for cause or for reason of public interest. Reforestation projects of the government, or portions thereof, found within production forests may be subject to a management agreement under this section.

SEC. 31. Reforestation or Establishment of Forest Plantation in Forest Lands Under Other Government Agencies. Other Government Agencies and institutions having jurisdiction over forest lands as provided under Section 10 hereof shall be responsible for the reforestation and rehabilitation of denuded and degraded portions of the forest lands under their jurisdiction, in accordance with the approved management plan, and consistent with the policies promulgated under this Act. Failure to reforest said denuded forest lands in accordance with the approved plan shall be sufficient ground to revert the said forest lands to the jurisdiction and control of the Department. The Department shall provide necessary technical assistance upon request by concerned agencies.

SEC. 32. Incentives. To encourage qualified persons to engage in reforestation and/or establish forest plantations, the following incentives shall be granted, in addition to those already provided by existing laws:

a) The agreement holder shall not be subjected to any obligation prescribed in or arising out of the provision of the National Internal Revenue Code on withholding tax at source upon interest paid on borrowing incurred for the development of forest plantations; income tax

b) Amounts expended by the agreement holder in the development and operation of a forest plantation prior to the

commercial harvest, be regarded as ordinary and necessary business expense or as capital expenditure;

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

d) The agreement holder shall be given priority in credit assistance granted by Government-Owned, Controlled and/or supported financial institutions. For this purpose, these financial institutions and the Department shall within one (1) year of the effectivity of this Act, create a favorable mechanism to support reforestation and establishment of forest plantation;

e) Timber and other forest products grown in, and cut or gathered from forest plantation may be exported without restriction in form, quantity or volume;

h) Upon the pre-mature termination of agreement at no fault of the holder, all depreciable permanent and semi-permanent improvements such as roads, buildings and nurseries including the planted, standing trees and other forest crops introduced and to be retained in the area shall be properly valuated and the holder shall be entitled to a fair compensation therefor, the amount of which shall be mutually agreed upon by both the Department and the holder and in case of disagreement between them, by a mutually acceptable impartial third party;

g) No contract or agreement shall be terminated except for cause or for reason of public interest;

The Secretary may provide or recommend to the President,

other incentives in addition to those herein above granted to promote reforestation and establishment of forest plantations.

SEC. 33. Establishment of Forest Plantations on Private Lands. Establishment of forest plantations on private lands and other alienable and disposable lands shall be encouraged, provided that such private lands and other alienable and disposable lands are not prime agricultural lands as certified to by the Department of Agriculture nor under the agrarian reform program as certified to by the Department of Agrarian Reform. The Department shall provide free technical assistance to landowners who wish to establish forest plantations on their private lands. All trees and other forest products raised including timber species are considered agricultural crops, and belong to the owner who shall have the right to sell, contract, convey or dispose of said planted trees and other forest products in any manner he sees fit. The owner(s) shall be entitled to incentives provided under Section 32, subsection (a) (b),(c),(d) and (e). Provided that such private forest plantations are duly registered with the Department.

SEC. 34. Voluntary Offer to Reforest. Private landowners, whether natural or juridical persons, may participate in reforestation, forest plantations development or similar programs of the Department, with the landowner contributing his land and the Department furnishing funds to reforest the area: Provided, That the property shall be exclusively devoted to the planting of forest species for at least one (1) rotation, which undertaking shall be annotated at the back of the title of the property: Provided, further, that the proceeds from the harvest

of said plantations shall be shared by the Department and the landowner in accordance with an agreement to be executed by the Department and the landowner. Provided, finally, that prime agricultural lands as certified by the Department of Agriculture or lands covered under the agrarian reform program shall not be the subject to voluntary offer to reforest.

CHAPTER VII. INTEGRATED PROTECTED AREA SYSTEM AND BIODIVERSITY CONSERVATION

SEC. 35. National Integrated Protected Area System. This Act hereby adopts RA 7586 entitled "An Act Providing for the Establishment and Management of National Integrated Protected Area System, defining its Scope and Coverage and for other Purposes." All forest lands sub-classified as protection forest under Section 8.a. hereof shall be managed, developed and utilized in accordance with the provision of RA 7586.

SEC. 36. Prospecting for Biological and Genetic Resources. Prospecting for biological and genetic resources, their products and derivatives for educational, scientific and commercial purposes and for other purposes shall be regulated by the State to protect, conserve, develop and put to sustainable use and benefit, these resources. The state shall also promote the development of local capability in science and technology to achieve technological self-reliance in selected areas.

The Department, the Department of Science and Technology, the Department of Agriculture, the Department of Health, the Department of Foreign Affairs and the National Museum shall formulate the guidelines and procedures for the management, collection, utilization, propagation and conservation of

effectivity of this Act.

Fees and charges as may be determined and in the amount fixed by the Secretary shall be imposed for the issuance of permits.

For the export of the captive-breed or propagated species, an export fee of not less than three percent (3%) of the export value, excluding transport costs, shall be charged. Provided, that the captive-bred or propagated species for export shall originate from the DENR licensed breeding farms.

CHAPTER VIII. FOREST PROTECTION

SEC. 37. Forest Protection Program. The State shall give priority to the protection of forest resources to conserve water, soil and biological diversity, and ensure the continuous availability of forest goods and services needed by the present and future generations of Filipinos.

The Department shall within one (1) year from effectivity of this Act, prepare a Forests and Protected Areas Protection Program for implementation nationwide, and which shall be an integral part of the sustainable forest management plan consistent with Section 13 hereof. Funds to support this Program shall be included in the Department's regular budgetary allocations under the annual General Appropriations Act. Purchase of essential equipment such as watercraft, aircraft, global positioning systems, vehicles, communication facilities, fire fighting equipment and others, shall be allowed. The forest protection program shall provide for mechanisms to secure maximum

similar organizations shall be formed in the municipal, provincial, regional and national levels whose members shall be drawn from Department of National Defense (DND), Department of Justice (DOJ), Department of Interior and Local Government (DILG), the Judiciary, the military, Philippine National Police (PNP), Local Government Units (LGU), other government agencies, non-government organizations, and the Department. These Teams shall be authorized to apprehend forest law violators and confiscate illegally harvested forest products, including the conveyances, tools and equipment used in the perpetration of the crime. Members of the forest protection teams are authorized to carry firearms in the exercise and performance of their duties subject to existing laws, rules and regulations.

SEC. 38. Census of Forest Occupants. The Department, the concerned LGU and National Statistics Office (NSO) shall complete within one (1) year upon the effectivity of this Act the census of occupants inside the forest lands. Census of occupants inside forest lands and those dependent on forest resources for livelihood shall be included in the population census regularly conducted by NSO.

SEC. 39. Fire Prevention. The Department, in collaboration with concerned Local Government Units, shall formulate and implement a program of fire prevention and control including incentives to LGUs , private organizations or individuals who participate actively in fire prevention and control in order to reduce the damage to forest resources.

SEC. 40. Prevention and Control of Forest Pests and

Diseases. The Department shall formulate and implement an integrated pests and diseases management program to prevent and control pests and diseases affecting forest species and stands.

CHAPTER IX. FORESTRY RESEARCH, EDUCATION, TRAINING AND EXTENSION

SEC. 41. Strengthening Research and Technology Transfer. Research and technology transfer shall be strengthened to support sustainable management of forest resources. The Department, the Department of Science and Technology and the Colleges of Forestry of State Universities shall within one (1) year from the passage of this Act, prepare a research and technology transfer agenda for sustainable forest management, which shall be implemented, monitored and reviewed in accordance with existing research management systems. Provided, that funds for research and technology transfer shall be provided under the annual General Appropriations Act.

SEC. 42. National Public Information, Education and Advocacy Campaign. The Department, the Philippine Information Agency (PIA), Department of Education, Culture and Sports (DECS), State Universities and Colleges, Private Universities and Colleges, with support from Local Government Units, NGOs, media, and other organizations, shall formulate and implement a program for sustained, nationwide, public information and advocacy campaign for forest conservation and sustainable development. The DECS with the assistance of the Department and the College of Forestry, University of the Philippines at Los

Banos shall include a thirty-hour forest conservation subject in the curricula for elementary and high school education. Congress shall allocate funds for the purpose of supporting a systematic campaign to promote community ecological awareness throughout the country.

SEC. 43. Formal Forestry Education. The Commission on Higher Education and Development (CHED) in collaboration with the Department, Board of Foresters of the Professional Regulatory Commission (PRC) and duly accredited Forestry Professional organization, shall actively pursue the rationalization of formal forestry education to ensure high quality manpower output compatible with the needs of the forestry sector.

SEC. 44. Continuing Education in Forestry. A non-formal program of continuing education shall be established to maintain the growth of the forestry profession. The Board of Foresters of the Profession Regulations Commission (PRC) and the Civil Service Commission (CSC) shall provide the guidelines for a program in continuing education in forestry. The Department by itself or in cooperation with academic institutions shall develop a program and provide the infrastructures to institutionalize non-formal continuing education for the forestry sector.

SEC. 45. Establishment of Training Centers. The Department shall establish and institutionalize a network of training centers in strategic parts of the country to ensure that forest officers and clientele particularly participating LGUs, NGOs, IPs/ICCs and other participants in sustainable forest management are afforded regular and up-to-date training on the various aspects of sustainable forest resources management, development,

and utilization. Further, the Department shall ensure that personnel appointed to critical and sensitive positions undergo training to prepare them to discharge their duties and responsibilities professionally, efficiently and effectively.

SEC. 46. Forestry Development Center. The Forestry Development Center (FDC) based in the College of Forestry, University of the Philippines at Los Banos, established under Presidential Decree No. 1559, shall continue to serve as the primary policy research and development center for forestry and natural resources management. The Center shall perform its functions in close coordination with the Department and other policy research institutions in the country. The Center shall assist the Department in the formulation, review and evaluation of proposed and existing policies on forestry and natural resources management. To enable the Center to carry out its mandated functions, the Department shall provide financial support to the center based on approved program of activities, and which support shall be incorporated in the annual appropriations of the Department under the General Appropriations Act.

CHAPTER X. URBAN FORESTRY.

SEC. 47. Establishment of City or Municipal Parks or Forests. Every city or municipality shall establish a city or municipal park or forest and shall include in its yearly budget the necessary funds for its establsihment and maintenance. The Department shall provide technical assistance to the city or municipal government upon request, and shall coordinate with the Department of Interior and Local Government and other agencies

of the National Government and the private sector to ensure compliance to this provision.

SEC. 48. Establishment of Tree Parks in Subdivision and Providing Tree Planting on Roadside. Every subdivision project to be developed after the passage of this Act shall include the establishment of tree park of not less than fifty percent (50%) of the required total open spaces in PD 953. Guidelines for the establishment and maintenance of this park within subdivision shall be prepared jointly by the Housing and Land Use Regulatory Board (HLURB) and the Department. For every major road construction project, the Department of Public Works and Highways (DPWH) shall include the planting and maintenance of trees along roadsides, and establishment of roadside tree parks every fifty (50) kilometers along national roads and highways.

CHAPTER XI. DISPOSITION AND UTILIZATION OF FOREST RESOURCES

SEC. 49. Modes of Forest Management Agreement. The development, utilization and management of forest resources shall be under the full control and supervision of the Department. The State may directly undertake such activities, or it may enter into co-production, joint venture or production sharing agreement with Filipino citizens or corporations or associations at least sixty per centum (60%) of whose capital is owned by such citizens. Provided, That interested communities, indigenous peoples and associations within or adjacent to the area shall be given priority. Such 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 the appropriate Local Government Unit have been consulted. Provided, furthermore, That such agreements may not be terminated except for cause or if public interests so requires. Provided, finally, that the termination of such agreements other than for cause shall entitle the holders thereof to just compensation. Existing holders of valid and subsisting licenses or contracts or agreements granted by the government for the development, management and utilization of forest resources shall be reviewed by the Department within one (1) year from the effectivity of this Act and only those which have complied with the terms and conditions of the agreement, permit, license or contract may be allowed to be converted into any of the modes authorized under this Act for the duration of their unexpired term , and under guidelines promulgated by the Department. Provided, That the concerned Local Government Units have been consulted on the conversion into any of the authorized mode. Provided, further, that no such conversion will be allowed in protection forests as defined in Section 5.a of this Act.

Sec. 50. Transfer. No holder of a co-production, or 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 authority from the Secretary, and which shall remain valid for the remaining unexpired term of the original agreement. Provided, That, no transfer shall be authorized unless the agreement or contract has been in existence and active for at least three (3) years; Provided, further, 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 all the obligations of the transferor. Provided, finally that the concerned LGU shall be consulted on the transfer.

SEC. 51. Timber Harvesting . Timber harvesting may by the authorization of the Secretary be allowed in the production forest, forest plantations and alienable and disposable lands; subject to the policies provided under this Act. Timber harvesting shall in no case be allowed in the primary or old growth forests and mossy forests.

SEC.52. Timber Harvesting Restriction. The President of the Republic upon the recommendation of the Secretary and/or the Local Government Unit concerned shall be authorized to impose a timber harvesting restriction in any forest land or portion thereof , for just cause or when public interest so requires. Provided, however, that within one year from the effectivity of this Act, the Department, Local Government Units and communities concerned shall review existing timber harvesting restrictions imposed on certain areas and submit appropriate recommendations to the President .

SEC. 53. Non-Timber Forest Products. Rattan, bamboos, vines, exudates and other non- timber forest products are integral part of the forest land resources and shall be developed, protected and utilized in accordance with a sustainable forest management plan. Establishment of plantations of non-timber producing species shall be encouraged and supported.

The development, management and utilization of non-timber forest products shall be allowed in accordance with the guidelines to be promulgated by DENR. However, in granting permits to harvest or utilize non-timber forest products in the natural forests, priority shall be given to interested forest communities or Indigenous Cultural Communities living nearest the subject forest lands.

SEC. 54. Grazing. The Department shall identify areas in the production forest land suitable for grazing purposes. However, no forest land 50% in slope or over may be utilized for grazing purposes. Identified grazing lands shall be turned over to the Department of Agriculture (DA) who shall be responsible for their development and management for livestock production purposes. Provided, that, the DA shall prepare and be responsible for the implementation of a sustainable management plan of the grazing areas. Provided, further , that the DA shall cancel five (5) years after the grant, all leases or permits of idle or undeveloped grazing lands. Provided, finally, that existing pasture lease agreements/forest land grazing lease agreements (FLAs/FLGLAs) shall be allowed to continue under the same terms and conditions for the unexpired term. No new permit, lease, or contract shall be issued nor existing ones allowed to continue on grazing lands if not covered by Environmental Impact Statement (EIS) and Environmental Clearance Certificate (ECC).

SEC. 55. Mining and Power Generation Operations in Forest Lands. Mining operations shall be allowed only in production forest lands and subject to the provision of RA 7942 and with due regard to the protection of such lands, the immediate environs,

improvements thereon. Forest resources inside mineral lands are under the jurisdiction of the Department, and their management and utilization are subject to the provisions of this Act. Power generation operations in forest lands may be allowed. Both mining and power generation operations shall be subject to environmental impact assessment.

SEC. 56. Roads and Other Infrastructures. Roads and other infrastructures inside forest lands shall be constructed with the least impairment to the resource values therein. Government agencies undertaking the construction of roads, bridges, communications and other infrastructures and installation inside forest lands, shall coordinate with and seek prior authority from the Department.

Persons allowed to develop, explore or utilize forest resources as provided under Section 51 hereof, may be allowed to construct roads and other infrastructure inside forest lands in accordance with approved comprehensive management plan, and upon authorization by the Department. All roads and infrastructure constructed by forest management agreement holders and other permittees, licensees, lessees shall belong to the state, and the use and administration thereof shall be transferred to the government immediately upon termination of the agreement.

SEC. 57. Other Uses of Forest Lands. The establishment of processing plants, log ponds, logging and other camps, right-of-way, water rights, sanitoria, bathing areas, saltworks, or other beneficial infrastructures may be allowed under the conditions specified in Section 9 hereof, for a period not exceeding twenty

five (25) years renewable for another twenty five (25) years. Provided, that such construction does not in any way impair the forest resources inside the forest lands. Provided further, That an EIS shall be submitted and an ECC be secured from the Department.

CHAPTER XII. FOREST-BASED INDUSTRIES

SEC. 58. Establishment and Operation of Forest-Based Industries. It shall be the policy of the State to assure the availability and sustainability of the country's forest resources through judicious use and systematic restoration or replacement, increase the productivity of forest resources to meet the demands for forest-based goods and services of a growing population; enhance the contribution of forest resources for achieving national economic and social development; and promote equitable access to forest resources. The State shall promote the establishment, operation and development of forest-based industries. Provided, that, The Department shall regulate the establishment and operation of processing plants or mills for forest products. To achieve this policy statement, incentives shall be provided to forest-based industries.

SEC. 59. Incentives for the Forest-Based Industries. To enable forest-based industries to be efficient, competitive and economically viable, the following incentives shall be granted, in addition to those already provided by existing laws:

(a) All processing plants or mills shall be granted operating permits for five (5) years renewable for another five (5) years. Provided, That permits of processing plants owned or operated by holders of forest management agreements or contracts

shall be co-terminus with the expiry of said agreements or contracts;

(b) The Department shall provide incentives for the processing of lesser-used and non-wood species, and all logging and wood processing wastes;

(c) The Department shall within one (1) year from the effectivity of this Act submit to Congress, through the President of the Philippines, additional measures designed to improve the competitiveness and viability of forest-based industries that need to be legislated;

(d) The Department shall promote and strengthen the linkage between corporate and Community -based forest industries; and

(e) The Department may provide other incentives to forest-based industries as may be necessary.

SEC. 60. Export And Sale of Timber Products. Logs and lumber of whatever species and whatever dimensions cut, gathered or removed from natural forest shall not be exported. However, finished and semi-finished lumber products, wood manufactures and other finished wood products coming from local or imported logs shall be allowed for export.

Logs, lumber and other finished products from plantations shall be allowed to be exported under such guidelines that the Department may promulgate .

No person shall sell or offer for sale any log, lumber, plywood or other manufactured wood products in the international or domestic market unless he complies with the grading rules established or to be established by the government. Failure to adhere to the established grading rules and standards, or any act

of falsification of the volume of logs, lumber, or other forest products shall be a sufficient cause of export license, wood processing permit, or other license or permit authorizing the manufacture or sale of such products.

CHAPTER XIII. FOREST CHARGES, FEES AND RENTALS

SEC. 61. Charges on Timber and Other Forest Products Harvested. Forest charges shall be collected on timber, non-timber and other forest products harvested from natural forest lands pursuant to RA 7161. Forest charges shall be assessed and collected based on the guidelines promulgated by the Department. Provided, that no forest product shall be transported, conveyed, used nor sold without payment of forest charges. Provided, further, that non-payment of forest charges after thirty (30) days upon assessment by the Department shall be a basis for confiscation of said forest products in favor of the government and to be disposed of in accordance with law.

SEC. 62. Fees and Rentals for the Utilization, Exploitation, Occupation, Possession of, and Activities Within Forest Lands. The Department shall prescribe appropriate fees and rentals for the different kinds of utilization, exploitation, occupation, possession of, or activities within forest lands. Likewise, fees shall be collected for the filing and processing of application therefor as well as the issuance and renewal of license, permits, and agreements.

SEC. 63. Fees for Administrative Services Rendered by the Department Fees shall be collected for various administrative 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 services or activities.

CHAPTER XIV. FINANCING FOREST MANAGEMENT, CONSERVATION, DEVELOPMENT AND PROVIDING FUNDS THEREFOR

SEC. 64. Appropriations. The amount necessary to carry out the provisions of this Act shall be included in the General appropriations Act of the year following the enactment into law and thereafter.

CHAPTER XV. CRIMINAL OFFENSES AND PENALTIES

SEC. 65. Harvesting, Gathering and/or Collecting Timber or Other Forest Products Without Authority. Any person who shall harvest, cut, gather, collect or remove timber or other forest products from any forest land, or timber from natural forests inside alienable and disposable public land or from private land, without authority from the Secretary or who shall possess timber or other forest products without the pertinent, required legal documents shall be punished by imprisonment ranging from prison mayor minimum period to reclusion temporal minimum period and/or fine equivalent to ten (10) times the value of the said forest product but not less than fifty thousand pesos (50,000.00). Provided, That, in case of partnerships, associations or corporations, the President, Managing Partner, and General Manager shall be liable, and if such officer is an alien, he shall, in addition to the penalty, be deported without further proceedings on the part of the Bureau of Immigration and

Deportation. Offenders who are public officials shall be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position. All timber or any forest products cut, gathered, collected, removed, or possessed and all the conveyances, machineries, equipment, implements, work animals and tools used in connection with this violation shall be seized and confiscated in favor of the government.

SEC. 66. Illegal Cutting as an Act of Economic Sabotage. If any acts enumerated in the preceding section have been committed by armed group or organized group through conspiracy, the gathering, collecting or removing timber or other forest products from any forest land or alienable or disposable public land without any authority from the Secretary, or possession of timber or other forest products without the pertinent required legal documents shall be considered as an act of economic sabotage and shall be punished by reclusion perpetua.

SEC. 67. Use of Illegally Cut Timber in Government Infrastructure Projects. Contractors of government infrastructure are required to obtain certification from the Department that the lumber used were from legitimate sources. Use of illegally cut timber in government infrastructure projects is prohibited and its use shall be sufficient cause for withholding of the payment of the contractor. Further, the contractor may be subject to the penalties provided under Section 66, hereof.

SEC. 68. Damage to Residual Trees. To ensure the sustainability of the forest, adequate number of residual trees shall be marked, to form the future timber crop, before any

harvesting operation commences. Any marked residual tree that is damaged is subject to a fine equivalent to four (4) times the regular forest charges.

SEC. 69. Grazing Livestock on Forest Lands Without a Permit. Imprisonment for not less than two (2) years nor more than four (4) years, and a fine equal to ten (10) times the regular rentals due in addition to confiscation of such livestock and all improvements introduced in the area in favor of the Government, shall be imposed on any person who shall, without authority under a lease or permit, graze or cause to graze livestock in forest lands, grazing lands and alienable and disposable lands, which have not as yet been disposed of in accordance with the Public Land Act. Provided, That in case the offender is a corporation, partnership, or association, the officer or director thereof who directly cause such shall be liable. In case the offender is a public officer or employee, he shall, in addition to the above penalties be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service.

SEC. 70. Unlawful Occupation or Destruction of Forest Lands, National Parks and Grazing Lands. Any person who enters and occupies or possesses, or makes kaingin for his own private use or for others, any forest land, or grazing land without authority from the Secretary, or in any manner destroys such forest land, or part thereof, or causes any damage to the timber stand and other products and forest growth found therein, or assists, aids or abets any other person to do so, or sets a fire, or negligently permits a fire to be set in any forest land, or

refuses lawful orders to vacate the area when ordered to do so shall, upon conviction, be punished an amount of not less than Twenty Thousand Pesos (20,000.00) nor more than One Hundred Thousand Pesos (100,000,00), and imprisonment of not less than two (2) years nor more than six (6) years for each offense: Provided, That in the case of an offender found guilty of making kaingin, the penalty shall be imprisonment for not less than ten (10) years nor more than twelve (12) years and a fine of equal to eight (8) times the regular forest charges due on the forest products destroyed, without prejudice to payment of the full cost of rehabilitation of the occupied areas as determined by the Department. Provided, further, That the maximum of the penalty prescribed herein shall be imposed upon the offender who repeats the same offense, and double the maximum of the penalty upon the offender who commits the same offense for the third time or oftener. In all cases, the Court shall further order the eviction of the offender from the land and the forfeiture to the Government of all improvements made and all vehicles, domestic animals, and equipment of any kind used in the commission of the offense. If not suitable for use by the Department said vehicles, domestic animals, equipment and improvement shall be sold at public auction, the proceeds from which shall accrue to the Forest Management Fund. In case the offender is a government officer or employee he shall, in addition to the above penalties, be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service.

If the offender is an alien, he shall be deported after

service of sentence and payment of fines, without any further proceedings.

SEC. 71. Illegal Acts on Wildlife. It shall be unlawful for any person to collect, catch, possess, hunt, wound, kill, capture, destroy the nest or eggs, nest trees, host plants, trade, display or keep in the petshops, flowershops, orchidariums, nurseries, and the like, threatened wildlife, its by products or derivatives or destroy the habitats of wildlife, including those designated as critical habitats.

Any person violating this provision shall be punished by imprisonment of six (6) years and one (1) day to twelve (12) years, and a fine of one million pesos (1,000,000) for species listed under CITES I; seven hundred fifty thousand pesos (750,000) for species listed under CITES II; five hundred thousand pesos (500,000) for all threatened species.

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

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

If the offender is an alien, he/she shall be deported after service of sentence and payment of fines, without any further proceedings.

SEC. 72. Misdeclaration Falsification of Forest Resource Inventory, Scaling, Surveys and Reports by Government Official or Employee. Any public officer or employee who knowingly

misdeclare or falsify forest resource inventory, scaling, surveys, and other similar reports which are contrary to the criteria and standards established in this Act or the rules and regulations promulgated hereunder shall, after an appropriate administrative proceeding, be dismissed from the service, with prejudice to re-employment. Upon conviction by court of competent jurisdiction, the same public officer or employee shall further suffer an imprisonment of not less than eight (8) years nor more than twelve (12) years and a fine of not less than Twenty Thousand Pesos (20,000.00) nor more than One Hundred Thousand pesos (100,000.00). The inventory, survey, classification or report referred herein shall be null and void.

SEC 73. Unlawful Operation of Sawmills. Any person operating a sawmill or mini-sawmill without authority from the Secretary, shall be punished by a fine of not less than one hundred thousand pesos (P 100,000) and confiscation of the sawmill or mini-sawmill and complementary equipment in favor of the government.

SEC. 74. Prohibition on Issuance of Tax Declaration on Forest Lands. Any public officer or employee who shall issue a tax declaration for any purpose on forest land, shall suffer imprisonment for a period of not less than four (4) years nor more than eight (8) years and perpetual disqualification from holding an elective or appointive office. Provided ,that such tax declaration shall be considered null and void.

SEC. 75. Unlawful Possession of Implements and Devices Used by Forest Officers. Unlawful possession of implements and devices used by forest officers shall be penalized with imprisonment of

not less than four (4) years nor more than eight (8) years and a fine of not less than Twenty Thousand Pesos (20,000.00) nor more than One Hundred Thousand Pesos (100,000.00) in addition to the confiscation of such implements and devices and the automatic cancellation of the license agreement, license, lease or permit; if the offender is an alien, he shall be deported after service of sentence and payment of fines, without any further proceedings, if the offender is a holder thereof, shall be imposed upon any person who shall, without authority from the Secretary or his authorized representative, make, manufacture, or has in his possession any government marking, hatchet, or other marking implement, or any marker, poster, accountable forms or other devises officially used by officers of the Department for marking or identification of timber or other products, or any duplicate, counterfeit, or imitation thereof, or make or apply a government mark on timber or any forest product by means of any authentic or counterfeit device, or alter, deface or remove government marks or signs from trees, logs, stumps, firewoods or other forest products, or warning notices set by the Department to designate the boundaries of permanent forests, municipal or city forest or pasture, and areas under the NIPAS, or to make any false mark or imitation of any mark or sign therein indicated. Provided, That, if the offender is a corporation, partnership, or association, the officers thereof shall be liable.

If the offender is an alien, he shall be deported after service of sentence and payment of fines, without any further proceedings.

Any forest officer who has willingly allowed unauthorized

person(s) the use of these implements and devices under his care shall be penalized with imprisonment of not less than four (4) years nor more than eight (8) years and a fine of not less than twenty thousand Pesos (₱20,000) nor more than One Hundred thousand Pesos (₱100,000.00). In addition, the said forest officer shall be dismissed from the service with prejudice to reinstatement and with perpetual disqualification from holding any elective or appointive position.

SEC. 76. Unauthorized Introduction of Logging Tools and Equipment Inside Forest Lands and National Parks. It shall be unlawful for any person or entity to possess, bring, or introduce any chainsaw or any logging tools or equipment inside forest lands without prior authority from the Secretary or his duly authorized representative. Any person found possessing said chainsaw, logging tools or equipment inside permanent forest land shall be punished by imprisonment of twelve (12) years and one (1) day to fourteen (14) years and eight months, or a fine of not less than Fifty Thousand Pesos (50,000.00) nor more than One Hundred Thousand Pesos (100,000.00), or both and confiscation of said logging tools and equipment.

SEC. 77. Non-Payment and Non-Remittance of Forest Charges. Any person who fails to pay the amount due and payable to the government shall not be allowed to transport , convey, sell or use the forest product and failure to pay within after thirty (30) days upon assessment of forest charges, shall be ground for the confiscation of the said forest product in favor of the government, in pursuant to Section 61 of this Act. Any person who fails or refuses to remit to the proper authorities said

forest charges collectible pursuant to the provisions of this Act or the National Internal Revenue Code, or who delays, obstructs or prevents the same, or who orders, causes or effects the transfer or diversion of the funds for purposes other than those specified in this Act, for each such offense shall upon conviction, be imprisoned for not less than six (6) years nor more than ten (10) years and be fined from Twenty Thousand Pesos (20,000.00) to One Hundred Thousand Pesos (100,000.00). If the offender is a government official or employee, he shall, in addition be dismissed from service with prejudice to reinstatement and with perpetual disqualification form holding any elective or appointive office. If the offender is a corporation, partnership, or association, the officers and directors thereof shall be liable.

SEC. 78. Arrest, Institution of Criminal Actions. A forest officer shall arrest even without warrant any person who has committed, or about to commit, or is committing in his presence any of the offenses defined in this Chapter. He shall also seize and confiscate, in favor of the Government, the tools, equipment and conveyances used in committing the offense, and the forest products cut, gathered, taken or possessed by the offender in the process of committing the offense. The arresting forest officer shall thereafter deliver within six (6) hours from the time of arrest or seizure, the offender and the confiscated forest products, conveyances, tools and equipment, or the documents pertaining to the same, and file the proper complaint with the appropriate official designated by law to conduct preliminary investigation and file information in court. If the arrest and

seizure are made in the forest, far from authorities designated by law to conduct preliminary investigations, the delivery to and filing of the complaint with the latter shall be done within a reasonable time sufficient for ordinary travel from the place of arrest to the place of delivery. The seized products, materials, conveyances, tools and equipment shall be immediately disposed of in accordance with the regulations promulgated by the Department. The Secretary may deputize any agency, barangay, or barrio official or any qualified person to protect the forest and exercise the powers or authority provided for in the preceding paragraph. Reports and complaints regarding the commission of any of the offenses defined in this Chapter not committed in the presence of any forest officer or any of the deputized officers shall immediately be investigated by the forest officer or any of the deputized forest officer assigned in the area where the offense was allegedly committed. Thereupon, these investigating officers shall receive the evidence supporting the report or complaint or report, the investigating forest officer or deputized officer shall file the necessary complaint with the appropriate official authorized by law to conduct a preliminary investigation of criminal cases and file on information in court.

SEC. 79. Liability of Confiscating Officers. Any public officer who fails to produce the timber or forest products or any part thereof including tools, conveyances, equipment, machine and devices in his custody pursuant to a seizure or confiscation made thereon, or who shall appropriate, take, misappropriate, or shall consent to such acts, or through abandonment or negligence, shall permit any other person to take such timber or forest

for in Article 217 of the Revised Penal Code. In addition, the said public officer shall be dismissed from service with prejudice to reinstatement and with perpetual disqualification from holding any elective or appointive office.

CHAPTER XVI. ADMINISTRATIVE PROCEDURES AND SPECIAL CLAUSES

SEC. 80. Strengthening the Forest Service. In order to effectively implement the provisions of this Act, the Forest Management Bureau (FMB) and the Forestry Sector at the Regional , Provincial and Community Environment and Natural Resources Offices of the Department shall be strengthened. To ensure that the scientific practice of forestry in the country is properly implemented, only registered foresters shall be appointed to the positions of Director and Assistant Director of the Bureau and Regional Technical Director of the Forestry Sector and all other forester positions, in accordance with existing Civil Service Rules and Regulations. The Secretary, in consultation with the Civil Service Commission (CSC)and the Department of Budget and Management (DBM) , is hereby authorized to reorganize the Bureau and the Forestry Sector at the field level and create additional positions as may be necessary for community-based forest management, forest protection, and other programs mandated under this Act.

SEC. 81. Authority of the Secretary on the Utilization of Forest Resources. The utilization of forest resources from natural forests found in alienable and disposable lands, private lands, government-established reservations, and all other lands

including those under ancestral claims and control or management of other government agencies, shall be prohibited except through a written authorization by the Secretary. The establishment and operation of new wood processing plants or expansion of existing ones may be allowed by the Secretary if the same is assured of raw materials from legitimate sources.

SEC. 82. Administrative Authority of the Secretary or his Duly Authorized Representative to Order Confiscation. In all cases of violations of this Act or other forest laws, rules and regulations, the Secretary or his duly authorized representative may order the confiscation of forest products illegally harvested, cut, gathered, removed or possessed or abandoned, and all conveyances used either by land, water or air as well as the machinery, conveyance, equipment, implement and tools used in the commission of the offense, and to dispose of the same in accordance with pertinent laws, regulations or policies on the matter.

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

No courts of the Philippines shall have jurisdiction to issue any writ of replevin, restraining order, preliminary mandatory injunction in any case involving or growing out of any action by the Secretary or his duly authorized representative, in the exercise of the foregoing administrative authority.

SEC. 83. Administrative Authority of the Secretary to

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

SEC. 84. Authority of Forest Officers. When in the performance of their official duties, forest officers or other government officials or employees duly authorized by the Secretary, shall have free entry into areas covered by a contract, agreement, license, lease or permit. Forest officers are authorized to inspect and open close vans suspected to contain illegally forest product, provided that it is done in the presence of the shipper or consignee or two responsible public official in the locality. Forest officers are authorized to administer oath, take acknowledgement in official matters connected with the functions of their office, and take testimony in official investigations conducted with the functions of their office, and take testimony in official investigations conducted under the authority of the Act and the implementing rules and regulations issued pursuant thereof.

SEC. 85. Visitorial Powers. The Secretary or his duly authorized representative shall, from time to time, investigate, inspect and examine records, and other documents except bank records related to the operation of any person granted the privilege or with a contract to utilize forest resources to determine compliance with the terms and conditions stipulated in the grant, the contract, this Act and pertinent laws and rules

and regulations.

SEC. 86. Other Incentives. Twenty percent (20%) of the value of confiscated materials shall be used as incentives to informants and members of Multi-sectoral Forest Protection Teams, including Department Personnel. Confiscated forest products may also be donated to LGUs for building government infrastructures, as a recognition and incentive to their participation in forest protection activities. Additional incentives may be provided by the Department. Forest officers, who in the performance of their official duties, have meet accident, resulting in physical injuries or death shall be entitled to benefits and privilege to be determined by the Department, in addition to those provided under the Government Service Insurance System (GSIS) or Workmen's Compensation Law. They shall also entitled to free legal assistance should legal cases be filed against them in the performance of official duties.

SEC. 87. Special Prosecutors. The Department of Justice shall designate special prosecutors to prosecute violations of this Act and other forestry laws, rules and regulations.

SEC. 88. Protection to Witnesses in Violation of Forestry Laws. Witnesses to violations of this Act or other forestry laws and regulations, including the immediate members of the family of said witnesses shall be given protection, security and benefit, subject to the provision of Republic Act 6981 also known as the "Witness Protection, Security and Benefit Act" and its implementing rules and regulations.

SEC. 89. Rule Making Authority. The Secretary within one (1) year from effectivity of this Act shall promulgate the rules

and regulations necessary to effectively implement the provisions of this Act.

SEC. 90. Funds for Land Classification and Boundary Delineation. The Department of Environment and Natural Resources shall allocate funds out of its appropriations in the annual General Appropriations Act for the purpose of land classification and boundary delineation of forest lands consistent with Sections 4 and 7 of this Act.

SEC. 91. Separability Clause. Should any provision herein be declared unconstitutional, the same shall not affect the validity or the legality of the other provisions.

SEC. 92. Repealing Clause. Subsections (b), (d), (e), (f), (g), (h), and (i) of Section 4 of Act No. 3915; RA 460; Presidential Decree No. 705; 1153; 1515; 1559; 1775; and 1998; Letter of Instruction 818; Executive Order No. 277 and 278, series of 1987; and Executive Order No. 725, series of 1981 are hereby repealed, and all laws, orders, rules and regulations or any part thereof which are inconsistent herewith are repealed or amended accordingly.

SEC. 93. Effectivity. This Act shall take effect thirty (30) days from the date of its publication in the Official Gazette and in at least two (2) newspapers of general circulation.