

CODIFYING, REVISING AND UPDATING ALL FORESTRY LAWS, AND FOR OTHER PURPOSES.[]

PRESIDENTIAL DECREE NO. 389, February 05, 1974

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WHEREAS, there is a serious need to effectively conserve the Nation's public forests including watershed areas, to protect and preserve national parks, and at the same time, to provide suitable agricultural land for our people;

WHEREAS, upon my instructions, the Department of Agriculture and Natural Resources has prepared, drafted and completed the codification, revision and updating of forestry laws to conform with, and in pursuance of the provisions of the New Constitution;

WHEREAS, the adoption of the Code as part of the law of the land will achieve the following results, among others:

- The gradual phasing out of log exportation and accelerated development of the local wood processing industry through a system of disincentives and incentives;
- Additional revenue to support the expanded responsibilities of the Bureau of Forest Development in land classification, forest protection, reforestation of denuded watersheds, continuing census of settlers and kaingin management in public forest, forest research and development;
- The abolition of short-term licenses and the granting of long-term license agreements of 10 and 25 years to afford the grantee security of tenure, thus, assuring the effective conservation of the forest and elimination of petty graft resulting from periodic renewal of such timber licenses;
- Abolition of the requirement of one processing plant for each concession and inducing the establishment of economic-sized plants located near shipping points, which can adequately compete in foreign markets in terms of quality and pricing of output;
- Acceleration of land classification and immediate proclamation of permanent forest reserves;
- Resettlement or integration of settlers in public forests through a system of kaingin management. This involves a complete and continuing census of all occupants of public forest, including their location, in order to determine valid claims and prepare action plans for integrating such occupants into the socio-economic mainstream; and
- Revitalization of the Forestry Agency (Bureau of Forest Development). Adopted and made part of this Code is the merger of the Bureau of Forestry, Reforestation Administration, and the Parks and Wildlife Office, as already embodied in the Integrated Reorganization Plan approved under Presidential Decree No. 1; and

WHEREAS, the urgency of giving force and effect to this measure in the quickest possible manner and time cannot be overemphasized, the Filipino people having witnessed and suffered from the last catastrophic floods and droughts throughout the Archipelago;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of the Armed Forces of the Philippines, and pursuant to

Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, in order to accelerate the classification of our remaining unclassified forest lands into alienable or disposable public lands and permanent forests and conserve the latter for the benefit of the present and future generations of this country, do hereby order and decree the following:

ARTICLE I — TITLE AND POLICY

SECTION 1. Title. — This shall be known as the "Forestry Reform Code of the Philippines."

SEC. 2. Declaration of Policy. — It is the policy of the State:

- To promote the wise utilization, conservation and development of the forest resources of the country, including their associated services relating to water supply, recreation and wildlife preservation;
- To safeguard the national interest in the maintenance of a wholesome ecological environment;
- To accelerate the rehabilitation of denuded lands, including those under private ownership; and
- To provide a stable forestry agency and a body of laws and regulations adequate to achieve the national policy.

ARTICLE II — ORGANIZATION AND JURISDICTION OF THE BUREAU OF FOREST DEVELOPMENT

SEC. 3. Merger and Organization of Forestry Agencies. — For the purpose of carrying out the policies established under this Code, the Bureau of Forestry, the Reforestation Administration, the Parks and Wildlife Office and such other government agency, instrumentality or special project as are performing related functions, including applicable appropriations, records, equipment, property and such personnel as may be necessary, are hereby merged into a single agency to be known as the Bureau of Forest Development, hereinafter referred to as Bureau. The Bureau shall be directly under the control and supervision of the Secretary of the Department of Agriculture and Natural Resources, hereinafter referred to as Department Head.

The Bureau shall be headed by a Director, who shall be assisted by one or more Assistant Directors. The Director and Assistant Directors shall be appointed by the President.

All positions in the three merged agencies are considered vacated. Present occupants may be appointed in accordance with a plan of organization prepared by the Director as approved by the Department Head. Any appointee who fails to report for duty in accordance with the approved plan within thirty (30) days upon receipt of notification shall be deemed to have declined the appointment, in which case the position may be filled by any other qualified applicant.

SEC. 4. Qualification of the Director and Assistant Director. — No person shall be appointed Director or Assistant Director of the Bureau unless he is a natural-born citizen of the Philippines, at least 30 years of age, a holder of at least a Bachelor's Degree in Forestry or its equivalent, and a registered forester.

SEC. 5. Creation of Functional Divisions and Staffs. — There is hereby created the following divisions:

- Planning and Evaluation Division which shall have the following functions: (1) undertake economic, organization and management research relative to forest land management and forest industry development; (2) prepare long-range and annual programs of work; (3) guide the preparation of multiple-use plans for the public forest; (4) evaluate, through a system of field inspection, the quality and quantity of performance as measured against established policies, goals and standards; (5) establish standards for land classification in the public forest; (6) recommend changes in laws, regulations, policies and procedures as needed to achieve agency objectives; (7) maintain agency manuals; and (8) perform such other functions as may be provided by law.

This Division shall consist of functional sections, namely: Program Planning, Performance Evaluation, Forest Economic and Management Analysis.

- Administrative Division which shall have the following functions: (1) advise management on personnel policies and administration; (2) develop and administer a personnel program on selection and placement, classification and pay, career and employee development, training, performance rating, employee relations, health and welfare service; (3) inform the public about the policies, plans, activities and accomplishments of the Bureau; (4) develop and improve budgetary methods, procedures, and justifications, provide fund estimates in support of the Bureau's operations, plans, and programs; and provide for the systematic release and control of fund allotments to the various units of the Bureau; (5) maintain basic and subsidiary accounting records and books of accounts to reflect financial transactions; (6) certify to the availability of funds, obligate funds, process vouchers or claims, and prepare financial reports; (7) file and maintain necessary records and establish a records disposition program; (8) provide mail, transportation, messengerial, and general utility services for the Bureau; (9) procure, store, and distribute supplies and equipment and conduct periodic inventories of the same; (10) provide cashiering services; (11) and perform such other functions as may be provided by law.

This Division shall consist of functional sections, namely: Personnel, Budget, Accounting, Information and General Services.

- Legal Staff which shall have the following functions: (1) provide legal counsel and assistance to the Director and various organizational units of the central office concerning the interpretation and application of forestry, reforestation, parks, and wildlife laws; (2) assist the regional staffs in resolving complex legal problems involving violations of laws, rules and regulations; (3) appear in courts and administrative bodies in behalf of the Director and other personnel of the Bureau on cases arising from the lawful discharge of, or erases related to the functions of their offices; (4) conduct investigations regarding cases filed against employees of the Bureau and submit recommendations; and (5) perform such other functions as may be provided by law. The Legal Staff shall be directly under the Office of the Director.

- Silviculture Division which shall have the following functions: (1) maintain a current inventory of timber resources in the public forest, including virgin, cut-over and degraded forests; (2) design silvicultural systems for commercial and noncommercial timberlands; (3) prepare guidelines for working unit plans; (4) provide standards for the conduct of post harvest diagnostic surveys and timber stand improvement activities in the public forest; (5) prepare the program for reforestation and disease and insect control; (6) insure that the boundary of the permanent public forest is established in accordance with the land classification standards prescribed by the Planning and Evaluation Division, and undertake the initial marking of the boundary; and (7) perform such other functions as may be provided by law.

This Division shall consist of functional sections, namely: Silviculture and Reforestation, Timber Inventory, Working Unit Plans and Land Classification.

- Forest Protection and Utilization Division which shall have the following functions: (1) plan and develop, within the public forest, the programs for protecting the public forest, reforestation projects, national parks and wildlife sanctuaries from fire and encroachment; (2) provide guidelines for the effective enforcement of fish and game laws and regulations; (3) prescribe standards and procedures for the issuance of forestry licenses or permits; (4) issue timber licenses and establish guidelines in the processing of applications for leases and in the preparation of operating plans for the removal of timber and minor forest products in accordance with working unit plans; (5) develop a program for the resettlement of shifting cultivators occupying the public forest; (6) formulate a program for the protection and rehabilitation of watersheds; (7) develop, install and provide technical supervision in the

maintenance of forest transportation and communication systems, buildings, and other structural facilities associated with the public forest; and (8) perform such other functions as may be provided by law.

This Division shall consist of functional sections, namely: Timber Operations, Land Uses, Watershed Management, Utilization, Kaingin Management, and Forest Protection and Engineering.

- Parks, Range and Wildlife Division which shall have the following functions: (1) formulate the outdoor recreation programs in public forests, national parks, including marine parks and other related recreation units; (2) establish the carrying capacity and range-use requirements on suitable grasslands in the public forest; (3) set standards for the issuance of grazing permits to ensure that the utilization of public range lands is in accordance with watershed and wildlife habitat requirements; (4) determine the need for, and recommend, the establishment of wildlife sanctuaries; (5) establish wildlife habitat requirements for application in the managed forest; (6) recommend season, bag and/or creel limits of game and fish within the public forest and the marine parks, lakes and other inland waters which may be under the jurisdiction of the Bureau; and (7) perform such other functions as may be provided by law.

This Division shall consist of functional sections, namely: Parks Management, Recreation Management, Wildlife Management and Range Management.

- Forest Research Division which shall have the following functions: (1) conduct problem analysis, design and implement program of basic and applied research on the protection and utilization of the soil, water, timber, range, wildlife habitat and recreation resources of the public forest including silviculture, ecology, forest pests and diseases, range, wildlife and forest environment; and (2) perform such other functions as may be provided by law.

This Division shall consist of functional sections, namely: Silviculture, Range and Wildlife, Watershed Management, Pests and Diseases, and Field Research Services.

The Department Head, upon recommendation of the Director, may create such additional divisions, sections or units as may be deemed necessary to meet the demands for better forest administration. He may likewise create, upon recommendation of the Director, a central research institute for the purpose of collaborating with and reinforcing the Forest Research Division.

SEC. 6. Creation of Regional and District Offices. — For the efficient and effective implementation of the program of the Bureau, there shall be created at least eleven (11) regional offices. In each region, there shall be as many forest districts as may be necessary, in accordance with the extent of forest area, established work loads, need for forest protection, fire prevention and other factors, any law to the contrary notwithstanding.

SEC. 7. Jurisdiction of the Bureau. — The Bureau shall be responsible for the effective, efficient and economic classification, protection, development, management, regeneration, reforestation, occupancy and use of all public forest and forest reserves; the granting of licenses or permits for the taking or use of forest products therefor or the occupancy or use of the public forest; the implementation of multiple-use and sustained yield management in the public forest, and a comprehensive program of forest research; the protection, development and preservation of national parks, game refuges and wildlife; the implementation of a continuing program of kaingin management within the public forest; the enforcement of forestry, reforestation, parks, games and wildlife laws. The Bureau shall, in collaboration with appropriate government agencies, extend assistance towards the development, utilization and rationalization of the wood industries; regulate the operation of sawmills, veneer and plywood mills and other wood processing plants; conduct studies of domestic and world markets; provide and support industrial operations within the public forest; and support fiscal policies associated therewith.

SEC. 8. Adoption by Reference. — Except as specifically provided in the preceding sections, the provisions of the

Integrated Reorganization Plan under Presidential Decree No. 1, dated September 24, 1972, and Letter of Implementation" No. 9, dated November 1, 1972, with respect to the Bureau, the regional offices, their organization, staffing, and other matters as are hereby related, are deemed adopted as part of this Code.

SEC. 9. Regulation of the Bureau. — The Director shall, with the approval of the Department Head, promulgate such rules or regulations as are deemed expedient or necessary for the protection, conservation, development, occupancy and use of the public forest, including national parks, game refuges and bird sanctuaries in such a manner and by such means as will insure a continuous and sufficient supply of water, timber, forage, wildlife, recreational values, and other forest products and services.

The regulations shall include the mechanism by which the licenses, leases, or permits specified in this Code may be issued by the Bureau. Charges, fees and bonds shall be prescribed and imposed only in the manner provided for in this Code.

SEC. 10. Authority of Officers and Employees of the Bureau to Make Arrest and Seizure and to Administer Oath and Take Testimony. — Officers or employees of the Bureau may arrest without warrant in a public forest any person who has committed or is committing an act against the provisions of this Code. They may also seize and confiscate in favor of the Government forest products, including tools and equipment used in committing the act. The disposition of seized products, materials and equipment shall be done by the Director in accordance with regulations approved by the Department Head.

The Department Head may deputize any qualified person to exercise the power or authority provided for in the preceding paragraph, which shall include the protection of the forest from any form of illegal occupation or destruction.

Any person arrested by an officer or employee of the Bureau under the authority herein given shall, if such be reasonable and practicable, be brought before the proper authorities within the period prescribed by existing laws and to be dealt with according to law.

Forest officers are authorized to administer oath and take acknowledgment in official matters connected with the functions of their office, and to take testimony in official investigations conducted under the authority of this Code and the implementing regulation.

SEC. 11. Manpower Development. — The Bureau shall establish an in-service training center for the purpose of upgrading and training its personnel and new employees. The training center shall consist of a Central Institute to be established on the campus of the College of Forestry of the University of the Philippines, and such other training center or centers the Bureau may establish.

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

SEC. 12. Performance Evaluation. — The Bureau shall devise a system, to be approved by the Department Head, to evaluate the performance of its employees as well as the performance of permittees, lessees, licensees and other users of the public forest. The system shall measure accomplishment in quantity and quality of performance as related to the funded program of work assigned to each organizational unit. There shall be included a system of periodic inspection of district offices by the regional offices and of the regional and district offices by the Central Office in both functional fields and in the overall assessment of how each administrative unit has implemented the laws, regulations, policies, programs and practices relevant to such unit. The evaluation system shall provide the information for: annual progress reports; determination of employee training, transfer or disciplinary action; continuation, modification or termination of licenses, leases or permits; and the modification of laws, regulations,

policies and practices.

A summary of the key findings of the evaluation activity shall be incorporated into an annual report the Director shall submit to the Department Head within sixty (60) days following the close of each fiscal year.

ARTICLE III — GENERAL PROVISIONS

SEC. 13. Principles Governing the Administration of Forests. — The public forests of the Philippines shall be held and administered under the concept of multiple-use and sustained yield for the protection of the public interest, the utility and safety of the forests, and the perpetuation thereof in productive condition by wise use.

SEC. 14. Diffusion of Benefit. — No lease, license or license agreement issued to a corporation shall be granted, renewed or allowed to continue under the provision of this Code except upon the express condition that the grantee shall, within three (3) years from the date of the grant, renewal or, in the case of those that are not yet due to expire, within three (3) years from the approval of this Code, sell or offer for sale, under reasonable terms and conditions as may be determined by the Director, at least twenty per centum (20%) of its subscribed capital stock to its employees and/or to the general public.

The Bureau shall, in its rules, ensure the further diffusion of the privilege to develop and utilize the forest resources to as many qualified and deserving applicants as possible, consistent with the policy of promoting the establishment of economic-size operational units.

SEC. 15. Private Rights. — The grant of any license, license agreement, lease or permit under this Code shall be subject to private rights of persons, if there be any, within the concession or license areas as evidenced by their occupation and cultivation existing at the time the license, license agreement, lease or permit is issued by the Government, or other muniments of title, and the area over which such private rights exist shall be respected, and logging operations or occupancy within said area shall be allowed only upon prior authorization by the Director.

ARTICLE IV — LAND CLASSIFICATION

SEC. 16. Regulation Setting Apart Forest Reserves: Permanency of Same. — Upon the recommendation of the Director, duly concurred in by the Department Head, the President of the Philippines shall, by proclamation, declare all lands of the public domain eighteen percent (18%) in slope or over as permanent forests or forest reserves, regardless of the condition of vegetative cover, occupancy, or use of any kind, and thereafter such forest reserves shall not be alienated nor disposed of, but shall remain in public ownership as such for forest uses.

Parcels of land less than eighteen percent (18%) in slope and less than two hundred fifty (250) hectares, and lands on tops of ridges or plateaus, regardless of size, which are found within or are surrounded, wholly or partly, by a body of public forest and suitable for permanent forest purposes shall be considered as part thereof. Areas along streams or rivers may be utilized, in the absence of available alienable or disposable areas, as kaingin relocation centers, forest villages, and other purposes compatible with the proper management of the forest. Appropriately located road rights-of-way shall be retained as part of the permanent forest land. A strip of land fifty (50) meters above the normal high waterline on each side of rivers and streams with channels not less than five (5) meters wide shall be retained as permanent forest land for stream bank protection. Strips of land, mangrove and swampland not less than fifty (50) meters from the apparent shoreline as indicated by vegetative growth along the shoreline facing oceans, lakes and other bodies of water shall be retained as permanent forest for shoreline protection. Isolated areas or patches of forest of at least five (5) hectares with slope eighteen percent (18%) or over shall likewise be retained as permanent forest land.

All lands eighteen percent (18%) in slope or over which have been previously classified as alienable or

disposable, but not yet titled as certified by the Director of Lands, shall be reverted to the category of public forest: Provided, That existing alienable or disposable lands, even if eighteen percent (18%) in slope or over but covered by approved public land applications, or have been, and are actually occupied openly, continuously, adversely, and publicly for a period of not less than thirty (30) years as of the effectivity of this Code, shall remain as such alienable or disposable: Provided, further, That such alienable or disposable lands eighteen percent (18%) in slope or over are kept in a vegetative condition sufficient to prevent erosion and adverse effects on the lowlands and streams, otherwise, steps shall be taken by the Bureau to initiate appropriate proceedings to revert such lands to the category of public forest.

The President of the Philippines may, by proclamation, and upon the recommendation of the Director, duly concurred in by the Department Head, modify the boundaries of any forest reserve without need of concurrence by any other body, any provision of law to the contrary notwithstanding.

SEC. 17. Establishment of Boundaries of Forest Reserves. — All boundaries; of the public forest shall be clearly marked and maintained on the ground. Boundary corners shall be established with concrete monuments of intervals of not more than five hundred (500) meters and in accordance with established procedures and standards.

SEC. 18. Classification of Public Forest Lands as Alienable or Disposable. — Except those excluded in Section 16, and areas presently designated as permanent forest, national park, national shrine, national historic site, swampland and forest area which have been declared by the Department Head as essential to research, scenic, recreation, or fish and wildlife purposes, portions of the public forest below eighteen percent (18%) in slope, upon the certification of the Director that said portions are not required by the public interest to be kept in public ownership and that their alienation or disposition is compatible with forestry purposes, shall be declared by the Department Head as such alienable or disposable: Provided, however, That areas within timber concessions below eighteen percent (18%) in slope which are timbered and/or having adequate residual, and presently supporting an existing processing plant shall not be released as alienable or disposable but shall remain as part of the permanent forest land: Provided, further, That the Department Head may, from time to time, release to the Department of Agrarian Reform lands of the public domain for the purpose of agricultural resettlement and sale.

All applications for registration of land for titling purposes shall be referred to the Director or his representative who will certify under oath that such land is alienable or disposable, or part of the public forest, as the case may be.

ARTICLE V — SPECIAL AREAS AND THEIR FUNCTIONS

SEC. 19. Forest Research. — The Bureau is responsible for the design and conduct of a comprehensive program of forest research relative to the establishment, protection, perpetuation and utilization of the various resources and services available from the public forest. Such research shall be conducted in a manner which provides functional information in harmony with the concept of managing the forest as an ecosystem. The research program shall include such subjects as forest and grasslands, ecology, silviculture, range and wildlife habitat management, wildlife biology, forest soils, watershed management and protection of the forest from insects and diseases. Except for such research as may be conducted by educational institutions in furtherance of their academic programs, the Bureau is assigned the exclusive authority and responsibility for the conduct of such research in the government sector.

Experimental forests may be established for the purpose of conducting coordinated research. Should such coordinated research require harvesting of timber or other forest products, the same shall be done solely by the Government but in no case shall it be earned on a commercial scale and any revenue realized therefrom shall accrue to the Bureau as part of its research and development trust fund.

Field research shall be reinforced by a Central Research Institute to be established on the campus of the College of Forestry of the University of the Philippines in which laboratory phases of forest research shall be conducted. The organization of this Institute shall be done by the Department Head upon recommendation of the Director.

The execution of the provisions of this Section shall coordinate with the provisions of Presidential Decree No. 48, dated November 10, 1972, establishing the Philippine Council for Agricultural Research (PCAR).

SEC. 20. National Park System. — Upon recommendation of the Department Head the President of the Philippines may, by proclamation, reserve and withdraw from settlement, occupancy, or disposition any portion of the public domain which, because of its panoramic, historical, educational, cultural, scientific, or aesthetic values, should be dedicated and set apart as a national park, in accordance with the criteria to be prescribed by the Director and approved by the Department Head, the national marine parks national sea shore parks, national battlefield parks, and other categories of national significance All natural resources or physical components which are naturally stored or found therein 'shall be used only in accordance with the purpose for which these areas are established.

All existing national parks and all other areas that may be established as such are hereby declared permanent in status, and thereafter such parks shall not be alienated nor disposed of, but shall remain as such for the purpose for which they are established; Provided, that the President may, by proclamation, alter or modify the boundaries of such parks in order to conform with precise surveys, enhance their park values and insure their sound management.

Roads in national parks which are existing or to be constructed shall be opened only to traffic inherent to the use of national parks.

Areas within the national park system are hereby declared as game refuges and bird sanctuaries.

The Director shall, subject to the approval of the Department Head, establish a schedule of fees and impose conditions and penalties for the use of areas in the national park system.

SEC. 21. Watershed Reservation. — All watershed reservations established or to be established, shall be under the jurisdiction of the Bureau. Watershed reservations may be established by the President of the Philippines upon recommendation of the Director, concurred in by the Department Head, to protect or improve the conditions of water yield or to reduce sedimentation. The watershed reservation may be opened to other uses under such terms and condition as the Department Head, may prescribe; Provided, that the principal objectives of such reservation shall not be jeopardized.

Upon determination by a recognized water-using agency that a portion of the public forest is essential to a specific water resources project, the Bureau, upon written request of such agency, shall collaborate in the preparation of a detailed plan of protection, development, utilization and management of such watersheds. Upon approval of the management plan by the Department Head, the Bureau shall be responsible for its full implementation. When the plan of management exceeds the financial resources that the Bureau normally allocates to the watershed areas, and when the water-using agency determines that the action program must be accelerated or its management intensified, such agency shall provide the additional funds needed to achieve the objectives of the plan. In the event that the utilization of forest products or services is curtailed, the water-using agency, with the approval of the Department Head, shall be required to pay annually to the Bureau an amount equivalent to the revenue which otherwise would have accrued to become part of the Research and Development Trust Fund.

SEC. 22. Establishment of Municipal or City Forests and Pastures. — The municipal or city council of any municipal/municipal district or city/city district, may acquire private or public (alienable or disposable) land for the purpose of establishing a municipal or city forest, tree park, watershed or pasture. The national government

shall assist in, and provide the technical supervision over the establishment and maintenance of such municipal or city forest or pastures.

ARTICLE VI — FOREST RESOURCES MANAGEMENT

SEC. 23. Watershed Management. — In addition to the responsibilities relative to watershed reservations, the Bureau is responsible for the design and, application of measures to minimize soil erosion, regulate or modify water yield, minimize pollution of water by users of forest and water resources and rehabilitate and improve deteriorating watersheds. Among other activities, the Bureau shall prescribe watershed protection and restoration measures to be incorporated in license agreements, leases, permits, work orders, and contracts which involve serious disturbance of the soil and water resources, with particular attention to road construction, mining, shifting cultivation, and burning; and it shall establish a monitoring system to see to it that the activities authorized by the Bureau are accomplished in line with prescribed water quality standards. It shall also adopt standards and criteria by which it will be able to determine whether or not logging and other land use practices shall be allowed or suspended in a watershed or portion thereof.

SEC. 24. Timber Resources Management. — No timber resources shall be allowed for commercial utilization unless the grant advances the economic and social welfare of the Filipino people, while at the same time assuring the continuity of the forest in productive condition.

Subject to the provisions of the preceding paragraph, the Director or his duly authorized representative may select or designate timber for sale, disposal or use and may sell, dispose or authorize the use of the same by means of license or sales contract, at prices fixed in this Code or as otherwise determined in accordance with the regulations promulgated thereunder.

The Director shall prescribe and implement in every logging concession a silvicultural system or combination of systems which will produce the optimum sustained yield of raw materials for the dependent industries in coordination with other related uses.

The construction of logging roads and hauling of logs which are the primary responsibility of the licensee or concessionaire may be subcontracted to third parties under conditions and standards prescribed by the Director: Provided, That any violation committed by the subcontractor shall be considered as violation committed by the licensee or concessionaire himself and shall subject the license to suspension or cancellation.

SEC. 25. Allocation of Commercial Timber Resources. — The commercial timber resources of the productive forest shall be allocated in such a manner as to encourage the maintenance and further development of an integrated wood industry.

To this end, the major portion of the commercial timber resources shall be allocated under long-term license agreements. Timber allocated under such agreements shall be limited in area and/or volume of timber required to support, on a sustained-yield basis, the processing plant installed or to be installed.

The estimated volume and value of timber available for commercial sale shall be determined through an appraisal system by the Bureau.

SEC. 26. Timber Appraisal, Scaling and Tree Measurement. — The Director shall institute a system of timber appraisal for all public forest areas or forested alienable or disposable lands, whether vacant or covered by existing timber concessions.

In the case of timber license agreements, existing as of the effectivity date of this Code, the first appraisal shall take place after two (2) years following such effectivity; and of those that may be issued thereafter, said appraisal

shall be made every five (5) years reckoned from the original issuance thereof.

Tree measurement shall be the basis for assessing government charges on timber cut and removed from the public forest or alienable or disposable lands: Provided, That until such time as the mechanics of tree measurement has been developed, the present scaling method provided for in the National Internal Revenue Code shall be used.

The Director, with the approval of the Department Head, shall promulgate the implementing rules and regulations to carry into effect the purposes of this Section.

SEC. 27. Authority of Department Head to Impose Fees or Require Special Deposits. — In addition to the taxes, fees and charges imposed under existing laws and regulations, the Department Head is hereby authorized to impose, upon recommendation of the Director and in consultation with representatives of the industries affected, such fees, or require special deposits, for the privilege to occupy or use a portion of the public forest, or harvest and utilize forest products.

SEC. 28. Collection and Disbursement. — The collection of the fees and special deposits subject of the next preceding section shall be the responsibility of the Director or his authorized representatives. The Director shall remit his monthly collection to the Treasurer of the Philippines within the first ten (10) days of the succeeding month. The Budget Commissioner and the National Treasurer shall effect the quarterly releases out of this collection upon request of the Director on the basis of a consolidated annual budget of a work program approved by the Department Head upon approval by the President.

SEC. 29. Mandatory Wood Processing Requirements. — Upon effectivity of this Code, unless otherwise decreed by the President upon recommendation of the National Economic and Development Authority, the amount of timber production of each timber licensee or concessionaire required to be locally processed shall not be less than the following percentages based on the average actual cut during the preceding two (2) years:

(a)

Calendar Year 1973

—

40 per centum

(b)

Calendar Year 1974

—

60 per centum

(c)

Calendar Year 1975

—

80 per centum

(d)

Calendar Year 1976 and thereafter

—

100 per centum

A wood-processing plant shall purchase logs only from legitimate sources. A licensee who has no processing plant may enter into a contract with a wood processor for purposes of complying with the requirements of this Section, subject to approval by the Director.

Timber license holders shall be encouraged and assisted to utilize and convert logging wood wastes and wood trees in their concessions and the wood residues of their wood-processing plants into the manufacture of wood by-products and derivatives. For this purpose, the Bureau shall, in collaboration with other wood agencies, the Board of Investments and industry associations concerned, evolve and recommend a program of incentives for submission to the NEDA, thru the Department Head.

SEC. 30. Forest Range Resources Management. — The forage and range resources of the public forest shall be developed and managed to insure a continuous productivity of forage to support the livestock industry of the country. The Bureau shall collaborate with the Bureau of Animal Industry, Bureau of Plant Industry and other appropriate government agencies to achieve this objective.

Suitable range or grazing lands shall be determined by the Bureau using fifty percent (50%) slope as the maximum gradient for suitable range, and such other criteria as it may establish. All existing leases on unsuitable range land will be offered the privilege of transferring to suitable range lands in lieu of lease termination.

The Department Head, upon the recommendation of the Director, shall promulgate such rules and regulations as are necessary to effectively carry out the provisions of this Section.

SEC. 31. Wildlife Resources Management. — There shall be maintained an adequate population of wildlife in the public forests and surrounding areas to provide an ideal biological balance of flora and fauna. It shall be unlawful to hunt, wound or kill, take, have in possession or offer for sale any bird, fish or mammal without license. Wild mammals and birds may, upon prior permission by the Director or his representative, be caught or destroyed by property owners at any time that such animals cause destruction to their property. The Director may specify the seasons during which certain birds, game and fish may be taken with permit, and may also establish the daily and/or seasonal bag or creel limits as may be required to maintain the desired level of stocking.

Permits for the taking of birds and game animals shall not be issued within national parks, botanical gardens, established game sanctuaries and other areas designated by the Department Head, except that the latter may authorize the Director to issue a special permit for the taking of surplus game or destructive predatory, noxious or dangerous animals which endanger the habitat. The Director is authorized to establish, equip, operate and maintain game farms and other game projects in such portions of the lands under his jurisdiction as may be deemed appropriate and beneficial, and to terminate such activities when the purpose has been served.

A reasonable fee may be collected for the issuance of hunting and fishing permits: Provided, however, That permits shall be issued free of charge to those who by tradition are dependent upon the flesh of wild birds and mammals for their subsistence, subject to the mode of hunting, species bag limits, and other conditions as may be prescribed.

SEC. 32. Recreation Resource Management. — The Bureau shall, in the preparation of multiple-use management plans, identify and provide for the protection of scenic areas which are potentially valuable for recreation and

tourism. In planning for the operation of such areas for utilization of other resources, the design shall provide for the protection and development of the recreation resource.

Likewise, the road system to be constructed for harvesting timber, mining and other purposes shall, to the extent feasible, be designed and constructed to facilitate the access to recreation areas.

The Bureau shall plan for development of recreation areas to induce and meet increasing demands. The construction and operation of necessary facilities to accommodate outdoor recreation will be done by the Bureau with the use of its own funds which may be derived from rentals and fees for the operation and use of recreational facilities by private persons or operators.

The Director shall promulgate rules and regulations and establish a schedule of fees for the recreational use of such areas.

In the areas constituting the national park system, such rules shall be formulated and adopted to insure the continuity of their unique values.

SEC. 33. Management of Swamplands and Mangrove Forests. — The Bureau, in consultation with other appropriate agencies, shall jointly develop a management plan to increase the public benefits derived from swamplands and mangrove forests, but in no case shall the development obstruct or impede waterflow of streams and rivers.

Strips of mangrove forests bordering numerous islands protect the shoreline, the shoreline roads, and even coastal barrios from the destructive force of the sea during high winds and typhoons and, therefore, must be kept free from artificial obstruction so that flood-water will flow unimpeded to the sea to avoid flooding or inundation of cultivated areas in the upstreams.

All mangrove swamps set aside for coastal protection and forest purposes shall be established as permanent forest, and shall be managed under the principle of sustained yield.

SEC. 34. Kaingin Management. — The Bureau shall, in the preparation of its multiple-use plans, design and provide for implementation of kaingin management and relocation plan. The plan shall include a complete and continuing census of all forest occupants, survey of the sizes of occupancy and the identification of those to whom kaingin management benefits shall be given.

The Bureau shall control and regulate the location and area, and prescribe rules and regulations for the prevention of further encroachment into the public forests and shall also provide an agro-forestry development program and assistance to increase crop productivity and employment opportunities to forest occupants.

The Bureau, in collaboration with other appropriate agencies, shall identify and stabilize the land claims of primitive tribes residing within the public forest. Provision shall be made for permanent settlement on designated areas reserved for the purpose, such as unoccupied alienable or disposable lands, relocation centers within the public forest and elsewhere as may be required to achieve the objectives: Provided, That a member of the primitive tribes who, since July 4, 1955, has continuously and publicly occupied and cultivated, either by himself or through his predecessors-in-interest, a tract or tracts of land declared as alienable or disposable, shall be entitled to the rights granted in this Code: Provided, further, That at the time he files his free patent application, he is not the owner of any real property secured or disposable under the provisions of the Public Land Act: And provided, finally, That he has not previously availed himself of the provisions of the laws relative to free grant of land.

For those remaining in the public forest, a continuing program of assistance, when needed, shall be provided by

the Bureau.

Any person making kaingin without permit after the completion of the initial forest occupancy census and survey as provided for under this Section shall be criminally prosecuted in accordance with existing laws. Any person who violates the terms and conditions of his kaingin permit shall forfeit all privileges granted him under the kaingin management plan. In both cases, the violator shall be ejected from the public forest illegally occupied and all improvements introduced thereon including tools, equipment and work animals shall be confiscated in favor of the Government.

SEC. 35. Industrial Plantation Management. — The Bureau shall encourage the rehabilitation of denuded or deteriorated lands embracing both those under public and private ownership. It shall implement a system of incentives to prospective investors to plant suitable areas to forest trees of commercial value. Such incentives may exceed the limits set for other uses of forest lands under this Code, and shall be contained in a set of rules to be promulgated by the Department Head with the approval of the President.

In the case of lands within the public forest, the Bureau may grant industrial plantation license and/or lease for a period of 25 years, renewable for another 25 years at the option of the lessee, and charge an annual nominal rental and use fee only from the time of harvest.

In the case of private lands, the Bureau shall assist in the preparation of management plans, give technical advice in the development and maintenance of the plantation, and implement a system of incentives to landowners who undertake approved conservation and silvicultural practices.

Small scattered areas may be leased to individuals: Provided, That they organize themselves into a cooperative to insure the orderly management and development of their plantations and marketing of their products. Big, compact areas may be leased to individuals, corporations, partnerships or associations.

SEC. 36. Mineral Resources Management Within the Public Forest. — Mining operations in forest areas shall be conducted with due regard to protection, development and utilization of other surface resources in the areas affected by such mining operations.

No prospecting, exploration or exploitation of mineral resources shall be allowed within the public forests including forest reservations, national parks, reforestation projects, grazing areas, and those under special uses and such areas reserved by law or by the President of the Philippines for special purposes unless approved by the President upon recommendation of the Director of Mines and Director of Forestry.

The utilization of timber and other forest products within mineral reservations and other mineral lands shall be allowed in accordance with existing forestry laws and regulations and such rules as may hereinafter be promulgated.

ARTICLE VII — LICENSES, LEASES AND PERMITS

SEC. 37. Types and Specification of Licenses, Leases and Permits. — A license, lease or permit may be issued or granted only after an application has been filed and an award has been made. No licenses, leases and permits, however, shall be granted in provinces and cities which, according to the latest official population census, are inhabited by members of the national cultural communities, without a prior inspection jointly conducted by the representatives of the Bureau and of the Commission on National Integration and a certification by said representatives that no members of the cultural communities actually occupy or possess, or has a claim to all or portions of the area applied for; and in cases where only portions of the area applied for are in the occupation or possession of, or claimed by, members of the said national cultural communities, the same shall be excluded, or

deemed excluded,

The types of licenses, leases or permits issued or granted by the Director or the Department Head as the case may be are as follows:

- Timber License Agreement — a long-term license executed by and between the Department Head, on behalf of the Government, and the grantee for the harvesting and removal from the public forest of timber and, in appropriate cases, also of other forest products. It is drawn up by the Director and recommended to the Department Head for his final approval. It is subject to review at least once every five (5) years to ascertain compliance with the terms thereof and adjust such terms to major policy changes.
- Pulpwood License Agreement — similar to timber license agreement except that it is primarily for the planting and cutting of pulpwood species.
- Provisional Timber License — a short-term license issued by the Department Head over areas previously under ordinary timber licenses where field evaluation is prevented by unstable peace and order conditions or fortuitous events, or where government restrictions or changes in government policy have prevented the licensee from actual logging operations, or for one reason or another which the Department Head or Director considers satisfactory, and the licensee failed to commence such actual operation although substantial capital improvements have been introduced and that the licensee has shown evidence of sufficient financial capability for continuous logging operations such that cancellation of the license or conversion into a longer term license cannot be done in the interim; or where the area is covered by a mining claim and claimant does not need the timber for mining purposes and commercializes it or waives his right to another who is qualified to acquire a timber license.
- A & D Timber License — a license issued by the Director for the clear-cutting and commercial utilization of timber over forested lands that have been declared as alienable or disposable but not yet covered by a title of ownership.
- Private Land Timber License — a license issued by the Director for the cutting and commercial utilization of timber in a private land the title to which is not registered with the Bureau.
- Registered Private Woodland License — a license issued by the Director for the cutting and commercial utilization of timber in a private land the title to which is registered with the Bureau.
- Soft Wood Timber License — a license issued by the Director inside a public forest for the cutting of timber species suitable and used solely for bakya, match-sticks, carving and similar purposes.
- Hard Wood Timber License — a license issued by the Director inside a public forest for the cutting of timber classified as furniture timber, to be used exclusively in the manufacture of furniture, fixtures, house components, sash, handicraft, and other such woodcraft.
- Gratuitous Timber License — a license issued by the Director or his representative for the cutting of timber strictly for personal use, for public purposes or for mining operations.
- Mangrove Timber License — a license issued by the Director for the cutting and utilization of mangrove timber species.
- Civil Reservation Timber License — any of the foregoing licenses issued by the Department Head or by the Director inside a civil reservation for the cutting and utilization of timber species.
- Land Grant Timber License — any of the foregoing types of licenses except paragraph (k) issued by the Department Head or by the Director inside land grants for the cutting and utilization of timber species.

- Minor Forest Products License — a license issued by the Director within a public forest or forested land for the cutting and utilization of any forest product other than timber.
- Pasture Lease — a lease for the occupancy and use of a portion of the public forest for pasture purposes executed by and between the Department Head on behalf of the Republic, and the grantee, as recommended by the Director,
- Industrial Plantation License Agreement — is a long-term agreement executed by the Department Head, as party of the first part, upon recommendation of the Director, by which the party of the second part is granted the privilege to occupy a portion of the public forest which is partly forested and partly open or bare area, for the purpose of cutting available standing timber for pulpwood or similar uses, and for planting the open portion with timber species of commercial value,
- Industrial Plantation Lease. — a lease for the occupancy and use of a portion of the public forest for the purpose of growing commercial timber on denuded or deteriorated forest lands, executed by and between the Department Head, on behalf of the Republic, and the grantee, as recommended by the Director.
- Special Use Lease — a lease executed by the Department Head upon recommendation of the Director for a long-term occupancy and use of a portion of the public forest for purposes other than those stated in the foregoing leases.
- Special Use Permit — a short-term permit granted by the Director for the occupancy or use of a portion of the public forest for purposes other than those stated in the foregoing leases.
- Such other leases and/or permits — the Department Head or the Director may grant for purposes associated with the disposition of forest products or use and occupancy of the public forest and other areas associated therewith. Every license, lease or permit for the occupancy or use of the forest or for the taking, gathering or removing of the products therefrom shall specify, in detail, the privileges the holder is entitled to, and the obligations imposed on him; and all such licenses, leases or permits shall, when practicable, define the area for occupancy or use, or where such products are to be taken, gathered or removed: Provided, That such license, lease or permit shall not, except as specified by the Director or the Department Head, exclude other lawful uses and occupancy of other persons: Provided, further, That where the area applied for is inside an existing timber license or concession, a Hard Wood or Soft Wood Timber License may be issued only over said portions not covered by the operations or management plan of the existing licensee or concessionaire for cutting within the next five (5) years, or even if such applied area is within the current operations or logging plan, upon a written waiver or consent by the existing licensee or concessionaire.

SEC. 38. Tenure of Licenses, Leases or Permits: Extent of Area. — No license or lease granted by the Director or Department Head shall continue in force for more than twenty-five (25) years, renewable for another twenty-five (25) years, upon faithful compliance with the terms and conditions of the license or lease. Permits may be granted on a yearly basis renewable for the same period at the option of the granting authority.

Except as otherwise provided, the tenure and extent of area for a license, lease or permit shall be as specified hereunder:

Type

Duration

Area

Timber License Agreement

10 to 25 years

Not more than 100,000 hectares, except upon approval of the National Assembly upon the recommendation of NEDA.

Pulpwood License Agreement

10 to 25 years

Not more than 100,000 hectares, except upon approval of the National Assembly upon the recommendation of NEDA.

Provisional Timber License

At the discretion of the Director but not to exceed 4 years. At the discretion of the Department Head.

A & D Timber
License

At the discretion of the Director but not to exceed 4 years. Limited to the extent of area containing commercial timber.

Private Land Timber License

At the discretion of the Director depending of extent of forested area and merchantable stand.

Limited to the extent of area containing commercial timber.

Registered Private Woodland License

Same as private timber License.

Limited to the extent of area containing commercial timber.

Soft Wood Timber
License

At the discretion of the Director but not to exceed 5 years.

At the discretion of the Department Head.

Hard Wood Timber License

Same as Soft Wood Timber License.

At the discretion of the Department Head.

Gratuitous Timber
License

Not more than one year for personal purposes and not more than 5 years for mining and public purpose.

At the discretion of the Department Head.

Mangrove Timber
License

Not more than 4 years.

At the discretion of the Department Head.

Civil Reservation
Timber License

At the discretion of the Director.

At the discretion of the Department Head.

Land Grant Timber
License

At the discretion of the Director.

At the discretion of the Department Head.

Minor Forest Products License

At the discretion of the Director but not to exceed 5 years.

At the discretion of the Department Head.

Pasture Lease

10 to 25 years. Not to exceed 2,000 hectares.

Industrial Plantation License

Not to exceed 25 years. At the discretion of the Department Head.

Industrial Plantation Lease

Not to exceed 25 years. At the discretion of the Department Head.

Other special use permits and leases for the use or occupancy of the forest provided for in this Code shall be of such duration and extent as the Director may fix.

SEC. 39. Charges, Fees and Bonds. — Except as specified in this Code, the Department Head, upon recommendation of the Director, shall fix the amount of charges, fees or rentals for the privilege to harvest and remove for commercial purposes forest products, and to occupy or use the public forest.

He may in like manner determine the amount of bond necessary to secure the faithful compliance with the terms and conditions of the license, lease or permit.

SEC. 40. Conditions Imposed on License, Lease or Permit. - Upon granting any license, lease or permit, the Bureau may prescribe such terms, conditions and limitations, not inconsistent with law, as may be deemed by him to be in the public interest.

SEC. 41. Prohibition on Transfer of Permit, Lease, License, License Agreement. — (a) Except as herein below provided, the transfer, exchange, sale or conveyance of any permit, lease, license, license agreement or any transaction under any guise which will allow or permit another person to enjoy the privilege granted therein is hereby prohibited.

(b) In the case of a lease or license agreement, after a period of three years from the issuance of the original lease or license agreement, the lessee or licensee may, with the approval of the Department Head as recommended by the Director, be allowed to transfer, or convey his lease or license agreement to another provided the lessee or licensee has complied with all the requirements of the law and the rules and regulations thereunder promulgated: Provided, further, That the proposed transferee possesses the qualifications and none of the disqualifications to hold a lease or license agreement under the law and this Code: And provided, finally, That there is no evidence that such transfer or conveyance is being made for purposes of speculation and that the transferee shall assume all unpaid forestry accounts of the transferor.

(c) Where the lessee or license holder of a lease or license agreement is a partnership or corporation, the transfer of the lease or license agreement to another partnership or corporation may be allowed even before the lapse of the three-year period provided the original partners or stockholders of the transferor shall control at least sixty-six and two-thirds percent (66 2/3%) of the paid-up capital of the transferor.

(d) In any event any lessee or license agreement holder who transfers or conveys his or its lease or license agreement shall forever be barred from acquiring another lease or license agreement.

(e) The National Assembly may, in the national interest, allow forest products licensees, lessees or permittees to enter into service contracts for financial, technical, management, or other forms of assistance with any foreign person or entity for the exploration, development, exploitation or utilization of the natural resources covered by their licenses, leases or permits. Existing valid and binding service contracts for financial, technical, management or other forms of assistance are hereby recognized as such.

SEC. 42. Registration and Regulation of Forested Private Lands. — Every owner of private land containing timber shall register his title to said land with the Director. Once duly registered, timber taken and removed from such land for commercial purposes shall be exempt from the payment of the minimum single forest charge. The harvesting of timber shall be in accordance with a plan of management, if such be required of the owner, duly approved by the Director or his designated representative. The plan of management shall include measures for keeping the land in productive condition and for preventing watershed damage.

SEC. 43. Cancellation or Suspension of Privileges Granted in License, Lease or Permit. — The Department Head may, upon recommendation of the Director, terminate, cancel, suspend or refuse to extend a license, lease or license agreement granted by him under this Code for serious violation of the provisions thereof or its implementing regulations.

The Director may, for the same reason, terminate, cancel, suspend or refuse to extend any other license, lease or permit not covered by the preceding paragraph.

ARTICLE VIII — INFRASTRUCTURE DEVELOPMENT

SEC. 44. Infrastructure Development. — The Bureau shall coordinate its program and standards of road construction with those of the Bureau of Public Highways in such a manner as to facilitate and economically reduce the cost of development of infrastructure and in a manner that will best serve the public interest, and shall work with the Bureau of Public Works in establishing wharves, piers and other port facilities in locations designated for processing centers to provide incentives for wood-based industries in the manufacture and export of finished products at competitive levels.

The President, upon the recommendation of the NEDA and the Department Head, is authorized to establish one (1) wood industry import-export center each in Davao, Zamboanga and Quezon provinces.

Imported log supplies used in such centers shall be exempt from all import duties as well as taxes on the resulting finished products exported to foreign markets. Finished products may be sold in domestic markets subject, however, to prevailing tariffs and taxes and to other requirements governing the sale of forest products by local processors. The Director shall, in collaboration with the proper government agencies, take all necessary precautions to prevent the introduction of insects, pests and/or diseases detrimental to Philippine forests.

SEC. 45. Transportation System. — The Bureau shall prescribe the design and standard, and supervise the construction of all roads, bridges, communications and other installations inside the public forest, in coordination with the Department of Public Works, Transportation and Communications. Main roads, subject to such rules and regulations as may be promulgated, upon the joint recommendation of the Director and the Commissioner of the

Bureau of Public Highways, subject to the approval of the Department Head, shall link up with the national and provincial highway networks and shall become public roads after five (5) years following the completion of their construction. Secondary roads shall become part of the permanent forest protection and management transportation system.

Where roads are utilized by more than one commercial forest user, the Bureau shall prescribe the condition of joint use including the equitable sharing of construction and/or maintenance. The Director shall promulgate such rules, approved by the Department Head, to implement this provision including the use of these roads by other parties and such fees as are deemed necessary.

The Bureau shall initiate a meeting at least annually with the Bureau of Public Highways at regional levels to coordinate the overall transportation system programs of the two (2) agencies.

ARTICLE IX — SPECIAL PROVISIONS ON PROMULGATION OF ORDERS
OR DECISIONS OF THE REGIONAL DIRECTOR, THE DIRECTOR
AND THE SECRETARY, APPEAL THEREFROM

SEC. 46. Claims and Conflicts. — Conflicts and disputes arising out of claims or interests in licenses, leases or permits relating to occupancy, use and/or utilization of public forests, including forest reserves, shall be presented and decided in the manner hereinafter provided for.

SEC. 47. When Order or Decision Shall be Rendered. — The award of forest area; rejection or disapproval of application for license, lease or permit, or the extension or renewal thereof; the suspension of a license, lease or permit; imposition of fines and penalties upon the holder thereof for violation of the terms and conditions of the license, lease or permit; or of any provision of this Code, or the internal revenue, labor or any existing laws or regulations affecting the forest resources; the exoneration of the grantee therefrom; and the disposition of bonds shall be decided by the Director or his duly delegated representative. The regional director shall have original jurisdiction to decide adverse claims and conflicts.

SEC. 48. When Order or Decision Becomes Final. — Except as otherwise expressly provided hereunder, an order or decision of the Director under this Code shall become final after thirty (30) days following the receipt by the party concerned of such order or decision, unless in the meantime an appeal therefrom is taken or a motion for reconsideration is filed by the aggrieved party to suspend the running of the period, and in a manner prescribed herein.

An order or decision of the Director in the following cases shall be executory immediately upon promulgation:

- Award of license, lease or permit, or the renewal thereof;
- Suspension of logging operations for reasons specified under this Code and/or other related rules and regulations; and
- Exoneration of a licensee, lessee or permittee from reported violation of the provisions of this Code or related laws and regulations.

SEC. 49. Motion for Reconsideration, Grounds, Period for Filing, etc. — Within thirty (30) days from the receipt of an order or decision, an aggrieved party may file a motion for reconsideration of said order or decision for one or more of the following causes materially affecting the substantial rights of said party:

- The order or decision is not in conformity with the applicable law, or regulations, or with the evidence presented;

- Fraud, accident, mistake or excusable negligence which ordinary prudence could not have guarded against and by reason of which the movant has been impaired in his rights; and
- Newly discovered evidence which he could not, with reasonable diligence, have discovered and produced in the investigation or when the order or decision was still under advisement and which, if produced, would probably alter the result thereof.

Any motion for reconsideration filed after the above-prescribed period, or which is not based on any of the above-stated grounds, shall not be entertained. Only one motion for reconsideration of an order or decision shall be allowed.

SEC. 50. Appeal from the Order or Decision of the Regional Director. — An appeal shall lie from an order or decision of the Regional Director to the Director within the same period prescribed in Section 50 hereof, unless a motion for reconsideration is filed within a like period, in which case an appeal shall be made within thirty (30) days from the receipt by the aggrieved party of the order disposing of the motion for reconsideration.

The notice of appeal may be delivered or sent to the Regional Director or the Director. In case the notice is sent directly to the Director, a copy of the same shall be furnished the Regional Director, who shall forthwith transmit all the records of the case to the Director.

SEC. 51. Appeal from the Order or Decision of the Director. — An appeal from an order or decision of the Director to the Department Head shall be made within the same period and manner as provided for in Section 51 hereof.

SEC. 52. When Appeal Deemed Perfected. — An appeal is perfected upon the due filing of the notice of appeal together with the corresponding appeal fee. The appeal fee of fifty pesos (P50) shall be paid to the office with which the appeal is filed, which amount shall accrue to the General Fund.

SEC. 53. Effect of Appeal; Motion for Reconsideration. — A perfected appeal, or a motion for reconsideration when filed in due time and on the grounds enumerated in Section 50, shall stay the order or decision of the Director but shall not slay that which is included in the enumeration in the second paragraph of Section 49 hereof.

SEC. 54. Execution upon Final Orders or Decision. Except as expressly provided in Section 49, second paragraph, and Section 56, no execution shall issue upon an order or decision of the Director until after the period for perfecting an appeal or for filing a motion for reconsideration has expired.

SEC. 55. Execution Pending Appeal. — The Director may, before an appeal is perfected and upon motion of the prevailing party with notice to the adverse party, by special order, direct the execution of his order or decision even before the expiration of the time to appeal upon good and meritorious reasons to be stated in the special order.

SEC. 56. Stay of Execution. — An order of execution issued before the lapse of the period to appeal may be stayed upon motion seasonably filed and upon the filing of a bond reasonably sufficient to secure the performance of the order or decision in case it be affirmed wholly or in part to answer for any damage that may be caused by the suspension of the effect of such order or decision.

SEC. 57. Adverse Claim. — Any person who believes himself to be the rightful owner, grantee or possessor of the land subject of an application for a license, lease or permit under this Code, or who claims to have priority over the same shall, before the lapse of one (1) year after the issuance of the license, lease or permit, file in writing and under oath his opposition in the Office of the Regional Director, stating therein the basis of his priority or the grounds therefor, and submitting in support thereof a sworn declaration of two credible witnesses, and such other

documents which he may care to present: Provided, That in case the Regional Director is officially notified of such claim, the adverse claimant is given a period of not more than thirty (30) days from notice by the Regional Director within which to file his protest in due form, copy or copies of which shall be furnished by the claimant to other interested parties at the same time.

SEC. 58. Conflict. — Any licensee, lessee or permittee who believes that another licensee, lessee or permittee has encroached upon the area covered by that of the former shall report the matter to the Regional Director or any local forestry office within thirty (30) days after the aggrieved party learned of the encroachment commenced, otherwise the complaint shall not be entertained.

SEC. 59. Investigation of Claims and Conflicts. — Adverse claims when properly asserted and reports of conflicts received within the time specified in the next preceding section shall be caused to be investigated, if this has not yet been done, by the Regional Director. The investigation shall be made whenever necessary in the very ground and after both parties have been advised of the time, date, and place where it will be held, and of the nature of the case. The notice of investigation shall be served upon them at least one (1) week before the date set therefor.

SEC. 60. Report of Investigation. — The report of investigation shall state, among other things, the following: (a) who is in actual possession of the disputed area; (b) since when and how the possession was made; (c) whether the occupant, if a licensee, lessee or permittee, is utilizing the land under the terms and conditions of his license, lease or permit; (d) since when and to what extent the occupant has utilized the forest resources of the area occupied by him; (e) what improvements are found on the land; (f) what they consist of and when they were introduced; and (g) muniments of title of occupant.

The report shall likewise be accomplished with copies of the notice to the parties with evidence of their receipt thereof, as well as the declaration of the parties and their witnesses who testified in the investigation, and other documentary evidence pertinent to the just resolution of the controversy.

SEC. 61. Mode of Filing Appeal, Memorandum or Brief. — Within a prescribed period, the appellant shall file a brief or memorandum containing a concise statement of the facts of the case, the assignment of errors, and the arguments supporting the appeal. Copy of the appeal, brief or memorandum shall be furnished the appellee. The records of the case shall be forwarded to the Office with which the appeal was filed.

SEC. 62. Answer. — If the petition is sufficient in form and substance, the Regional Director, Director or the Department Head, as the case may be, shall issue an order requiring those against whom the petition is filed or answer the same within fifteen (15) days from the receipt thereof.

SEC. 63. Action after Answer is Filed. — Once the answer is filed, or the time for its filing has expired, the Regional Director, Director or the Department Head, as the case may be, shall investigate the case. If after investigation it is found that the allegation in the petition is not true, the petition shall be dismissed, otherwise, the petition shall be granted, or the order or decision complained of set aside upon such terms and conditions as may be just.

SEC. 64. Finality of Decision Promulgated by the Department Head. — The decision of the Department Head on the appealed case and suspension or cancellation of licenses, leases or permits, as well as other cases covered by this Code shall become final after thirty (30) days from the date of the receipt of a copy thereof by the interested parties, unless otherwise specifically stated therein, or a timely motion for reconsideration is filed. In the latter case, the provision of Section 49 hereof shall apply.

SEC. 65. Execution and Stay of Execution of Department Head's Decision. — The provisions of Sections 56 and 57 hereof shall apply with respect to decisions of the Department Head subject of the preceding section.

SEC. 66. Appeal from the Order/Decision of the Department Head. — The party not satisfied with the order or decision of the Department Head may take the matter to the Supreme Court or the Court of Appeals, as the case may be, in a proper proceeding, within thirty (30) days from receipt of such order or decision. Only questions of law may be brought before the Supreme Court.

Findings of facts of the Director, when affirmed by the Department Head, shall be final and conclusive.

SEC. 67. Suppletory Application of Rules of Court; Other Laws. — The Rules of Court and other related laws shall apply in a suppletory character whenever practicable and convenient.

ARTICLE X — PROHIBITIONS AND PENALTIES

SEC. 68. Free Entry by Forest Officers or Other Persons. — When in the performance of their official duties, forest officers or other government officials or employees shall have free entry into the public forests, national parks, forest reserves, game refuges and bird sanctuaries. It shall be unlawful for any existing concessionaire, lessee, licensee or permittee and their agents, representatives or employees to bar or prevent entry of such forest officers or other government officials or employees to areas under concession, lease, license or permit. Violation of this Section shall be sufficient cause for cancellation of such concession, lease, license or permit.

SEC. 69. Cutting, Gathering, and/or Collection of Timber or Other Products. — The penalty of prision correccional in its medium period and a fine of five (5) times the minimum single forest charge on such timber and other forest products in addition to the confiscation of the same products, machineries, equipments, implements and tools used in the commission of such offense; and the forfeiture of improvements introduced therein, in favor of the Government, shall be imposed upon any individual, corporation, partnership, or association who shall, without permit from the Director, occupy or use or cut, gather, collect, or remove timber or other forest products from any public forest, proclaimed timberland, municipal or city forest, grazing land, reforestation project, forest reserve of whatever character; alienable or disposable land: Provided, That if the offender is a corporation, partnership or association, the officers thereof shall be liable.

The same penalty above shall also be imposed on any licensee or concessionaire who cuts timber from the license or concession of another without prejudice to the cancellation of his license or concession, as well as his perpetual disqualification from acquiring another such license or concession.

SEC. 70. Pasturing Livestock. — The penalty of prision correccional in its minimum period and a fine of ten (10) times the regular rentals due in addition to the confiscation of such livestock and all improvements introduced therein, in favor of the Government, shall be imposed upon any individual, corporation, partnership or association who shall, without permit or lease from the Director, graze or cause to graze livestock in the public forest, proclaimed timberland, municipal or city forest reserve of whatever character, declared alienable or disposable land 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 officers thereof shall be liable.

SEC. 71. Survey by Unauthorized Person. — The penalty of prision correccional in its medium period in addition to the confiscation of the implements used in violation of this section including the cancellation of the license, if any, shall be imposed upon any person who shall, without permit to survey from the Director, enter the public forest, proclaimed timberland, municipal or city forest and pasture, reforestation project, national park and forest reserve to conduct or undertake survey for whatever purpose.

SEC. 72. Misclassification and Survey by Government Official or Employee. — Any public officer or employee who knowingly surveys, classifies, or recommends the release of public forest lands as alienable or disposable contrary to the criteria and standards established in this Code, or the regulations promulgated thereunder, shall, in

addition to the nullification of such survey, classification or release, be dismissed from the service with prejudice to re-employment and shall suffer an imprisonment of not less than one (1) year and a fine of not less than one thousand pesos (P1,000).

SEC. 73. Tax Declaration on Real Property. — The penalty of prison correccional in its medium period and perpetual disqualification from holding an elective or appointive office shall be imposed upon any public officer or employee who shall issue a tax declaration on real property without a certification from the Director and the Director of Lands or their duly designated representative that the area declared for taxation is alienable or disposable land, except when such lands are titled or have been occupied and possessed by members of the national cultural communities prior to July 4, 1955.

SEC. 74. Coercion and Influence. — Any person who coerces, influences, abets or persuades the public officer or employee referred to in the next preceding Section to commit any of the acts therein mentioned shall suffer an imprisonment of not less than one (1) year and a fine of five hundred pesos (P500) for every hectare or a fraction thereof so improperly surveyed, classified or released.

SEC. 75. Unlawful Occupation of Public Forest or Destruction of Forest Reserve. — It shall be unlawful for any person who, having no prior written permission from the Director or his duly authorized representative, willfully enter and occupy or possess for his own private use or for others any public forest, reforestation project, forest reserve of whatever character or municipal/city pasture or forest, or in any manner destroy such forest or part thereof, or to cause any damage to the timber stand and other forest products and forest growths found therein, or to assist, aid or abet any other person to do so. It shall be unlawful for any person to set or to negligently permit a fire which has been set upon his own premises or lands under his jurisdiction or occupied by him, to be communicated to any public forest hereinabove described. It shall further be unlawful for any person or association to occupy or use any part of the public forest without permit or lease as herein required, or cause damage to the forest or the resources found therein.

Any person or association of persons found to have committed any of the aforesaid acts shall be fined not less than five hundred pesos (P500) and imprisoned for not less than six (6) months for each such offense; and shall likewise be liable to the payment of ten (10) times the rental and other charges now or hereafter provided for by regulations corresponding to the nature of use and the period that such area is illegally occupied; except that in cases falling under Sections 32 and 82 hereof, the penalty provided therein shall be imposed and no other, regardless of whether the entry, occupation and utilization of the area was made before the completion of the initial forest occupancy. In all cases falling under this Section the Court shall, upon conviction, order the eviction of the offender from the land and the forfeiture to the Government of all improvements made and all vehicles, domestic animals, and equipment of any kind used in the commission of the offense. If not suitable for use by the Bureau, said vehicles, domestic animals, equipments and improvements shall be sold at public auction, the proceeds of which shall accrue to the Research and Development Fund of the Bureau.

SEC. 76. Unlawful Possession of Implements and Devices used by Forest Officers. — The penalty of prison correccional in its medium period and a fine of not less than one thousand (P1,000) pesos in addition to the confiscation of such implements and devices, and the automatic cancellation of the forestry permit, lease or license, if the offender is a holder thereof, shall be imposed upon any individual, corporation, partnership or association who shall, without authority from the Director or his authorized representative, cut, make, manufacture, or have in his possession any government marking hatchet or other marking implements, or any mark, poster, or other device officially used by officers of the Bureau for the 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 other forest products by means of any authentic or counterfeit government marking hatchet,

implement, mark, poster or other device, or alter, deface, or remove government marks or signs from trees, logs, stumps, firewood or other forest products, or destroy, deface, remove, or disfigure any such mark, sign, poster or warning notices set by the Bureau to designate the boundaries of cutting areas, municipal or city forest or pasture, classified timberland, forest reserve, national park, to make any false mark or imitation of any mark or sign herein indicated: Provided, however, That if the offender is a corporation, partnership or association, the officers thereof shall be liable.

SEC. 77. Fraud in the Kind, Quality and Measurement of Logs, Lumber and Other Processed Wood Products Offered for Sale. — It shall be unlawful to sell or offer for sale any log, lumber, plywood or other manufactured wood product in the international or domestic market except in accordance with 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 for the suspension of the export, sawmill, or other license or permit authorizing the manufacture or sale of such products for a period of not less than two (2) years.

It is further provided that every dealer in lumber and other building materials covered by this Code is under obligation to issue an invoice for each transaction of sale of such material and state on each invoice that the kind, standard and size of material sold to each purchaser is exactly the same as described in the invoice. Any violation of this Section shall be sufficient ground for the suspension of the dealer's license for a period of not less than two (2) years and, in addition thereto, shall be punished for each such offense by a fine of not less than two hundred pesos (P200) or the total value of the invoice, whichever is greater.

Duly accredited representative of the Bureau shall certify as to the compliance with grading rules by the licensees.

In case the offense of fraud is willfully committed by a government official or employee, he shall, in addition to the above penalties, be dismissed from office and permanently disqualified from holding any elective or appointive position.

SEC. 78. Payment, Collection and Remittance of Forest Charges. — Any individual, corporation, partnership or association who shall fail to pay the amount already due and payable under the provisions of this Code or rules and regulations promulgated thereunder, shall be liable for the payment of a surcharge of twenty-five per centum (25%) of the amount due and payable. Failure to pay the amount due, including surcharges thereof, within sixty (60) days after the same has become due and payable, shall be a sufficient cause for the suspension or cancellation of the license, lease, permit or timber sales contract and forfeiture of the corresponding bond deposit of the licensee, lessee, permittee or sales contractor.

Any person who fails or refuses to remit to the proper authorities said forest charges collectible pursuant to the provisions of this 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 Code, for each such offense shall, upon conviction, be punished by a fine of not exceeding one hundred thousand pesos (P100,000) and/or imprisonment for a period of not exceeding six (6) years in the discretion of the Court. If the offender is a government official or employee, he shall, in addition, be dismissed from the service with prejudice to reinstatement and with disqualification from holding any elective or appointive office.

If the offender is a corporation, partnership or association, the officers thereof shall be liable.

SEC. 79. National Park System. — Any person who knowingly or deliberately violates any provision of Section 19 of this Code, or regulations promulgated thereunder or shall, without permit, where the same is required, occupy for any length of time any portion of the areas in the national park system or shall, in any manner, cut, destroy,

damage or remove timber of any species of vegetation or forest cover and other natural resources found therein, or shall mutilate, deface or destroy objects of natural beauty or of scenic value within areas in the national park system, shall be liable to a fine of not less than two hundred pesos (P200.00) or more than five hundred pesos (P500.00) exclusive of the value of the thing damaged: Provided, That if the area requires rehabilitation or restoration as determined by the Director, the violator shall also be required to restore or compensate for restoration of the damage: Provided, further, That any person who, without proper permit, shall hunt, capture, or kill any kind of bird, fish or wild animal life within any area in the national park system, shall be subject to the same penalty as heretofore mentioned. In case of a company or corporation, the president or manager shall be directly responsible and liable for the act of his employees or laborers; and that the Court shall, upon conviction, order the eviction of the offender from the land and that all timber or any species of vegetation and other natural resources collected or removed or any construction or improvement made thereon by the offender shall be forfeited in favor of the Government.

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

SEC. 80. Wildlife Resources. — Any person violating the provisions of Section 32 of this Code, or the regulations promulgated thereunder, shall be fined not less than one hundred pesos (P100.00) for each such violation and in addition shall be denied a permit for a period of three (3) years from the date of the violation.

SEC. 81. Kaingin. — Any person or association of persons who violates the provisions of Section 35 of this Code, or the regulations promulgated thereunder, or encourages, abets or knowingly permits, through negligence, inaction or positive action, encroachment or unauthorized occupancy of the public forests shall, upon conviction, be imprisoned for a period of not less than one (1) year, without prejudice to the payment of the full cost of restoration of the occupied area as determined by the Bureau. The offender shall thereafter be evicted from the premises and all improvements thereon shall be confiscated and forfeited in favor of the Government.

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

ARTICLE XI. — GENERAL PROVISIONS

SEC. 82. Words and Phrases Defined. — As used in this Code:

- "Timber or Forest Land" refers to that portion of the public domain, characterized by a predominant growth of trees or wood species, including nipa, mangrove and other swamps, which has been delimited, classified and declared as such; the phrase includes all lands of the public domain not otherwise classified as agricultural or alienable, industrial or commercial, residential, resettlement, mineral or grazing land.
- "Public Forest" is synonymous to "timber or forest land."
- "Permanent Forest" or "Forest Reserve" refers to forest or timberland so delimited, classified and proclaimed for forest uses, the boundaries of which cannot be modified nor altered except to conform with subsequent precise surveys but not to exclude any portion thereof, and upon approval of the President.
- "National Park" refers to any portion of the public domain, essentially of primitive or wilderness character which, by Presidential proclamation, has been withdrawn from settlement or occupancy and set aside as such exclusively to preserve the scenery, the natural and historic objects and the wild animals or plants therein, and to

provide enjoyment of these features in such a manner as will leave them unimpaired for future generations.

- "Game Refuge and Bird Sanctuary" refers to an area designated for the protection of game animals, birds and fish which is closed to hunting and fishing in order that the excess population may flow out and restock surrounding areas and all disturbances are limited particularly to those of man-made origin.

- "Reforestation Project" refers to any portion of the public domain which is essentially open and needing reforestation or afforestation and declared as such by the Department Head.

- "Marine Park" refers to any offshore area inhabited by rare and unique species of marine flora and fauna.

- "Grazing Land" refers to that portion of the public domain characterized by a predominant growth of grass species suitable for domestic and wild-animal feeds.

- "Range Land" is synonymous to "grazing land."

- "Alienable or Disposable Land" is that portion of the public domain certified by the Director as not needed for forestry purposes and not required by public interest to be retained under forest cover and declared as such by the Department Head.

- "Working Unit" refers to the primary unit of forest management, with well-defined boundaries usually based on topography, sufficient to support the predetermined wood requirement of dependent industries or communities on a sustained-yield basis.

- "Forest Product" means timber, pulpwood, firewood, bark, treetop, resin, gum, wood oil, beeswax, nipa, rattan, or other forest growth such as grass, shrub, and flowering plant, the associated water, fish, game, scenic, historical, recreational and geologic resources in public forest, national park, game refuge and bird sanctuary and other such areas.

- "Multiple-Use" means the protection, development and management of all the resource values of the public forest in the combination that best contributes to the long term socio-economic development. Use of some of the land and its resources for such single or limited uses as national parks, forest recreation areas or protected watersheds is an accepted part of multiple-use but only when such uses or services cannot be provided in combination with other uses.

- "Sustained Yield" implies continuous or periodic production of its product with the aim of achieving at the earliest practicable time an approximate balance between growth and harvest or use. This is generally applied to the commercial timber resources and is equally applicable to the water, grass, wildlife, and other renewable resources of the forest.

- "Timber", when used for purposes of collecting forest charges or fees, refers to any piece of wood having an average diameter of at least 15 centimeters and at least 1.5 meters long.

- "License, Lease or Permit" refers to a written authority granted by the Director or Department Head to any qualified person or entity for the cutting, removal and utilization of forest products or for the occupancy and use of a particular portion of the public forest. The term "license" or "lease" is synonymous to "license agreement" or "lease agreement."

- "Management Plan" refers to the written guideline for the proper and systematic conservation, utilization, management and development of timber and other forest resources of a specific forest area.

- "Ecosystem" means the ecological community considered together with nonliving factors and its environment as a unit.

- "Forest Officer" means any official or employee of the Bureau who, by the nature of his appointment or the functions of the position to which he is appointed, is delegated by law or by competent authority to execute, implement or enforce the provisions of this Code, other related laws as well as their implementing regulations.

- "Processing Plant" as used in this Code is any mechanical setup, machine or combination of machines used for the processing of logs and other forest raw materials into lumber, veneer, plywood, wallboard, blockboard, paperboard, paper or similar finished products. The term "processing plant" includes circular sawmill, band sawmill, pulp and paper mill, veneer plant, plywood plant, wallboard plant and blockboard plant.

- "Private Right" as used in this Code, shall mean or refer to rights of ownership under existing laws and in the case of primitive tribes, to rights of possession existing at the time a license is granted under this Code, which possession may include places of abode and worship, burial grounds, and old clearings, but excludes production forest inclusive of logged-over areas, commercial forests and established plantations of forest trees and trees of economic value.

- "Primitive Tribe" is a group of endemic tribes living primitively as a distinct portion of a people from a common ancestor.

- "Main road" means that principal haul road between the nearest national or provincial road and/or the log pond or manufacturing plant of the licensee and the most distant point or points of the license area or a point of connection with the main road of an adjacent licensee as may be prescribed by the Director.

SEC. 83. Separability Clause. — Should any provision herein be subsequently declared unconstitutional, the same shall not affect the validity or the legality of the other provisions.

SEC. 84. Implementing Clause. — The Department Head is hereby authorized to create such number of positions and appoint the corresponding personnel, as well as fix their compensation, as may be necessary to install the reorganized agency under this Code. There is hereby appropriated out of the General Fund of the National Treasury not otherwise appropriated such amount corresponding to the salaries of the personnel to be appointed under this provision. Such appropriation shall include the necessary amount to cover the cost of suitable uniforms to be required of forest officers, and to be given as annual uniform allowance.

He shall promulgate such rules and regulations for the effective implementation of the provisions of this Code.

SEC. 85. Repealing Clause. — All laws, orders, rules and regulations or any part thereof which are inconsistent herewith are hereby repealed accordingly.

SEC. 86. Date of Effectivity. — This Code shall take effect immediately upon promulgation hereof.

Done in the City of Manila, this 5th day of February, in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

[*] Amended by Presidential Decree No. 428.

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