

[EXECUTIVE ORDER NO. 725, September 09, 1981]

FACILITATING THE ESTABLISHMENT OF INDUSTRIAL TREE PLANTATIONS

WHEREAS, the establishment of Industrial Tree Plantations (ITP) is encouraged as Government policy under P.D. No. 705 and P.D. No. 1559;

WHEREAS, LOI 423 (PROFEM) provides for the establishment of Industrial Tree Plantations as a step to intensify and accelerate Forest Ecosystem Management;

WHEREAS, the establishment of such Industrial Tree Plantations must be facilitated and accelerated in order to hasten the country's reforestation efforts, which shall promote ecological balance and assure an adequate wood supply for our growing population; and

WHEREAS, Timber License Agreement (TLA) areas constitute a major part of the Country's forest lands within which are portions needing revegetation, including open, denuded, brushland, and inadequately stocked areas.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby direct and order that:

SECTION 1. The establishment of Industrial Tree Plantations (ITP) in open, denuded, brushland and inadequately stocked areas is hereby mandated for immediate implementation as one of the priority projects of the Government.

SEC. 2. In accordance with P.D. No. 1559 which provides for the establishment, development and maintenance of forest tree plantations, the Minister of Natural Resources, through the Bureau of Forest Development (BFD), shall, with the assistance of the licensees, accelerate the identification and delimitation of suitable areas within timber concessions for reforestation and conversion into industrial tree plantation; PROVIDED, that existing timber license holders shall be given a period of six (6) months from the date of promulgation of the rules and regulations mentioned in Paragraph 13 hereof:

(a) to apply for an ITP lease agreement over areas under Paragraph 1 hereof suitable for growing trees, but not exceeding 30% of the total TLA area; or (b) to undertake implementation of an approved 7-year reforestation plan, or (c) to do both (a) and (b); PROVIDED, FURTHER, That timber license holders shall, in total compliance of reforestation requirements as imposed by existing letters of instruction, rules and regulations, submit to the Bureau of Forest Development within the same period, a new seven-year reforestation program to reforest with dipterocarp, premium, and/or fast-growing species, all open, denuded, brushland, and inadequately stocked areas which are not converted into ITP, which shall be

immediately implemented after its approval by the BFD.

SEC. 3. For the development and operation of the ITP, the timber license holder may form a new corporation with other investors. The timber license holder shall warrant the development and implementation of the ITP in accordance with the provisions of the ITP Lease Agreement. Should the corporation fail to carry out the development of such plantation within the period specified in such lease agreement, the timber license holder shall lose any rights that he may have in such license, and such shall be considered revoked.

SEC. 4. In case the timber license holders fail to apply for ITP or to undertake implementation of an approved 7-year reforestation plan over available suitable areas inside their concessions within the period provided herein, their priority option shall be deemed waived and such areas shall be made available to third parties, which may include Regional Cooperatives for an ITP application, grant and establishment, without prejudice to cancellation of the TLA; PROVIDED, That failure to comply with the reforestation program shall be sufficient cause for the summary suspension of the timber license, and if the violator is a log exporter, his log export permit shall be revoked, until such time that the holder of the timber and/or export permit shall have made up for the deficiency, which shall be within a period not exceeding one (1) year from date of notice of the deficiency.

SEC. 5. The timber licensees, shall in any case, plant suitable dipterocarp or other premium tree species as well as fast-growing species in line with their approved reforestation program.

SEC. 6. For the purpose of establishing ITP's, the term "inadequately stocked areas" shall refer to forest land with an existing stand of timber containing an average per hectare of less than 20 trees of dipterocarp and endangered species with diameters of not more than 20 centimeters at breast height; PROVIDED, That all dipterocarp and endangered species therein shall not be cut except when so authorized in accordance with BFD rules and regulations covering the matter.

SEC. 7. Areas segregated for ITP development shall be contiguous and for this purpose, patches of adequately stocked areas may be included as part of the ITP where such inclusion would preserve the contiguity of the ITP area, and the following conditions are complied with:

A. That such adequately stocked areas shall not exceed thirty percent (30%) of the total area applied for development as ITP;

B. That at least five percent (5%) of the total area of the ITP shall be maintained as permanent wilderness reserved; and

C. That the balance of the adequately stocked areas shall be used as buffer zone, and the harvesting of mature or overmature and defective trees therein shall be properly regulated.

SEC. 8. Land so identified as suitable for ITP establishment as herein provided shall be segregated from the timber concessions concerned after the corresponding ITP Lease Agreement in the form hereafter attached as Annex "A", shall have been issued over such areas.