

**Memorandum Circular**  
**No. 3**  
**March 12, 1991**

**SUBJECT: Clarification on the Assessment of  
Environmental Fees as Prescribed by  
DENR AO No. 62, S of 1990**

It has come to our attention that there are some instances of misinterpretation in the application of environmental fee imposed on timber produced from natural forests by holders of permits/licenses. These clarifications are hereby issued for the guidance of all concerned:

- 1) The environmental fee shall only be imposed on sawlogs and veneer logs of the first and second groups of timber.
- 2) To maximize timber utilization, timber products derived from mill and logging wastes or residues like pulpwood and fuelwood are exempt from payment of the environmental fee.
- 3) Plantation timber are not subject to payment of environmental fee.
- 4) It is reiterated that the payment of the environmental fee is a prerequisite to the issuance of a Certificate of Timber Origin (CTO).
- 5) All CENRO's concerned are hereby directed to prepare and submit a monthly report on log production and payment of all taxes, charges and fees, including environmental fees by permittees/licensees within their jurisdiction.

**VICTOR O. RAMOS**  
OIC, Secretary