

**DENR Memorandum Order**  
**No. 26**  
**December 27, 1994**

**SUBJECT : Moratorium on Milling Operations in the Agusan Provinces.**

Pursuant to Executive Order No. 192 dated June 1987 and in view of the immediate need to protect the remaining forest in the Agusan Province, a MORATORIUM on wood milling operations in Agusan Del Norte, Agusan Del Sur and in Butuan City and the movement of wood products associated with the operations, is hereby ORDERED until further notice.

Consonant to this Order, the following implementing guidelines and instructions are hereby issued, to wit:

1. The Regional Executive Director (RED) of Region X together with the Executive Director, Operation Control Center (OCC) of the Undersecretary for Field Operations, and in coordination with members of the Multi-Sectoral Forest Protection Committees (MFPCs) both provincial and regional levels in Region X, shall cause the immediate evaluation/inventory of all sawmills (regular and mini-sawmill) operating in the Agusan Provinces and Butuan City and to include the following activities:
  - 1.1 Validation on the actual volume of logs delivered from legitimate sources;
  - 1.2 Validation on the actual volume of lumber/plywood processed per sawmill;
  - 1.3 Verification on the disposition/shipment of lumber output;
  - 1.4 Verification on the volume actually delivered to consignee(s) at point of destination;
  - 1.5 Determination of the approximate daily rated capacities of each sawmill plant from any available record.

2. After completion of the evaluation of every sawmill plant, the following guidelines for continuance of its operation and/or renewal of wood processing permit, shall be implemented:
  - 2.1 On regular sawmill or sawmill with daily rated capacity of 10,000 board feet and over:
    - 2.1.1 Regular sawmills with back-up concession shall be allowed to continue operation until their expiry dates;
    - 2.1.2 Regular sawmills without back-up concession but with adequate and legitimate log supply from existing TLAs, IFMA, PLTP shall likewise be allowed to continue processing for as long as log supply contract remains valid and enforced; provided its log supply is not less than fifty percent (50%) of its annual log requirement;
    - 2.1.3 Regular sawmills processing bidded logs shall be allowed to continue processing until the stock balance shall be consumed;
    - 2.1.4 Regular sawmills processing imported logs shall also be allowed to continue operations. Provided that beginning 1995, regular sawmills except those enumerated in subsections 2.1.1 and 2.1.2 opting to process imported logs shall not be allowed to process local logs at the same time.
  - 2.2 On mini-sawmill or sawmill with daily rated capacity of less than 10,000 board feet:
    - 2.2.1 Mini-sawmills without permit to operate shall be padlocked/dismantled;
    - 2.2.2 Mini-sawmills with permits and with adequate supply of plantation timber shall be allowed to continue operation until their expiry dates;

- 2.2.3 Mini-sawmill operators will not be allowed to participate in the bidding of non-plantation timber;
  - 2.2.4 Mini-sawmills processing logging wastes shall be allowed to continue milling the remaining legitimate stock balance. Henceforth, minisawmills will not be allowed to process logging wastes, nor their permits renewed unless owned and operated by a cooperative duly registered with the Cooperative Development Authority and authenticated as truly community based, by the regional and provincial MFPCs.
3. During the implementation of this Order, all milling operations shall be suspended pending the conduct of evaluation/inventory. All movements of logs, lumber and other forest products within the sawmill area(s) are hereby prohibited pending the conduct of evaluation/inventory of the same.
  4. The suspension of milling operations shall be for period of 30 days which shall commence upon the submission of the Implementing Plan as provided for in Section 8 of this Order and upon the approval of the Undersecretary for Field Operations of the same.
  5. After evaluation, sawmills found clear of any violation maybe allowed to operate even before the expiration of the 30 day moratorium period upon the recommendation of the RED and approval of the Undersecretary for Field Operations. However, those sawmills operating with a permit issued by the DENR and found with violations of any forestry laws, rules and regulations shall be cancelled in accordance with law.
  6. All logs/lumber inventories inside the compound of processing plants found to be coming from illegal source or found to be in excess of what is officially delivered from legal sources shall be confiscated.
  7. Beginning 1995, mini-sawmills shall be relocated to the sites or areas which will be designated as the processing center by the cooperative and MFPC, and shall not be less than three (3) kilometers from the bank of

8. The RED shall prepare and submit to the Secretary, thru the Undersecretary for Field Operations, within ten (10) days from issuance hereof, an Implementing Plan consistent with this Order, which shall include, among others, the active involvement of the local Multi-Sectoral Forest Protection Committees (MFPCs) in the effective execution of the said Plan. The RED is personally liable for any abuse of the above guidelines particularly the implementation of the provisions under Section 3. He is likewise, ordered to submit a weekly status report on the implementation and compliance with this Order.

This Order shall take effect immediately.

SO ORDERED.

**ANGEL C. ALCALA**  
**Secretary**