

**CIRCULAR ON FULFILMENT OF LOG RESERVATION QUOTA AS PREREQUISITE FOR APPROVAL OF AP TO EXPORT LOGS**

1. All licensees will be given the AP to export their logs if they have supplied all (100%) of the logs under the reservation quota for local processing in the manner described in point 2 below.

(Small discrepancies for transportation losses, etc can be considered).

2. Assessment on fulfilment of log reservation quota shall be made as follows:
  - (i) By comparing the latest cumulative volume of logs actually delivered to local mills with the cumulative log reservation quota volume up to the third month prior to the month in which the application for AP is made.

**Example:**

AP to export logs will be given to a licensee in the month of October, if:

$$\frac{\text{Latest cumulative volume of logs delivered to local mills}}{\text{Cumulative log reservation quota volume (up to July)}} = 100\% \text{ and above}$$

(If licensee has not delivered 100% of their logs under the reservation quota, another assessment shall be made as at (ii) as follows):

- (ii) Determine the minimum allowed log volume required under the quota to be delivered to local mills based on the latest available official cumulative log production figure using the formula below:

$$\frac{\text{Cumulative log reservation quota}}{\text{Cumulative log production limit}} \times \text{Latest cumulative official log production}$$

**Example:**

If the latest cumulative official log production figure is up to the month of August, the following will apply to determine the minimum allowed log volume required:

$$\frac{\text{Cumulative log reservation quota volume (January – August)}}{\text{Cumulative log production limit (January – August)}} \times \text{Cumulative log Production (January – August)}$$

3. Any shortfall in the fulfilment of the log reservation quota should be carried forward to the next and subsequent month within the same year for the quota allocated.
4. Licensees who has failed to comply with the reservation quota requirements are required to submit to PUSAKA their applications for AP to export logs 48 hours before shipment. Appeals will only be considered for genuine case to be supported by documentary proofs.
5. To facilitate advance monitoring of fulfilment to the log quota, all affected licensees are required to complete and submit to PUSAKA the attached forms within five working days after the end of each month.