



Republic of the Philippines  
Department of Environment and Natural Resources

**FOREST MANAGEMENT BUREAU**

Visayas, Avenue, Diliman, 1100 Quezon City

Tel. No.: (632) 8925-2141 / (632) 8927-4788

E-mail Address: [fmb@denr.gov.ph](mailto:fmb@denr.gov.ph) Website: <https://www.forestry.denr.gov.ph>



DEC 10 2021

**MR. CHARLIE G. LEDESMA**

Finance Manager

Euro Pacific Resorts Inc. (EPRI)

Palawan Cove Corporation (PCC)

[charlie.ledesma@jtkc.com.ph](mailto:charlie.ledesma@jtkc.com.ph)

Dear Mr. Ledesma:

This has reference to your letter dated October 20, 2021 addressed to the DENR Undersecretary for Field Operations and Environment, Atty. Juan Miguel T. Cuna, requesting for consideration of your appeal on the payment of annual government share for the operations of Euro Pacific Resorts Inc. (EPRI) under FLAgT No. DENR4B-12312029-0001 issued on December 16, 2004 and Palawan Cove Corporation (PCC) under FLAgT No. 01-2012 issued on February 27, 2012 located in Dimakya Island, Brgy. San Jose, Coron, Palawan and Boayan Island, So. Daplac, Brgy. Poblacion, San Vicente, Palawan, respectively.

Accordingly, the appeals were made by the Corporations before the Office of DENR – MIMAROPA Region through various writings, however, there was no response provided by the Region. The Corporations are requesting the following, to wit:

1. Proposing an annual government share of PhP 326,737.68 and PhP 1,350,000.00, for EPRI and PCC, respectively; and
2. Re-valuation of the annual government share of PCC and EPRI be conducted from 2021 to 2022 and 2024, respectively.

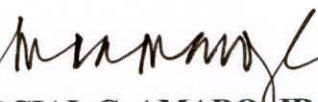
In this regard, may we initially inform you that pursuant to Section 16 of DAO 2004-28, the re-valuation of annual government share, is indeed, shall be undertaken every five (5) years thereafter the issuance of the Agreement, therefore, the rates to be used in the computation of Annual Rentals (ARs) for the operations of EPRI and PCC are the Zonal Values (ZV) for Commercial Regular (CR) that prevail in Brgy. San Jose, Coron, Palawan on December 2019 and in Brgy. Poblacion, San Vicente, Palawan on February 2017 i.e. PhP 470.00 per square meter per Department Order (DO) No. 72-17 (effective on December 23, 2017 up to the present) and PhP 75.00 per square meter per DO No. 23-97 (effective from May 12, 1997 up to May 11, 2017). Thus, the AR that EPRI should be paying from December 2020 is PhP 3,290,000.00, while the PCC should pay PhP 900,000.00 starting February 2018, as shown in the succeeding table, and shall continue to pay the same amount until the next revaluation in December 2024 and February 2022, respectively. Please visit the BIR official website at <https://www.bir.gov.ph/index.php/zonal-values.html> for verification.

<b>Tenure</b>	<b>Location</b>	<b>Area (in square meter)</b>	<b>ZV CR per square meter (in PhP)</b>	<b>AR (in PhP)</b>
FLAgT No. DENR4B-12312029-0001 (EPRI)	Dimakya Island, Brgy. San Jose, Coron, Palawan	140,000	470	3,290,000.00
FLAgT No. 01-2012 (PCC)	Boayan Island, So. Daplac, Brgy. Poblacion, San Vicente, Palawan	240,000	75	900,000.00

May we also inform you that your letter (appeal) was referred to DENR MIMAROPA Region mentioning the above-cited information for their appropriate action and to directly coordinate with you on this matter.

Thank you very much.

Very truly yours,

  
**MARCIAL C. AMARO, JR., CESO III**  
 Assistant Secretary for Policy, Planning, and  
 Foreign Assisted and Special Projects, and  
 the Director, in concurrent capacity

*Copy furnished:*

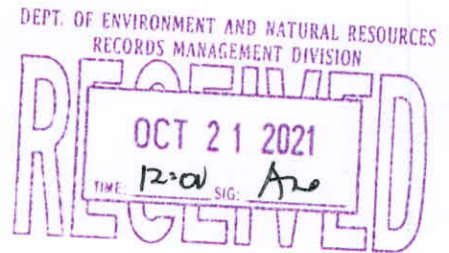
*The Undersecretary for Field Operations and Environment, DENR*

*The Regional Executive Director, DENR MIMAROPA Region*

# EURO-PACIFIC RESORTS INC. / PALAWAN COVE CORPORATION

October 20, 2021

Atty. Juan Miguel T. Cuna  
Undersecretary – Field Operations  
Department of Environment and Natural Resources (DENR)



Dear Atty. Cuna:

Good day!

This refers to our letters dated September 10, 2021 (and received by the DENR MIMAROPA Records Section Roxas Blvd. on September 13, 2021) which were addressed to Ms. Maria Lourdes G. Ferrer, CESO III (Regional Executive Director, DENR MIMAROPA Region). Our letters were responses to letters issued to us by the DENR (via Ms. Ferrer) dated July 13, 2021 and received by us during the first week of September.

Copies of the letters sent by the DENR and receiving copies of our response letters are all attached herewith.

Our letters pertain to our two Forest Land Use Agreement for Tourism (FLAgTs) covering the following:

- 1.) Under Euro-Pacific Resorts Inc. (EPRI)
  - o An area of 14 hectares of forest land in Dimakya Island, Barangay San Jose, Coron, Palawan
- 2.) Under Palawan Cove Corporation (PCC)
  - o An area of 24 hectares of forest land in Boayan Island, Sitio Daplag, Barangay Poblacion, San Vicente, Palawan.

In both letters, we appealed the following items:

- 1.) Under Euro-Pacific Resorts Inc. (EPRI)
  - o Increase in Annual Government Share (AGS) from Php 217,825.12 to Php 3,290,000 (1410% increase) wherein we proposed to adjust our rate to Php 326,737.68 (a 50% increase from our present rate) instead, in consideration of the present pandemic situation and its effects to the tourism industry
  - o Implementation of the revaluation in the year 2021 whereas it should be on 2024 based on contract stipulation that the revaluation shall be undertaken every 5 years after the execution of our contract in 2004
- 2.) Under Palawan Cove Corporation (PCC)
  - o Increase in Annual Government Share (AGS) from Php 900,000 to Php 7,800,000 (766% increase) wherein we proposed to adjust our rate to Php 1,350,000 (a 50% increase from our existing rate) instead, in consideration of the present pandemic situation and its effects to the tourism industry
  - o Implementation of the revaluation in the year 2021 whereas it should be on 2022 based on contract stipulation that the revaluation shall be undertaken every 5 years after the execution of our contract in 2012

After the submission of hard copies of our letters, we have since tried to contact the department via landline and via e-mail, yet no response has been given yet on the matter. The below follow-ups were made with mimaroparegion@denr.gov.ph:

- 1.) September 22, 2021 – We emailed the letters for the first time. DENR Mimaropa Region acknowledged receipt with Document Tracking # E-2021-71467 and forwarded the same to the Licenses, Patents, and Deeds Division.
- 2.) September 27, 2021 – 1<sup>st</sup> follow-up on our end via email. DENR Mimaropa Region acknowledged receipt with Document Tracking # E-2021-71467 and forwarded the same to the Licenses, Patents, and Deeds Division.
- 3.) October 11, 2021 – 2<sup>nd</sup> follow-up on our end via email. DENR Mimaropa Region acknowledged receipt with Document Tracking # E-2021-71467 and forwarded the same to the Licenses, Patents, and Deeds Division.

We respectfully request for your assistance and consideration in looking into this matter.

On behalf our companies, I thank you for your kind understanding.

Yours Truly,

Charlie G. Ledesma  
Finance Manager, Euro-Pacific Resorts Inc.  
Finance Manager, Palawan Cove Corporation  
charlie.ledesma@jtkc.com.ph

Euro-Pacific Resorts Inc. – Company Address: No. 1, Dimakya Island, Coron, Palawan  
Palawan Cove Corporation – Company Address: Sitio Pulang Bato, Boayan Island, San Vicente, Palawan  
Manila Office: 2159 Pasong Tarno, Makati City