



Republic of the Philippines  
**Department of Environment and Natural Resources**  
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OCT 05 2023

**MR. RAMON S. LICUP**

*Chairman/CEO*

Modern Asia Hotel, Inc. (MAHI)

49 Annapolis Street, Greenhills, San Juan City

[ramonlicup78@gmail.com](mailto:ramonlicup78@gmail.com)



Dear **Mr. Licup**,

This pertains to your letter dated 14 September 2023 relative to the concerns of MAHI (- the Company) on its operation at the Princesa Garden Island Resort and Spa and its environs located in Brgy. Bancau - Bancau, Puerto Princesa City, Palawan.

It is well to note that the Company's operation and its facilities in the said locality is covered with a miscellaneous lease agreement (MLA) bearing the code MLA-MLC-045316-17 and currently encompassing an area of 24,977 square meters. Relatedly, the concerns manifested/raised by the Company on the aforementioned letter and during our meeting on 14 September 2023 at the DENR Central Office include the following:

1. The high value of annual rentals computed after the MLA's 51,293 square meters area was reduced to 24,977 square meters (*e.g.*, P254,730.84 vs. P2,911,485.64). Thus, the Company is requesting for consideration;
2. The Company's relevant proposal for the development and protection of the mangrove forest (and its premises) which is adjacent to the Company's leased area, and the longing of the Company to apply for forest land use agreement for tourism (FLAgT) so as to enable the eventual implementation of the Company's proposed mangrove ecosystem management project thereon; and
3. The apparent disagreements among the Company and the local DENR Offices of Palawan on the eventual establishment of the floater/boardwalk project of the Company which will start from the hotel / resort complex going to the common sand bar adjacent to the said complex. The concerned DENR Office is yet to allow the Company to put the floater/boardwalk in its appropriate place (despite of the latter's urgency to establish such floater/boardwalk thereon) as guaranteed by the pertinent terms and conditions of the subject MLA.

In view thereof, this Office has instructed the DENR MIMAROPA Region to cause the following:

- A. For clarity purposes, the concerned DENR CENRO in the region shall provide to the Company the detailed computations (it has made) on the annual rentals and to include as well the basis of computing the annual rental over the 24,977 square meters MLA area;
- B. The concerned DENR CENRO/PENRO or Implementing PENRO shall:
  - B.1 Compute the surcharges of the Company for the period 2020 up to 2022 and the computed or resulting amount as the Company's surcharges shall be waived in favor of the same taking into account that the DENR Central Office has recently granted some requests of holders of forest tenure instruments for the non-imposition of the

collection of surcharges during the occurrence of the COVID-19 global pandemic and other fortuitous events;

B.2 Determine the actual land classification of the land hosting the mangrove forest (adjacent to the Company's leased area) which is the proposed area to be developed and protected by the Company. Such undertaking is essential so as to determine the appropriate permit/tenure instrument that can be issued/executed to enable the Company's proposed development and protection of the subject mangrove forest;

B.3 Facilitate appropriate actions that may warrant the immediate establishment of the boardwalk/floater by the Company from the hotel/resort complex going to the sand bar adjacent to the said complex, so as to maximize the delivery of the tourism-related services being rendered/offered by the Company to its customers and to the general public as well. Appropriate actions on the matter should be in accordance with the terms and conditions of the MLA; and

B.4 In case the land classification of the said mangrove forest falls within the ambit of the forestry sector's jurisdiction, kindly inform the Company to apply for forest landuse agreement for tourism (FLAgT).

Lastly, kindly coordinate with the concerned CENRO and PENRO for the provision of relevant information and complementation of needed resources to facilitate the prompt resolutions of the Company's concerns.

Thank you.

Very truly yours,



**ATTY. JUAN MIGUEL T. CUNA, CESO I**  
*Undersecretary for Field Operations – Luzon, Visayas and Environment*

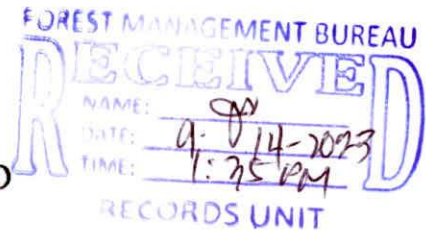
Cc: *The OIC Assistant Secretary for Field Operations –  
Western Mindanao and FMB Director, in concurrent capacity*

*The Regional Executive Director  
DENR MIMAROPA Region*





PRINCESA GARDEN ISLAND  
RESORT AND SPA



September 14, 2023

**ATTY. JUAN MIGUEL T. CUNA, CESO I**  
**Undersecretary for Field Operations – Luzon, Visayas and Environment**  
**Department of Environment and Natural Resources**  
**Visayas Avenue, Diliman, Quezon City**

**Re: Rental for Foreshore/ Miscellaneous Lease of Foreshore Land at Barangay Banca**  
**Bancao, Puerto Princesa City, Palawan**

**Sir/Ma'am:**

We write to you regarding your computation on the rental of a foreshore land located in Barangay Banca-Bancao, Puerto Princesa City, Palawan which we are currently leasing from the government. Perhaps your office may have been aware that our intent in renting the said shore area is to:

1. Provide complimentary services for our guests and visitors who wish to enjoy the sunbathing area.
2. Promote the local, national and international tourism industry.
3. Ensure security and safety of the hotel's guests.

You will remember that we applied for the revision of our leased area coverage from **51,293 square meters** to only **24,977 square meters**, which request was approved last **March 23, 2022**. Pursuant to such approval and in order to comply government policies and regulations, we requested the DENR CENRO and PENRO Palawan for a computation based upon the approved reduced leased area. To our surprise however, we received from your office a computation which was even higher than the old computation which we quote and state below for your reference:

YEAR	AREA/SQURE METERS	ANNUAL FEE	STATUS OF PAYMENT	STATUS OF BUSINESS
2017	51,293.00	254,730.84	Paid	Normal Operation
2018	51,293.00	264,920.07	Unpaid	Normal Operation
2019	51,293.00	264,920.07	Unpaid	Normal Operation
2020	51,293.00	264,920.07	Unpaid	Business was shutdown due to Pandemic
2021	24,977.00	2,911,485.64	Unpaid	Business was shutdown due to Pandemic with occurrence of Typhoon Odette.
2022	24,977.00	2,911,485.64	Unpaid	Repair and renovation of facilities caused by the pandemic and Typhoon Odette.



PRINCESA GARDEN ISLAND  
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2023	24,977.00	2,911,485.64	Unpaid	Soft operation with ongoing repairs of damaged facility, unstable transactions due to low tourism activities and minimal arrival of flights going to Palawan.
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**Total Rentals Unpaid for Six (6) Years: PHP9,529,217.13**

In this connection, may we humbly ask for the following consideration;

1. As to your computation for the year 2020, 2021 and 2022, we would greatly appreciate if you could **waive** all the rental charges you are imposing on us for the reason that during those three (3) years, the hotel did not earn any income because of the pandemic and the typhoon that ravaged the country, plus the fact that we are still introducing renovations and repairs in the hotel in order to restore the previous condition of the hotel in its state before the arrival of the pandemic and the typhoon. Until now, tourism industry has not yet recovered from its fall.
2. For this year of 2023, we request your favor and kindness by giving us a **discount** as we are still in a soft operation stage.
3. We respectfully request your office to kindly **reconsider your computation to a more reasonable rate or lesser rate**. Income of the hotel will not even be commensurate or at least break even with your rental computation of PHP2,911,485.64 per year. It is indeed heavy for us to bear such a large sum of rental obligation. Also, most of our services are still complimentary in nature.

Your considerate reply will be greatly appreciated. Thank you so much.

Truly yours,

**MODERN ASIA HOTEL, INC.**  
Lessee

By:

  
**RAMON S. LICUP**  
Chairman/CEO

