MEMORANDUM FROM THE SECRETARY

TO: ALL REGIONAL DIRECTORS

FROM: ISSUANCE OF STATUS QUO ORDER RE IMPOSITION OF FINES FOR FASTFOOD STORES, RESTAURANTS AND SIMILAR QUICK-SERVICE ESTABLISHMENTS

Date: JUL 23 2007

With the execution of the Memorandum of Agreement (MOA) between and among DENR, LLDA and QSR Management Link Association Inc., this office hereby commits itself to develop and establish industry-specific effluent standards and regulations in compliance with the provisions of Sec 12 Republic Act 9275. Further, under said MOA, specifically Article 1.b. thereof, QSR members seek temporary relief from complying with the currently prevailing effluent standards.

In view of the foregoing, you are hereby directed to issue, within five (5) days from receipt hereof, a Status Quo Order holding in abeyance the imposition of fines for fastfood stores, restaurants and similar quick-service establishments. Said Status Quo Order shall remain until such time a revised effluent standards and regulations have been issued.

FOR GUIDANCE AND COMPLIANCE.

ANGELO T. REYES

Let's Go Green
MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (this “Agreement”), made and entered into by and between:

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, a Department of the Republic of the Philippines with office address at the 4th floor, DENR Building, DENR Compound, Visayas Avenue, Quezon City, herein represented by Secretary ANGELO T. REYES, herein referred to as DENR;

LAGUNA LAKE DEVELOPMENT AUTHORITY, a government owned and controlled corporation created, organized and existing by virtue of Republic Act No. 4850, as amended, with office address at Asia Pro Bldg., No. 70 San Rafael Street, Barangay Kapitolyo, Pasig City, Metro Manila and represented in this Act by the Chairman of the Board, CIRIO SANTIAGO, herein referred to as the LLDA;

-and-

QR MANAGEMENT LINK ASSOCIATION INC., a non-stock, non-profit corporation, organized under Philippine laws with address at 7th floor Jollibee Plaza Bldg., 10 Emerald Avenue, Ortigas Center, Pasig City, herein represented by its President, ANTONIO I. CASAACL ANG, herein referred to as the Association;

DENR and LLDA are sometimes collectively referred to herein individually as a “Government Party” and collectively as the “Government Parties”.

-WITNESSETH THAT-

WHEREAS, the Philippine Clean Water Act of 2004 provides that the State shall pursue a policy of economic growth in a manner consistent with the protection, preservation and revival of the quality of our fresh, brackish and marine waters;

WHEREAS, the same Clean Water Act provides that it shall be the policy of the State to encourage cooperation and self-regulation among citizens and industries through the application of incentives and market-based instruments and to promote the role of private industrial enterprises in shaping its regulatory profile within the acceptable boundaries of public health and environment;

WHEREAS, the Articles of Incorporation of the Association provides that it shall create a pool of minds and resources to address the engineering and environmental concerns directly affecting the fastfood/restaurant industry in the Philippines;

WHEREAS, Section 19(1) of Republic Act 9275 (the “Clean Water Act”) requires the DENR to issue revised effluent standards, and provides that in the interim, the provisions of DENR Administrative Order 35 (“DAO 35”) shall apply;

WHEREAS, DAO 35 indicates that the effluent standards therein are intended to apply to industrial manufacturing plants and municipal treatment plants discharging more than 30 cubic meters of effluent per day, and not to small business such as quick service restaurants (“QSR”) which discharge approximately 16 cubic meters of effluent per restaurant per day;

WHEREAS, Section 12 of the Clean Water Act gives DENR the mandate to prescribe effluent levels for each industry sector through public consultation;

WHEREAS, to date, the DENR has not prescribed QSR-industry-specific effluent levels that take into account the specific requirements and circumstances of the QSR industry;

WHEREAS, the fulfillment of the objectives of the Clean Water Act requires the necessary support infrastructure as well as technology to be in place, acknowledging that the realities
particular to an industry must be taken into account in prescribing reasonable and practicable effluent standards for such industry;

WHEREAS, the DENR acknowledges the good faith shown by the members of the Association to comply with the provisions of the Clean Water Act;

WHEREAS, the Association in recognizing the current DENR leadership’s serious efforts to assist the QSR sector in identifying the appropriate technology offers its pledge of commitment to support DENR’s vision of “a nation enjoying and sustaining its natural resources and a clean and healthy environment”

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties do hereby mutually declare and agree:

Article I. Objectives

In entering into this agreement, the parties desire to achieve, and shall consequently work together in good faith in order to achieve, the following objectives:

(a) To establish a means for the DENR and the QSR sector to collaborate for purposes of finding and/or developing and making readily available, practicable technology that could be used by members of the Association to comply with prescribed effluent levels.

(b) To provide temporary relief for the members of the Association which, due to technical and financial constraints, are unable to comply with currently-prevailing effluent standards despite their best efforts.

Article II. Obligations and Commitments

(a) The Association hereby undertakes to:

(i) Subject the QSR industry to self-regulation and endeavor to improve effluent quality levels to the extent that they are financially and technically able.

(ii) Conduct information awareness campaigns and ensure the active participation of member establishments in the conduct of seminars, workshops and training programs regarding the Clean Water Act.

(iii) Cooperate with and support the comprehensive study to be undertaken by DENR with the Association.

(iv) Monitor the compliance of participating Association members.

(v) Cooperate with the environment committees of the Philippine Chamber of Commerce and Industry in identifying and delineating the industrial sectors in relation to the development of the effluent standards being spearheaded by the Environmental Bureau of the DENR.

(vi) Shoulder all financial and material costs related to the performance of their obligations under this Article II(a), and in connection with the duly documented and reasonable conduct of the comprehensive study contemplated in Article II(b)(1).

(b) The DENR hereby undertakes to:

(i) Commission a Technical Group for the following purposes:

...
(1) to undertake a comprehensive study on the appropriate effluent standards for the QSR sector, which for this purpose shall mean technically and financially reasonable, viable, and sustainable effluent levels, and

(2) to find and/or develop and make readily available, practicable technology that could be used by members of the Association to comply with prescribed effluent levels.

This Technical Group shall be composed of the Department of Environment and Natural Resources, to be designated by the Secretary from the Environmental Management Bureau, the head of the Association, and if needed, an independent expert.

(ii) Formulate a system of incentives and rewards for compliance with effluent standards.

(iii) Ensure that any records on business and trade secrets of the Association and its participating establishments that may be provided by the Association or its members to the DENR or the Technical Group in connection with the study to be conducted by the Technical Group shall be treated as confidential, and disclose information to the public only upon request and with the consent of all parties.

Article III. Amendment

Amendments to the MOA may be effected by mutual agreement of the parties in writing.

Article IV. Term

The MOA shall become effective immediately upon signing by all parties and shall remain in force for three (3) years or until the DENR has issued technically and financially reasonable, viable, and sustainable effluent standards for the QSR sector, and identified a viable and practicable technology for use by the QSR sector in complying with such effluent standards.

This agreement may be renewed upon its expiration by written agreement by the parties.

IN WITNESS WHEREOF, the parties, through their duly authorized representatives, do hereto affix their signatures this ___ day of ___2007___ in Quezon City.

[Signatures]

ANGELO T. REYES  
Secretary  
Department of Environment and Natural Resources

CIRIO SANTIAGO  
Chairman of the Board  
Laguna Lake Development Authority

ANTONIO I. CASAELANG  
President  
QSR Management Link Association, Inc.
PARTICIPATING ESTABLISHMENTS:

JOLLIBEE FOODS CORPORATION
(for itself and for and on behalf of Fresh N' Famous Foods Corporation, and Red Ribbon Bakeshop, Inc.)

BY: 
MR. TONY TAN CAK TONG
President

INTERNATIONAL FAMILY FOOD SERVICES INC.

BY:
MR. VICENTE GREGORIO
General Manager

ROASTERS PHILIPPINES INC

BY:
MR. CHRISTOPHER R. PARK
General Manager

GOLDILOCKS BAKESHOP

BY:
MR. FREDDIE GO
President

JADE PALACE RESTAURANT

BY:
ATTY. JOSE B. SUAREZ
President

GOLDEN ARCHES DEVELOPMENT CORP

BY: 
MR. KENNETH S. YANG
President

QSR CORPORATION (KENTUCKY FRIED CHICKEN)

BY:
MR. JESUS R. MONTEMAYOR
President

PERFS RESTAURANTS INC.

BY:
MR. RAUL B. NAZARENO
President

MAX'S RESTAURANT

BY:
MR. ROBERT T. TROTA
President

MISTER DONUT

BY:
MR. MAURO C. AGUSTINES
President

Signed in the Presence of:

DR. ELY ODANG
Director, EMB

DOLORA N. NARPOMUCENO
OIC, LLDA