



Republic of the Philippines
DEPARTMENT OF AGRICULTURE
NATIONAL TOBACCO ADMINISTRATION

Scout Reyes Street, corner Panay Avenue, Quezon City
Tel No. (02) 374-3987 Fax. No. (02) 374-2505

OFFICE OF THE NTA GOVERNING BOARD

MINUTES OF THE ONE HUNDRED AND TWENTY-FIRST (121ST) REGULAR MEETING OF THE NTA BOARD OF DIRECTORS HELD AT THE BOARD ROOM 3/F BEN-LOR BUILDING, QUEZON AVENUE, QUEZON CITY 12 FEBRUARY 2019, 12:00 NOON

Present:

Adm. ROBERT L. SEARES	-	Vice-Chairman/Administrator /Presiding
Dir. PEDRO J. MENDIOLA, JR.	-	Member, Traders/Exporters Sector
Dir. RODOLFO F. SALANGA	-	Member, Manufacturing Sector
Dir. WILFREDO C. MARTINEZ	-	Member, Tobacco Farmers Sector
Dir. TEOFILO R. QUINTAL	-	Member, Tobacco Farmers Sector
Dir. NESTOR C. CASELA	-	Member, Academic Community Sector
Dir. DANILO C. TRONGCO	-	Member, Tobacco Farmers Sector

Others Present:

Dr. CRISTINA C. LOPEZ	-	Dept. Manager III, Administrative Dept.
Dr. GIOVANNI B. PALABAY	-	Dept. Manager III, NTA-La Union BO
Atty. ROBERT A. AMBROS	-	Dept. Manager III, Regulation Dept. & Acting Board Secretary
Ms. ALONA A. MANGANAAN	-	Executive Assistant IV
Ms. KYRA P. CLAMAÑA	-	Private Secretary II
Mr. RAMON R. MUNCAL	-	Stenographer II

HIGHLIGHTS OF THE MEETING

I. OPENING PRAYER

The opening prayer was led by Ms. Alona A. Manganaan.

II. CALL TO ORDER

Honorable Administrator Robert L. Seares, M.D., Vice-Chairman of the NTA Governing Board, called the meeting to order at 1:50 P.M.

III. ACKNOWLEDGEMENT OF THE PRESENCE OF THE APPOINTIVE DIRECTORS AND DETERMINATION OF QUORUM

The Acting Board Secretary acknowledged the presence of the following Appointive Members of the NTA Governing Board, to wit:

1. Adm. ROBERT L. SEARES, M.D.
2. Dir. PEDRO J. MENDIOLA, JR.
3. Dir. RODOLFO F. SALANGA
4. Dir. WILFREDO C. MARTINEZ
5. Dir. TEOFILO R. QUINTAL

6. Dir. NESTOR C. CASELA; and
7. Dir. DANILO C. TRONGCO

The Acting Board Secretary declared that there is a quorum for the meeting with the presence of all the Appointive Members of the NTA Governing Board.

III. FOR APPROVAL/CONFIRMATION/CONSIDERATION:

A. APPROVAL OF THE AGENDA FOR THE ONE HUNDRED AND TWENTY-FIRST (121ST) REGULAR MEETING HELD THIS 12 FEBRUARY 2019 AT THE BOARD ROOM, 3/F BEN-LOR BUILDING, QUEZON AVENUE, QUEZON CITY

Dir. Salanga moved for the approval of the Agenda for the 121st Regular Meeting of the Board held this 12 February 2019, subject to the other matters that will be discussed later in the meeting. Dir. Trongco seconded the motion. The board then adopted the following resolution, to wit:

RESOLUTION NO. 1016-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED that the NTA Governing Board approves the Agenda of the One Hundred and Twenty-First (121st) Regular Meeting of the NTA Governing Board held this 12 February 2019 at the Board Room, 3/F Ben-Lor Building, Quezon Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

B. APPROVAL OF THE MINUTES OF THE NINETY-THIRD (93RD) SPECIAL MEETING OF THE NTA GOVERNING BOARD HELD ON 25 JANUARY 2019 AT THE BOARD ROOM, 2/F NTA BUILDING, SCOUT REYES STREET CORNER PANAY AVENUE, QUEZON CITY

The Presiding Officer presented the Minutes of the Ninety-Third (93rd) Special Meeting of the NTA Governing Board held on 25 January 2019 at the Board Room, 2/F NTA Building, Scout Reyes Street corner Panay Avenue, Quezon City, for the consideration and approval of the Members.

Dir. Mendiola observed that the resolutions for Items D and E of the Minutes lacks the necessary motion and/or second motion. Dir. Casela volunteered to be the movant for both resolutions while Dir. Mendiola volunteered as the second movant.

Dir. Quintal then moved for the approval of the minutes as amended. Dir. Trongco seconded the motion. The board then adopted the following resolution, to wit:

RESOLUTION NO. 1017-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board approves the amended minutes of the Ninety-Third (93rd) Special Meeting of the NTA Governing Board held on 25 January 2019 at the Board Room, 2/F NTA Building, Scout Reyes Street corner Panay Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

- C. **AWARD OF CONTRACT FOR THE PROJECT: “SUPPLY AND DELIVERY OF 65 UNITS OF WATER PUMP AND ENGINE SETS WITH COMPLETE ACCESSORIES” IN FAVOR OF LAKAS AGRITECH MARKETING WITH THE LOWEST CALCULATED AND RESPONSIVE BID IN THE AMOUNT OF PHP4,990,700.00**

On motion of Dir. Quintal, duly seconded by Dir. Mendiola, the NTA Governing Board adopted the following resolution, to wit:

RESOLUTION NO. 1018-2019

“**BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the NTA Governing Board hereby approves the award of the contract for the project: “Supply and Delivery of Sixty-Five (65) Units of Water Pump Engine Sets with Complete Accessories” in favor of Lakas Agritech Marketing with the Single Calculated and Responsive Bid (SCRB) in the amount of Php4,990,700.00.

RESOLVED, FURTHER, that the Vice-Chairman/Administrator is hereby authorized to enter into a Contract Agreement with the winning bidder, for and in behalf of the NTA, and to issue the Notice of Award and Notice to Proceed and shall be responsible in supervising the implementation of the said project until its final acceptance thereof.

UNANIMOUSLY APPROVED.....”

- D. **MEMORANDUM CIRCULAR NO. 002, SERIES OF 2019, AMENDING SECTION 1 OF MEMORANDUM CIRCULAR NO. 003, SERIES OF 2018, ON THE REQUIREMENT FOR APPLICATION OF TRANSSHIPMENT COMMODITY CLEARANCE (TCC) FOR THE TRANSFER OF COMMODITIES FROM PEZA-REGISTERED LOCATORS TO LEGITIMATE LOCAL CIGARETTE/CIGAR MANUFACTURERS**

Atty. Ambros informed the Members of the NTA Governing Board that the Regulation Department is proposing for an amendment of MC No. 003, Series of 2018, which exempts PEZA-Registered locators from the application of Import and Export Commodity Clearances. He said that the PEZA requires documentation for commodities coming in or going out of the economic zones. He then proposed that the Transshipment Commodity Clearance is appropriate for the subject requirement.

On motion of Dir. Salanga, duly seconded by Dir. Mendiola, the board adopted the following resolution, to wit:

RESOLUTION NO. 1019-2019

“**BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the NTA Governing Board hereby

approves the issuance of Memorandum Circular No. 002, Series of 2019, with the subject: "Amendment of Section 1 of Memorandum Circular No. 003, Series of 2018, on the Exemption in the Filing of Export/Import Commodity Clearance from PEZA Registered Locators To Legitimate Local Cigarette/Cigar Manufacturers", requiring the application of Transshipment Commodity Clearance (In/Out) for every shipment/transfer of tobacco leaf/tobacco product/other tobacco related materials/spare parts/ingredients from PEZA-Registered Locators to Legitimate Local Cigarette/Cigar Manufacturers in lieu of Export/Import Commodity Clearances, effective 01 July 2019.

RESOLVED, FURTHER, that Memorandum Circular No. 002, Series of 2019, shall be filed with the University of the Philippines – Office of the National Administrative Registrar (UP-ONAR).

UNANIMOUSLY APPROVED....."

E. CONFIRMATION OF APPOINTMENTS OF TWO (2) DRIVER POSITIONS

Dir. Mendiola inquired how the NTA Selection Board came up with the ratings considering that the total percentage for the proposed appointees is different from the percentage given for each criterion.

Dr. Lopez explained that not all criteria for evaluation are given weight for new entrants and the total rate is only proportionate to the criteria which the proposed appointees were given points.

On motion of Dir. Casela, duly seconded by Dir. Trongco, the board adopted the following resolution, to wit:

RESOLUTION NO. 1020-2019

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby confirms the appointment of the following applicants, to wit:

Name	Position/SG	Place of Assignment
1. Randy V. Ramos	Driver II/SG 4	Administrative Dept.
2. Joemarie L. Gela	Driver II/SG 4	Administrative Dept.
*****nothing follows*****		

UNANIMOUSLY APPROVED....."

IV. OTHER MATTERS

A. HIRING OF THIRD PARTY APPRAISER FOR THE NTA PROPERTY LOCATED AT BO. PUGAD LAWIN, LAS PIÑAS CITY

Dir. Martinez recalled that the board approved the hiring of an appraiser to determine the market price of the NTA Property at Las Piñas City. He then inquired on the development of the subject appraisal.

Dr. Lopez informed the board that the NTA Bids and Awards Committee posted an invitation at the PhilGEPS but there was no taker. Dir. Martinez asked what were the qualifications required of the intended appraiser. Dr. Lopez responded that there was no specific qualification but it was specifically required that it must be an appraisal company. However, Dr. Lopez said that the NTA already wrote at least three (3) appraisal company but there is no response yet. She said that if no response received for the second time, it is expected that there will be a negotiated transaction. She also said that the appraisal report to be rendered will still be subject for validation by the Commission on Audit.

Dir. Martinez said the reason why he asked for the appraisal was because there were two (2) interested buyers for the subject property and one of them is Ayala Land Inc. Atty. Ambros said that the probability of having a compromise agreement over the subject property is very remote because Ayala Land Inc. already won in its appeal, but it is still subject for a motion for reconsideration and if it will be denied, the case may be elevated to the Supreme Court which will take time to decide. Dir. Mendiola suggested for NTA Management to still proceed with the appraisal to be safe.

On motion of Dir. Salanga, duly seconded by Dir. Quintal, the board adopted the following resolution, to wit:

RESOLUTION NO. 1021-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby approves the reposting at the PhilGEPS of the Request for Quotation for the Hiring of Services of an Appraisal Company to undertake the appraisal of the NTA Property located at Bo. Pugad Lawin, Las Piñas City, and in case of failure, NTA Management is hereby authorized to undertake negotiated hiring of appraisal services.

RESOLVED, FURTHER, that the report of the Appraisal Company shall be submitted to the Commission on Audit (COA) for validation.

RESOLVED, FINALLY, that upon receipt of the COA approval on the appraisal report, the NTA Management is hereby authorized to dispose the subject NTA property on “as is where is” basis.

UNANIMOUSLY APPROVED.....”

B. COMMISSION ON AUDIT OFFICE SPACES AT BEN-LOR BUILDING

Atty. Ambros inquired from Dr. Lopez on the information that the COA-NTA Audit Team Leader is proposing to occupy office spaces at the Offices of the NTA Governing Board and on her proposal for two (2) Members of the Governing Board to occupy one (1) room only. Dr. Lopez confirmed that it was the proposal of the Audit Team Leader but there was no formal

proposal yet. However, Dr. Lopez said that she already proposed to the Auditor for the NTA to lease additional office space for them.

Dir. Casela suggested for NTA Management to wait for the formal proposal from the Auditor. Dir. Salanga said that NTA will lease for additional space for the Resident Auditor for any event.

C. SOUTHERN PHILIPPINES PILOT TOBACCO PRODUCTION PROJECT

Dr. Palabay reported that he already revised the proposal of the pilot project based on the original approved amount of Php942,000.00. Dir. Salanga commented that the original proposal was for a two (2)-hectare parcel of land owned by the farmer-cooperato/rs and the purpose was to teach the farmers on the technology of tobacco growing, but the original concept was revised as the NTA is now the lessee of the farm land and the owner of the tobacco to be produced under the project. He said that it is not the mandate of NTA to produce and buy tobacco.

Dir. Martinez responded that he did not know the attitude of farmers before and came to know of the problems when the Project Management Team was discussing with the Municipal Agriculturist of Saranggani. He said that, from the very start, the PMT was coordinating with Datu Faizal "Randy" Karon of Talainged Ecological Agricultural Producers Cooperative who was interested to plant tobacco as part of the peace process to help the former rebels to have their own livelihood but the Municipal Mayor did not appreciate the benefits of tobacco production in the area.

Dir. Salanga said that, with the pending bills proposing to increase tobacco excise taxes, he does not expect any buyer to purchase the tobacco to be produced under the project as it was originally proposed that an Indonesian Company will be the buyer. He then suggested to stick with the original concept that was previously approved by the board.

Dir. Trongco suggested that if there is no assured buyer, NTA should no longer proceed with the project because the people in the area will later blame the NTA, but he said that if there is an assured buyer, he is amenable to continue with the project.

Dir. Martinez insisted that NTA should continue with the project and at the same time suggested Dir. Salanga to talk with ULPI. He added that the funds to be spent for the project will be worth it with the help that NTA will be giving to the farmers thereat.

Dir. Quintal opined that, in as much as the seed beds were already prepared and the farmers are interested, NTA may sacrifice to continue with the project just to attain the objective of training the farmers. He said that whether or not the farmers will continue to plant tobacco, that will be their own decision.

Dir. Casela also said that the original plan is for technology dissemination for prospective tobacco farmers in Mindanao but unfortunately the essence of the project was lost and continuing the project under the revised proposal will have trifle effect on the part of the NTA particularly on production and technical assistance, as well as marketing assistance, which NTA is not prepared to provide.

Dir. Mendiola also added that the problem will arise as a cycle and NTA will be burdened in looking for a market for the produce especially so that tobacco production is going down. He suggested that NTA should anticipate the problems and should make forecasting.

Dir. Salanga then suggested to divide the house whether or not to continue with the pilot project. After hearing the yeas and nays of the Appointive Members, the Acting Board Secretary declared that majority of the members voted to discontinue the pilot project, with four (4) "no or discontinue votes" from Directors Salanga, Casela, Trongco and Mendiola as against two (2) "yes or continue votes" from Directors Martinez and Quintal. The board then adopted the following resolution, to wit:

RESOLUTION NO. 1022-2019

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that majority of the Members of the NTA Governing Board voted to *discontinue* with the Proposed Southern Philippines Pilot Tobacco Production Project.

V. ADJOURNMENT

The agreed to conduct the next Committee and Regular Board Meetings, as follows:

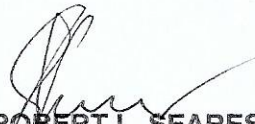
- a. Committee Meeting - 2:00 P.M., 28 February 2019; and
- b. 94th Special Meeting - 12:00 noon, 01 March 2019.

There being no other matter to be taken up, and upon motion of Dir. Mendiola, duly seconded by Dir. Casela and Dir. Quintal, the meeting was officially adjourned at 3:40 P.M.


PREPARED AND CERTIFIED CORRECT:



ATTY. ROBERT A. AMBROS
Acting Board Secretary

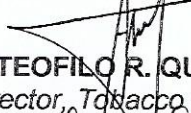
ATTESTED:


Hon. ROBERT L. SEARES
*Administrator, National Tobacco Administration
and Vice-Chairman, NTA Governing Board*

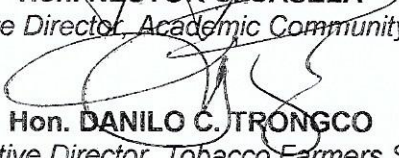

Hon. PEDRO J. MENDIOLA, JR.
Appointive Director, Tobacco Trader/Exporter Sector


Hon. RODOLFO F. SALANGA
Appointive Director, Tobacco Manufacturing Sector


Hon. WILFREDO C. MARTINEZ
Appointive Director, Tobacco Farmers Sector


Hon. TEOFILO R. QUINTAL
Appointive Director, Tobacco Farmers Sector


Hon. NESTOR C. CASELA
Appointive Director, Academic Community Sector


Hon. DANILO C. TRONGCO
Appointive Director, Tobacco Farmers Sector



ONE HUNDRED AND TWENTY-FIRST (121ST) REGULAR BOARD MEETING OF THE NTA
BOARD OF DIRECTORS HELD AT THE BOARD ROOM, THIRD FLOOR, BEN-LOR BUILDING
QUEZON AVENUE, QUEZON CITY, 12 FEBRUARY 2019, 12:00 NOON

ATTENDANCE SHEET

PRESENT:

1. Secretary **EMMANUEL F. PIÑOL**
Department of Agriculture and
Chairman, NTA Governing Board
2. Undersecretary, **EVELYN G. LAVIÑA**
Dept. of Agriculture-High Value Crop
and Alternate Chairman, NTA Governing Board
3. Hon. **ROBERT L. SEARES, M.D.**
Administrator/Vice-Chairman
of the NTA Governing Board
4. Hon. **RODOLFO F. SALANGA**
Member, NTA Board of Directors
5. Hon. **PEDRO J. MENDIOLA, JR.**
Member, NTA Board of Directors
6. Hon. **TEOFILO R. QUINTAL**
Member, NTA Board of Directors
7. Hon. **WILFREDO C. MARTINEZ**
Member, NTA Board of Directors
8. Hon. **NESTOR C. CASELA**
Member, NTA Board of Directors
9. Hon. **DANILO C. TRONGCO**
Member, NTA Board of Directors

OTHERS PRESENT:

1. **Atty. ROBERT A. AMBROS**
Acting Board Secretary
2. **Dr. CRISTINA C. LOPEZ**
3. **GIOVANNI D. PALASCA**
4. **KYRA CLAMARIA**
5. **AVONA MANGAPUAN**
6. **RAMON MUNCAL**