



OFFICE OF THE NTA GOVERNING BOARD

MINUTES OF THE ONE HUNDRED AND TWENTY-SIXTH (126TH) REGULAR MEETING OF THE NTA BOARD OF DIRECTORS HELD AT THE BOARD ROOM 3/F BEN-LOR BUILDING, QUEZON AVENUE, QUEZON CITY 05 JULY 2019

Present:

Adm. ROBERT L. SEARES	-	Vice-Chairman/Administrator /Presiding
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
Dir. WILSON R. VICTORIO	-	Member, Traders/Exporters Sector

Others Present:

Mr. ENRIQUE G. DELA CRUZ	-	Consultant for DA-Usec. for HVCRC
Atty. ROBERT A. AMBROS	-	Dept. Manager III, Regulation Dept. and Acting Board Secretary
Ms. KYRA P. CLAMAÑA	-	Private Secretary II
Mr. RAMON R. MUNCAL	-	Stenographer II

HIGHLIGHTS OF THE MEETING

I. OPENING PRAYER

Mr. Enrique Dela Cruz led the opening prayer.

II. CALL TO ORDER

Honorable Administrator Robert L. Seares, M.D., Vice-Chairman of the NTA Governing Board, called the meeting to order at 11:00 A.M.

II. ACKNOWLEDGMENT OF THE PRESENCE OF THE APPOINTIVE DIRECTORS AND DETERMINATION OF QUORUM

The Acting Board Secretary declared a quorum for the meeting with the presence of more than majority of the following Appointive Members of the NTA Governing Board, to wit:

1. **Adm. ROBERT L. SEARES, M.D.**
2. **Dir. RODOLFO F. SALANGA**
3. **Dir. WILFREDO C. MARTINEZ**
4. **Dir. TEOFILO R. QUINTAL**
5. **Dir. NESTOR C. CASELA**
6. **Dir. DANILO C. TRONGCO; and**

7. Dir. WILSON R. VICTORIO.

The Acting Board Secretary likewise acknowledged the presence of all others present during the meeting.

III. FOR APPROVAL/CONFIRMATION/CONSIDERATION:

A. **APPROVAL OF THE AGENDA OF THE ONE HUNDRED AND TWENTY-SIXTH (126TH) REGULAR MEETING OF THE NTA GOVERNING BOARD HELD THIS 05 JULY 2019 AT THE 3/F BEN-LOR BUILDING, QUEZON AVENUE, QUEZON CITY**

The Presiding Officer presented the Agenda for the 126th Regular Meeting for the consideration of the members of the board.

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

RESOLUTION NO. 1096-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board approves the Agenda of the One Hundred and Twenty-Sixth (126th) Regular Meeting of the NTA Governing Board held this 05 July 2019 at the Board Room, 3/F Ben-Lor Building, Quezon Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

B. **IMPLEMENTING GUIDELINES FOR THE IFOIGAP-TCGS CY 2019-2020**

During yesterday's committee meeting, the board agreed that only farmers who will plant “topped/full flavor” tobacco shall be entitled to 20% subsidy on farm inputs. This change of priority was in consideration of the increasing global demand of topped tobacco for export. Dr. Roberto Bonoan informed the Members of the Board that there will be a Technology Updating to be held on August 1 and 2, 2019 at the NTA-Candon Branch Office.

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

RESOLUTION NO. 1097-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby approves the Implementing Guidelines for the Integrated Farming and Other Income Generating Activities Project-Tobacco Contract Growing System (TCGS) CY 2019-2020.

RESOLVED, FURTHER, that the following policies are hereby adopted to form part of the said implementing guidelines, to wit:



- a. Only farmer-cooperators who will plant topped/improved flavor tobacco varieties shall be entitled to 20% subsidy on farm inputs. However, all tobacco farmers are still qualified to avail production assistance from the NTA;
- b. Production assistance from LGUs to farmer-cooperators, if not given in full, maybe complemented by NTA production assistance, either in cash or in kind, and shall be treated as NTA-assisted farmer-cooperators and compliance of branch office's target as far as the actual amount given; Provided, that no subsidy shall be given to FCs partially financed by the LGUs; Provided, further, that the farm inputs to be given by LGUs shall strictly follow the unified package of technology; and
- c. Soil conditioner shall be included in the revision of unified package of technology.

UNANIMOUSLY APPROVED.....”

C. AWARD OF CONTRACT FOR THE PROJECT: “SUPPLY AND DELIVERY OF FERTILIZERS FOR IFOIGAP-RICE WET SEASON 2019 – LOT 3 (LA UNION AND PANGASINAN)”

During yesterday's committee meeting, Dir. Victorio commented that the bid offer for 0-0-50 was overpriced. He said that the market price of 0-0-50 is only P1,500.00. He suggested that the NTA should conduct the bidding for fertilizers at least 2 months prior to their use.

Dr. Lopez then informed the board that the BAC received a letter from the bidder and offered a discount on its bid offer for 0-0-50. She also informed the board that the BAC conducted canvass of prices in the different local suppliers of fertilizers and none of them submitted a quotation for 0-0-50, primarily because the 0-0-50 fertilizer is not available locally and is purely imported by the bidder, which is an exclusively distributor. Dr. Lopez further said that even if the bidder was an exclusive distributor, the BAC still caused the procurement of the subject fertilizer through public bidding.

Dr. Bonoan also added that Dir. Victorio might be referring to 0-0-60 which has high chlorine content and is not recommended for tobacco-rice area. Dir. Victorio then asked Dr. Bonoan to submit the chemical analysis of 0-0-50.

Dir. Casela also instructed Ms. Riñen to conduct research study as to labor utilization in the application of 0-0-50 and Vaksi K. However, Dir. Quintal asked why NTA is now altering the package of technology. Dr. Bonoan clarified that Vaksi K is for demo purpose only. Dir. Salanga said that NTA should continue to use 0-0-50 for this year and to try another alternative next season.

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

RESOLUTION NO. 1098-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby approves the award of contract for the project: “Supply and Delivery of Fertilizers for the Integrated Farming and Other Income Generating Activities Project – Rice Component (IFOIGAP-Rice) for Wet Season 2019 – Lot 3 (La Union & Pangasinan)” in favor of Universal Harvester Incorporated (UHI) with the Single Calculated and Responsive Bid (SCRB) in the amount of Php4,811,265.00, subject to reduction as per offer of discount by UHI for 0-0-50 fertilizer component.

UNANIMOUSLY APPROVED.....”

D. AWARD OF CONTRACT FOR THE PROJECT: “PREPARATION OF FEASIBILITY STUDY AND CONCEPTUAL DESIGN OF AN OFFICE BUILDING WITH COMMERCIAL FACILITIES FOR NTA”

During yesterday’s committee meeting, Dr. Cristina C. Lopez informed the Members of the Board that the BAC conducted the last stage of the bidding process for the procurement of consultancy services to conduct Feasibility Study and Conceptual Design. She said that TCGI Engineers Co. garnered a passing mark and is recommended to be awarded the contract for the said project. She emphasized to the board that she also acted as the Technical Working Group Staff who evaluated the proposal considering that preparation and evaluation of FS is within her expertise. She said this because the COA Resident Auditor called the attention of Engr. Abraham Dela Peña why the latter was not tapped as TWG for the said project.

Dir. Victorio suggested that the preparation of the Conceptual Design should be included in the conduct of FS. Dr. Lopez confirmed that it is already included as part of the consultancy services as publicly bid.

Dir. Salanga asked how many floors to be built on the NTA property. Dr. Lopez replied that the number of floors will be dependent on the result of the FS based on the prevailing market situation within the area and that the bidder will submit at least three (3) different conceptual designs for the NTA to choose from. She further said that the conceptual design shall be submitted to the DBM for funding.

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

RESOLUTION NO. 1099-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby approves the award of contract for the project: “Preparation of Feasibility Study and Conceptual Design of an Office Building with Commercial Facilities for NTA” in favor of TCGI Engineers Co. with

the Single Calculated and Responsive Bid (SCRB) in the amount of **Php6,882,904.00**.

RESOLVED, FURTHER, that the board affirms the conduct of evaluation of the bidder's FS proposal by Dr. Cristina C. Lopez, Chairman of the BAC, the same being within her field of expertise.

UNANIMOUSLY APPROVED....."

- E. **AUTHORITY TO CONDUCT THE PUBLIC BIDDING FOR THE PROJECT: "CONSTRUCTION OF THE NTA TOBACCO FARMERS TRAINING BUILDING AT TUGUEGARAO CITY, CAGAYAN" WITH AN APPROVED BUDGET FOR THE CONTRACT (ABC) IN THE AMOUNT OF PHP20,719,281.23**
- F. **AUTHORITY TO CONDUCT THE PUBLIC BIDDING FOR THE PROJECT: "CONSTRUCTION OF THE NTA TOBACCO FARMERS TRAINING BUILDING AT ILAGAN CITY, ISABELA" WITH AN APPROVED BUDGET FOR THE CONTRACT (ABC) IN THE AMOUNT OF PHP11,876,276.23**

During yesterday's committee meeting, Dir. Casela sought clarification from Dr. Bonoan if the aforesaid projects are in preparation or integral part of the proposal for the establishment of the Tobacco Grading Institute. Dr. Bonoan confirmed that it is one of the components for the institute which will be considered in the rationalization plan.

Mr. Drapete said that the infrastructure project is with respect to the building only and does not include the laboratory equipment and other facilities. He said that NTA should have a budget for those. He also suggested for the NTA to maximize the use of the building, i.e. income generating.

Dir. Casela inquired from Ms. Riñen on the Farmers Organization Development (FOD) project, especially for the members of the National Federation of Tobacco-Based Associations and Cooperatives (NAFTAC) Inc. Ms. Riñen replied that the project was stalled due to issues on the election of their officers, however, she said that the NTA will be talking to them again.

Dir. Casela agreed with Ms. Riñen to conduct meetings with the officers of the NAFTAC and determine if there is a need for another election of national officers. Ms. Riñen raised the issue with respect to travelling and accommodation expenses of NAFTAC officers because only meals are being allowed by the Financr Department to be provided to them. Dir. Quintal suggested to conduct NAFTAC meetings on a quarterly basis.

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

RESOLUTION NO. 1100-2019

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby authorizes the NTA Management to conduct the public

bidding for the project: "CONSTRUCTION OF THE NTA TOBACCO FARMERS TRAINING BUILDING AT TUGUEGARAO CITY, CAGAYAN" with an approved budget for the contract (ABC) in the amount of Php20,719,281.23.

UNANIMOUSLY APPROVED....."

RESOLUTION NO. 1101-2019

"BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Governing Board hereby authorizes the NTA Management to conduct the public bidding for the project: "CONSTRUCTION OF THE NTA TOBACCO FARMERS TRAINING BUILDING AT ILAGAN CITY, ISABELA" with an approved budget for the contract (ABC) in the amount of Php11,876,276.23.

UNANIMOUSLY APPROVED....."

G. REVISION OF THE MONTHLY RATES OF JOB ORDER HIREES EFFECTIVE 01 JULY 2019

During yesterday's committee, Dr. Lopez reported that the group composed of herself, the Manager of the Finance Dept., the Manager of the Internal Audit Service and the Chief of the ASD, evaluated the present compensation of Job Order Hirees and aligned their present tasks to comparable positions based on the parameters contained in the Joint Circular No. 1, s. 2018 of the CSC, COA and DBM and DA Administrative Order No. 1, Series of 2017. Dr. Lopez explained that the purpose of the compensation review was to give due regard to the principle of "equal pay for equal work", taking into consideration other factors, such as educational attainment, work experience, performance and work attitude and length of service.

Ms. Pichay presented the process on how the group arrived at their recommendation. She then provided the members of the board a copy of the list of job order hires with their comparative current and proposed compensation. She said that the group arrived at the total amount of Php226,927.81 to cover the increases.

Dir. Casela inquired if there is a need to hire more JOs. Dr. Lopez replied that the present number of JOs is already sufficient to complement the vacant plantilla positions. She also said that JOs with appropriate eligibility are considered for permanent appointment.

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

RESOLUTION NO. 1102-2019

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

approves the revised rates of compensation for Job Order Hirees effective 01 July 2019.

UNANIMOUSLY APPROVED.....”

IV. OTHER MATTERS

A. NTA QUALITY POLICY

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

RESOLUTION NO. 1103-2019

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, approves the amended NTA Quality Policy.

UNANIMOUSLY APPROVED.....”

B. HOUSE BILL NO. 8677 AND SENATE BILL NO. 223 (AN ACT INCREASING THE EXCISE TAX ON TOBACCO PRODUCTS, IMPOSING EXCISE ON HEATED TOBACCO PRODUCTS AND VAPOR PRODUCTS)

Atty. Ambros informed the Members of the Board that the NTA was furnished with a letter from the Office of the President addressed to the Department of Agriculture, requesting for comment and recommendation on the consolidated enrolled house and senate bills. The said letter informed the DA that the bills will lapse into law on 27 July 2019 if not vetoed by the President. He said that the NTA Management will prepare the comments/recommendations to be submitted on or before 08 July 2019.

Dir. Victorio recalled the matter on illicit trading as presented during the last committee meeting as there is a need for NTA to coordinate with other law enforcement agencies in order to implement the regulatory powers of the NTA.

Dr. Salanga responded that NTA’s regulatory power is limited only to imposition of administrative sanctions, i.e., imposition of fines, but does not include police powers, i.e. apprehension, enter into any premises or imprisonment. In case there is violation, confiscation is applicable only to plain view doctrine.

Atty. Ambros said that his purpose of informing the board on the enrolled bills is in connection with the proposed creation of the NTA Anti-Illicit Trading Task Force the functions of which will overlap with the functions of the BIR once the bills will be passed into law.

Dir. Salanga clarified that the NTA will not confiscate but will only report any violation. Dir. Trongco suggested that NTA can interact with the LGUs as they are the ones issuing business permits to tobacco manufacturers.

Atty. Ambros then manifested that the draft of the proposed Administrative Order will be revised as per suggestions/discussions, in coordination with the manufacturing sector, for further review by the board.

C. DEPARTMENT OF HEALTH (DOH) ADMINISTRATIVE ORDER NO. 2019-007 DATED 14 JUNE 2019

Atty. Ambros informed the Members of the Board that the DOH issued an administrative order covering the regulation on electronic nicotine and non-nicotine delivery system (ENDS/ENNDS). He said that the DOH, through the Food and Drug Administration (FDA), will now regulate the importation, exportation and sales/distribution of these products which is overlapping with the present function of the NTA. However, the DOH issuance does not cover heated tobacco products which contain tobacco. He said that with the subject DOH issuance, the NTA will stand to lose about Php1,250,000.00 annually for the issuance of commodity clearance for e-cigarettes and e-juices. Atty. Ambros further said that some importers of e-cigarettes are complaining why they are being required to get import permits from different agencies.

Dir. Salanga suggested that NTA shall continue to regulate and just wait for a court order telling the NTA to stop regulating. He suggested that any complaint should be made in writing.

D. GLOBAL POSITIONING SYSTEM (GPS) UNIT FOR THE SURVEY OF "SHAPE FILES" OF KPP PROJECT PLANTATIONS

Dir. Casela instructed Atty. Ambros to draft a letter requesting ULPI to lend their 34 units of GPS capable of establishing the shape files of the KPP plantations.

V. ADJOURNMENT

Dir. Salanga instructed Atty. Ambros to invite the Branch Managers and Project Managers in the next Committee Meeting. The board agreed to conduct the next Meetings, as follows:

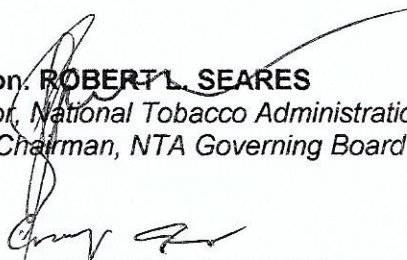
- a. Committee Meeting - 9:00 A.M., 30 July 2019; and
- b. 99th Special Meeting - 10:00 A.M., 31 July 2019.

There being no other matter to be taken up, and upon motion of Dir. Salanga, duly seconded by Dir. Victorio, the meeting was officially adjourned at 1:30 P.M.


PREPARED AND CERTIFIED CORRECT:


ATTY. ROHBERT A. AMBROS
Acting Board Secretary

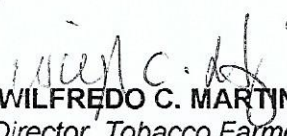
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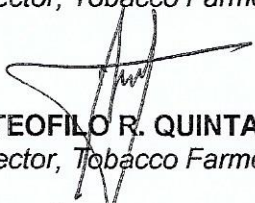
Hon. **ROBERT L. SEARES**
*Administrator, National Tobacco Administration
and Vice-Chairman, NTA Governing Board*



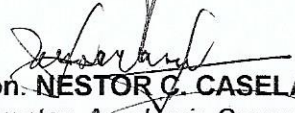
Hon. **RODOLFO F. SALANGA**
Appointive Director, Tobacco Manufacturing Sector



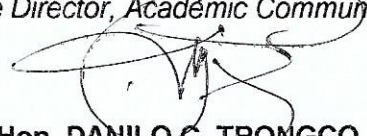
Hon. **WILFREDO C. MARTINEZ**
Appointive Director, Tobacco Farmers Sector



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



Hon. **WILSON R. VICTORIO**
Appointive Director, Tobacco Traders/Exporters Sector

ONE HUNDRED AND TWENTY-SIXTH (126th) REGULAR BOARD MEETING OF THE NTA
BOARD OF DIRECTORS HELD AT THE BOARD ROOM, THIRD FLOOR, BEN-LOR
BUILDING, QUEZON AVENUE, QUEZON CITY, 05 JULY 2019, 10:00 A.M.

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. TEOFILO R. QUINTAL**
Member; NTA Board of Directors

6. **Hon. WILFREDO C. MARTINEZ**
Member, NTA Board of Directors

7. **Hon. NESTYOR C. CASELA**
Member, NTA Board of Directors

8. **Hon. DANILO C. TRONGCO**
Member, NTA Board of Directors

9. **Hon. WILSON R. VICTORIO**
Member, NTA Board of Directors

OTHERS PRESENT:

1. **Atty. ROBERT A. AMBROS**
Acting Board Secretary

2. RALPHO P. MUNCAN

3. EMILIO DELA CRUZ
DA - HVCR

4. KYRA P. CLAMANA

5. _____
