



Republic of the Philippines
DEPARTMENT OF AGRICULTURE
NATIONAL TOBACCO ADMINISTRATION

Scout Reyes Street, corner Panay Avenue, Quezon City
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OFFICE OF THE GOVERNING BOARD

**THIRTY-FIFTH (35TH) REGULAR MEETING OF THE NTA BOARD OF DIRECTORS HELD AT THE CONFERENCE ROOM, SECOND FLOOR, NTA BUILDING, SCOUT REYES STREET CORNER PANAY AVENUE, QUEZON CITY
25 OCTOBER 2011, 10:00 A.M.**

Present:

Hon. EDGARDO D. ZARAGOZA - Vice-Chairman/Administrator
and Presiding Officer
Hon. JOSE S. DIÑO - Member
Hon. DANTE G. CLARAVALL - Member
Hon. ROGELIO A. ELVEÑA - Member
Hon. GEOFFREY DG. GACULA - Member
Hon. PEDRO J. MENDIOLA, JR. - Member

Other Present:

Atty. ROBERT A. AMBROS
Acting Board Secretary

Mr. REX ANTONIO P. TEOXON
Manager, Corporate Planning Department (CPD)

Ms. PRISCILLA S. ESGUERRA
Information Technology III
MIS Division, CPD

HIGHLIGHTS OF THE MEETING

I. CALL TO ORDER

The meeting was called to order at 10:17 A.M., with the Honorable Edgardo D. Zaragoza, Vice-Chairman of the Board and NTA Administrator, as the Presiding Officer.

II. INTRODUCTION OF THE NEWLY APPOINTED MEMBERS OF THE NTA GOVERNING BOARD NAMELY, HON. ROGELIO A. ELVEÑA; HON. GEOFFREY DG. GACULA; AND, HON. PEDRO J. MENDIOLA, JR.

The Honorable Vice-Chairman/Presiding Officer introduced the newly appointed members of the NTA Governing Board. He said that the new

members had just took their oath of office this morning before Honorable Proceso J. Alcala, DA Secretary. The new members were introduced starting with Hon. Rogelio A. Elveña who is representing the Tobacco Farmers Sector. He introduced Director Elveña as a former Mayor of Tayum, Abra. He said that before Dir. Elveña became a mayor, the latter also served the Philippine National Police. Next to be introduced was Hon. Geoffrey DG. Gacula. Director Gacula also represents the Tobacco Farmers Sector. Dir. Gacula also served the government from the NAPOLCOM and then with the Bureau of Customs where he retired from the service. Hon. Pedro J. Mendiola, Jr. was introduced as member of the governing board representing the Tobacco Traders/Exporters Sector. Dir. Mendiola is connected with Continental Leaf Tobacco Company (Conleaf), an NTA-licensed tobacco buyer/wholesale dealer.

III. DETERMINATION OF A QUORUM

The Acting Board Secretary declared that there is a quorum with the presence of six (6) members constituting more than majority of the duly appointed/existing Members of the NTA Board of Directors, which is sufficient to transact business or matters for the 35th Regular Meeting.

IV. BRIEFING ON THE NTA OPERATIONS, PLANS AND PROGRAMS FOR THE NEWLY APPOINTED MEMBERS OF THE NTA GOVERNING BOARD

Mr. Teoxon, Manager of the Corporate Planning Department, took over the floor to conduct a briefing to the newly appointed members of the board. Mr. Teoxon started with an overview of the industry and what specific activities are covered under the mandates of the NTA. He said that the tobacco industry involves production, trading and redrying of leaf, manufacture and distribution/sale of tobacco products and exportation/importation of tobacco leaf and products. Mr. Teoxon also described the tobacco plant as "Crop of Life" due to its various industrial uses such as dust, pulp, handicrafts, ethanol, pharmaceutical and veterinary products.

He said that the Philippines have 65,000 registered tobacco farmers with 42,000 hectares of tobacco land planted and is a primary producer of filler Virginia tobacco type constituting 56% (2011) of the total local production. He said that the other types being produced are Burley and Native Types and recently, Turkish/Oriental Type was reintroduced. The Hon. Vice-Chairman instructed Mr. Teoxon to verify his records of production of oriental type.

As to exportation performance, Mr. Teoxon reported that the Philippines had an annual average of 49.297 million exportation, 20.240 million kilograms of which is accounted for manufactured tobacco, while the remaining 29.057 million kilograms are unmanufactured. With respect to importation performance, the Philippines imports an annual average of 80.881 million kilograms, 0.922 million are manufactured and 79.959 million kilograms are unmanufactured. He said that the Philippines

requires 98 million kilograms as annual demand for leaf for local manufacturing.

Mr. Teoxon also discussed on the flow back of excise taxes to tobacco producing provinces/municipalities through Republic Act Nos. 7171 and 8240.

V. FOR APPROVAL/CONFIRMATION/CONSIDERATION:

A. APPROVAL AND CONFIRMATION OF THE MINUTES OF THE NINTH (9TH) SPECIAL MEETING OF THE BOARD OF DIRECTORS HELD ON 21 SEPTEMBER 2011 AT THE NTA CONFERENCE ROOM, NTA BUILDING SCOUT REYES STREET, QUEZON CITY

The Acting Board Secretary presented to the Members of the NTA Board of Directors the Minutes of the Ninth (9th) Special Meeting of the Board held on 21 September 2011 for their consideration and approval.

There being no other comment on the minutes as presented, Honorable Director Diño moved for the approval of the matter. Honorable Claravall duly seconded the motion and the Board adopted the following resolution:

RESOLUTION NO. 228-2011

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Board of Directors approves the Minutes of the Ninth (9th) Special Meeting of the NTA Board of Directors held on 21 September 2011 at the Conference Room, 2/F NTA Building, Scout Reyes corner Panay Avenue, Quezon City.

UNANIMOUSLY APPROVED.....”

B. RECONSTITUTION OF THE STANDING BOARD EXECUTIVE COMMITTEES

The Honorable Vice-Chairman/Administrator informed the Members of the Board that in view of the assumption to office of the newly appointed members of the governing board, he recommended for the reconstitution of the standing executive board committees amending for the purpose Board Resolution No. 214-2011, which further amended Resolution No. 205-2011.

On motion of Director Gacula, duly seconded by Directors Elveña and Mendiola, the Board adopted the following resolution, to wit:



RESOLUTION NO. 229-2011

“BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the NTA Board of Directors approves the reconstitution of the standing Board Executive Committees, to wit:

I. **Board Audit Committee** - to serve as a study group to recommend to the Board the adoption/enhancement of policies related to effective management and operational systems and procedures, to be composed of the following Board of Directors:

Chairman - Usec. Claron R. Alcantara
Members - Adm. Edgardo D. Zaragoza
Dir. Dante G. Claravall

II. **Board Governance Committee** - to serve as study group to recommend to the Board the adoption/ enhancement of policies related to improving organizational productivity and performance

Chairman - Adm. Edgardo D. Zaragoza
Members - Usec. Claron R. Alcantara
Dir. Rogelio A. Elveña

III. **Committee on Trading Operations**, to which will be referred all matters relating to the regulatory functions of the Agency pertaining to the trading and financing operations of the NTA, to be composed of the following Board of Directors:

Chairman - Dir. Pedro J. Mendiola, Jr.
Members - Dir. Geoffrey DG. Gacula
Dir. Dante G. Claravall

IV. **Committee on Research & Extension**, to which will be referred matters affecting all research and extension projects of the NTA, to be composed of the following Board of Directors:

Chairman - Dir. Dante G. Claravall
Members - Dir. Jose S. Diño
Dir. Rogelio A. Elveña

V. **Committee on Finance**, to which will be referred budgetary matters, appropriations, ways and means of raising funds, and similar issues, to be composed of the following Board of Directors:

Chairman - Dir. Geoffrey DG. Gacula
Members - Dir. Pedro J. Mendiola, Jr.
Dir. Jose S. Diño

VI. Committee on Personnel Administration, to which will deal on personnel management, including appointments and promotions, administrative cases involving NTA personnel, and discipline of NTA personnel, to be composed of the following Board of Directors:

Chairman - Dir. Jose S. Diño
Members - Dir. Pedro J. Mendiola, Jr.
Dir. Geoffrey DG. Gacula

VII. Committee on Legal Matters and Properties, to which will study contracts, questions involving interpretation of law, investigations other than those in which NTA personnel are implicated, and matters similar in nature, as well as, all matters pertaining to NTA properties, including dispositions, repairs and improvements to be undertaken, to be composed of the following Board of Directors:

Chairman - Dir. Geoffrey DG. Gacula
Members - Dir. Rogelio A. Elveña
Dir. Dante G. Claravall

VIII. Committee on Public Relations and Corporate Social Responsibility, to which will deal and in-charge with matters of public concerns affecting the Agency, publicize in any mass media all Agency matters of public interest and propose/study and recommend programs and projects for the benefit of the public, especially the tobacco farmers and their dependents, to be composed of the following Board of Directors:

Chairman - Dir. Rogelio A. Elveña
Members - Dir. Jose S. Diño
Dir. Dante G. Claravall

RESOLVED, FURTHER, that the Chairman or, in his absence, any of the Member/s of the different Executive Board Committees may conduct meetings, consultations and deliberations and may call upon on any concerned officials and staff of concerned units/offices/departments of the NTA. The other Chairmen and/or Members of other Executive Board Committees may join the

meetings of any Committees herein created, if necessary, and they shall be entitled to equivalent per diems for attending said committee meetings, provided, that the claims for per diems shall not exceed the maximum amounts allowed pursuant to Executive Order No. 24, per Member of the Board.

UNANIMOUSLY APPROVED.....”

VI. OTHER MATTERS

A. SCHEDULE OF REGULAR/SPECIAL/EXECUTIVE BOARD MEETINGS

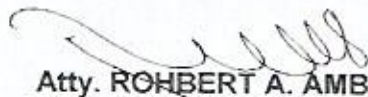
The Members of the NTA Governing Board agreed among themselves that the schedule of Regular Board Meetings shall be held on a regular basis, the schedule of which shall be every first Wednesdays of the month, starting with a lunch then meeting proper shall be at 1:30 P.M..

Likewise, Executive Board Committee meetings shall be held every first Tuesdays, before the regular board meeting. Special meetings shall be conducted when the need arises, however, in case a special meeting shall be conducted, it shall be scheduled preferably on the third week of the month.

Dir. Elveña inquired if the members of the board is allowed to conduct consultations with the farmers which they deem necessary and pertains to the policy of the agency. The Honorable Vice-Chairman/Presiding Officer said that the members may conduct meetings with farmers and concerned sectors of the industry provided the matter shall be properly coordinated with the NTA Branch Offices

There being no other matters to be taken up, the Board adjourned at 4:30 P.M.

PREPARED AND CERTIFIED CORRECT:



Atty. ROBERT A. AMBROS
Chief Tobacco Production and Regulations Officer
and concurrent Acting Board Secretary V