

Title: Drianita Bagaosan et al. vs. National Tobacco Administration et al.

Facts:

On September 30, 1998, President Joseph Estrada issued Executive Order No. 29, mandating the streamlining of the National Tobacco Administration (NTA), a government agency under the Department of Agriculture. This was followed by Executive Order No. 36 on October 27, 1998, amending the staffing pattern affected by EO 29 from 400 to 750 positions. In compliance, the NTA created a new Organization Structure and Staffing Pattern (OSSP) and submitted it to the Office of the President on October 29, 1998.

Rank and file employees of the NTA in Batac, including the petitioners, sought the Civil Service Commission's assistance on November 11, 1998, seeking to recall the OSSP. Subsequently, on December 4, 1998, the OSSP was approved by the Department of Budget and Management (DBM), with certain revisions. On the same day, NTA created a placement committee for selection and placement of personnel.

On June 10, 1996, the petitioners, NTA Batac employees, received termination notices effective 30 days after receipt. They filed a petition for certiorari, prohibition, and mandamus with the Regional Trial Court (RTC) of Batac, Ilocos Norte, seeking injunctions against their termination and other reliefs.

The RTC ruled in favor of the petitioners on September 9, 2000, ordering NTA to appoint them to comparable positions. The NTA's motion for reconsideration was denied, leading them to appeal with the Court of Appeals, which in turn reversed the RTC's decision on February 20, 2002.

The petitioners then elevated the case to the Supreme Court (SC), challenging the CA's decision and arguing the invalidity of EO Nos. 29 and 36, among other issues. The SC initially denied the petition for failure of the petitioners to show reversible error. A motion for reconsideration was also denied.

Petitioners later filed a "Motion to Admit Petition For En Banc Resolution," and a "Petition for an En Banc Resolution," raising constitutional and legal issues including the authority of the President to reorganize the NTA by executive fiat vice legislative action.

Issues:

1. Whether EO Nos. 29 and 36, which reorganized the NTA, were validly issued by President Estrada.

2. Whether the reorganization carried out under EO Nos. 29 and 36 violated the petitioners' right to security of tenure.
3. Whether the NTA reorganization amounted to an abolition of offices in violation of existing laws or jurisprudence.
4. Whether the CA erred in its repeal of the RTC's decision.
5. Whether the President has the authority to reorganize the NTA through the issuance of an executive order.

#### Court's Decision:

The SC held that the President, under existing laws, has the authority to carry out a reorganization in any branch or agency in the executive department. It was noted that a reorganization is considered in "good faith" if pursued for the purpose of economy or efficiency, and that the President's power includes evaluating government agencies' staffing, as per both the Constitution and delegated legislation. The SC found no evidence of bad faith in the NTA reorganization and observed that EO Nos. 29 and 36 had not abolished the NTA but only mandated its streamlining. The SC therefore denied the Motion to Admit Petition for En Banc Resolution and the Petition for an En Banc Resolution for lack of merit.

#### Doctrine:

The Executive has the authority to carry out reorganization measures under a broad authority of law if such reorganization is done in good faith for the purposes of economy, efficiency, simplicity, and streamlining government operations.

#### Class Notes:

- A reorganization is valid if conducted in good faith for economy or efficiency.
- The President's control of executive departments, bureaus, and offices under Article VII, Section 17, of the Constitution supports executive action to streamline or reorganize these entities.
- The principle of legislative power to abolish an office does not limit the President's power to reorganize as part of executive control.

#### Historical Background:

At the time the reorganization of the NTA was effectuated through Executive Orders No. 29 and No. 36 by President Estrada, the Philippines was experiencing regulatory reforms and efficiency drives within various government agencies. Executive privilege and power were used to implement changes designed to improve government service delivery. This case reflects the judicial recognition of the President's authority to reorganize executive offices,

illustrating the checks and balances and the interaction between various branches of government in carrying out administrative reforms.