

CONVERTING THE ILOCOS REGION FUELWOOD DEVELOPMENT PROGRAM CREATED UNDER THE LETTER OF INSTRUCTIONS NO. 866 INTO A CORPORATION AS A SUBSIDIARY OF THE PHILIPPINE VIRGINIA TOBACCO ...

EXECUTIVE ORDER NO. 623, September 30, 1980

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WHEREAS, the Virginia tobacco industry and domestic markets are presently confronted by acute fuelwood shortage, and it is imperative that the forest resources of the areas producing said tobacco should be properly managed, conserved and developed in line with the policy of the government to tap indigenous and renewable sources of energy and promote ecological balance.

WHEREAS, Letter of Instruction No. 866 dated May 23, 1979 directed the Philippine Virginia Tobacco Administration and the Ministry of Natural Resources to vigorously pursue the implementation of the Ilocos Region Fuelwood Development Program (IRFDP).

WHEREAS, it is imperative to strengthen the Program to improve its organizational capability to facilitate the attainment of its objectives.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution of the Philippines, in order to effect the desired changes and progress in the social, economic and political structure of our Society do hereby order, direct and make as part of the law of the land, the following:

Section 1. Conversion of the IRFDP to Virginia Tobacco Fuelwood Corporation (VTOFCO). – The Ilocos Region Fuelwood Development Program created under the Letter of Instructions No. 866, dated May 23, 1979 is hereby converted and reconstituted into a body corporate as a subsidiary of PVTA to be known as the VTOFCO.

Section 2. Domicile. – The principal office of the Corporation shall be in Metro Manila but branches may hereafter be established in such places as the needs of VTOFCO may require.

Section 3. Corporate Existence. – The VTOFCO shall exist for fifty (50) years subject to extension for another fifty (50) years.

Section 4. The Board of Directors. – The powers and functions of the Corporation shall be exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

Chairman – The Chairman of the Philippine Virginia Tobacco Administration shall be the ex-officio Chairman of the Board;

Vice-Chairman – The Minister of Natural Resources shall be the ex-officio Vice-Chairman of the Board;

The following shall be ex-officio members:

a) The Provincial Governor of Abra;

- b) The Provincial Governor of Ilocos Norte;
- c) The Provincial Governor of Ilocos Sur;
- d) The Provincial Governor of La Union
- e) The Director of the Bureau of Forest Development;
- f) The Director of the Bureau of Lands;

One (1) member to be appointed by the President who shall have a term of office of three (3) years.

Five (5) Members of the Board shall be necessary to constitute a quorum.

Section 5. General Objectives. – The VTOFCO shall undertake all manner of activity, business or development projects for the establishment of a reliable fuelwood and related industries that shall include but not limited to the following objectives:

- a) Operate production and marketing activities or services to ensure adequate and continuous supply of fuelwood for the Virginia tobacco industry and domestic markets;
- b) Adopt measures vital to the growth and development of the fuelwood and related industries capable of contributing to their proper shares in the economy as a whole;
- c) Provide comprehensive direction to the public sector in the management and development of forest resources on a fully commercial scale; and
- d) Promote the adoption of effective strategies and systems to limit the indiscriminate use and destruction of the forest lands of the country.

Section 6. Specific Objectives.

- a) Directly engage in the production of fuelwood by establishing nurseries and plantations primarily in the Virginia tobacco producing areas or in such areas or other places accessible to the industry of feasible to the production of fuelwood;
- b) Undertake harvesting and/or processing operations of fuelwood products and its by-products, and to put up the necessary infrastructures and support facilities;
- c) Develop and implement a marketing program to ensure efficient distribution of fuelwood products and its by-products raised from its plantation areas;
- d) Undertake studies and encourage adoption, in the production, harvesting, processing and marketing phases, of such proven strategies and systems as to promote the fuelwood and related industries and safeguard the forest resources as renewable source of energy and for ecological reasons; and
- e) Promote policy recommendations for the management of the country's forest resources.

Section 7. General Powers. – The VTOFCO is hereby authorized to adopt and use a corporate seal which shall be judicially noticed; to make contracts, to lease or own real personal properties and to sell or otherwise dispose of the same; to sue and to be sued.

Section 8. Specific Powers. – In addition to the powers vested in the defunct Ilocos Region Fuelwood Development Program which are not vested in the corporation, the Corporation shall have the following powers:

- a) To acquire and hold such lands as may be necessary for the carrying out of the powers, functions, purposes and objectives of the Corporation within such areas and in such locations as may be determined by the Administrator and approved by the Board of Directors;

- b) To promulgate such rules and regulations as may be reasonably necessary and desirable for the attainment of the objective of the Executive Order;
- c) To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes and powers, with any person, firm, or corporation, with the Government of the Philippines or with any foreign government, subject to existing laws;
- d) To contract indebtedness when essential to the proper administration of its corporate affairs or when necessary for the proper transaction of its business or for carrying out the purposes of this Executive Order;
- e) To create and operate and/or contract to operate such divisions, functional units, offices and departments of the Corporation as it may deem necessary or useful for the furtherance of any of the purposes of this Executive Order;
- f) To enter into any lawful arrangement for sharing profits, joint ventures, union, interests, reciprocal concession or cooperation with any person, or corporation, association, partnership, syndicate or entity located in or organized under the laws of any authority in any part of the world in the carrying on of any business which the Corporation is authorized to carry on, or any business or transaction deemed necessary, convenient or incidental to the carrying on of the purposes of the Corporation;
- g) To establish and maintain fuelwood plantations and to market its products and by-products thereof;
- h) To undertake research in the promotion of the quality and quantity of fuelwood products and by-products;
- i) To obtain funds to support or carry out its objectives and purposes and/or invest idle funds or such funds and other income sources derived from marketing, and contributions, etc. in any authorized government depository banks and/or to arrange financing or credit, or any kind of assistance for its own account or for the account of its clients in such manner as the Board of Directors of the Corporations may deem reasonable from governmental or private sources in the Philippines or elsewhere or from international public or private lending institutions, and to secure any or all of the same by any guarantee or counter-guarantee by pledge, mortgage, deed of trust or assignment of the property of the Corporation, or by creating or suffering exist a charge, lien, or encumbrance, general or special, upon its assets, for the purposes of securing the performance by the Corporation of any obligation or liability it may undertake;
- j) To accept and receive donations such as cash and cash equivalents, including but not limited to personal and real properties;
- k) To do any and all such other things as may be necessary or incidental to the attainment of the purposes of the VTOFCO; and
- l) Generally, to exercise all the powers of a corporation under the Corporation Law, in so far as they are not inconsistent with the provisions hereof.

Section 9. Capitalization. – The authorized capital stock of the Corporation shall be ONE HUNDRED MILLION (P100,000,000.00) PESOS, Philippine Currency, to be fully subscribed by the Philippine Virginia Tobacco Administration and paid as follows;

- a) The net assets of and the appropriations for the Ilocos Region Fuelwood Development Program shall form part of the authorized capital of the Corporation;
- b) The balance shall be paid by the Philippine Virginia Tobacco Administration from the Tobacco Fund entrusted with the National Treasury in such releases as may be approved by the President of the Philippines as recommended by the Minister of the Budget, provided that the Minister of the Budget shall immediately release

from the said Tobacco Fund such sum as should enable the Corporation to function effectively.

Section 10. Cash Advances. – The Central Bank of the Philippines is hereby authorized to extend to the Corporation advances and/grant loans which may be needed for its operations.

Section 11. Powers of the Board. – In addition to the general and specific powers of VTOFCO, the Board shall exercise the following:

- a) To formulate policies, plans, projects, rules and regulations to carry out effectively the functions of the Corporation;
- b) To direct the management, operations and administration of the Corporation;
- c) To approved the budget and authorize such expenditures by the Corporation as are in the interest of the effective administration and operation of the Corporation;
- d) To establish offices and/or branch offices and create positions necessary for the efficient operations of the Corporation; fix and authorize payment of salaries, allowances, per diems, honoraria and other remunerations or emoluments of the members of the Board, Administrator, Deputy Administrator and other officers and personnel of the Corporation including personnel of other government agencies and instrumentalities who may be designated to work for the VTOFCO by detail or designation in an ex-officio or concurrent capacity;
- e) To exercise such other powers as may be necessary to accomplish the purposes for which the Corporation was organized.

Section 12. Management. – The management of the Corporation shall be headed by an Administrator and a Deputy Administrator who shall be appointed by the Board of Directors unless sooner removed by the Board. The Administrator and the Deputy Administrator shall each receive such salary as may be determined by the Board but in no case less than SIXTY THOUSAND (P60,000.00) PESOS per annum and FIFTY-TWO THOUSAND (P52,000.00) PESOS per annum, respectively.

Section 13. Powers and Duties of the Administrator. – The Administrator shall perform the functions and duties of the Program Director of the defunct Program. In addition thereto, the Administrator shall have the following powers and duties:

- a) To prepare the agenda for meetings of the Board and to submit for the consideration of the Board proposed policies and measures which are necessary to carry out the purposes and provisions thereof;
- b) To execute and administer the policies and measures approved by the Board;
- c) To represent the Corporation in all dealings with other offices, agencies and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign; and
- d) To exercise such other powers as may be vested in him by the Board.

Section 14. Coordination of Policies. – The Corporation shall coordinate its policies, plans, projects and regulations with those of the Philippine Virginia Tobacco Administration, the Ministry of Natural Resources and other agencies of the Government involved in fuelwood and the development and use thereof.

Section 15. Reorganization. – The Board is hereby authorized to recognize the administrative structure of the defunct IRFDP as established under Letter of Instructions No. 866.

Section 16. Transfer of the IRFDP Properties, Assets, Unexpended Balance and Personnel. – The IRFDP properties, assets and unexpended appropriations and necessary personnel as may be determined by the Board are

hereby transferred to the VTOFCO.

Section 17. By-Laws, Rules and Regulations. – The Board may adopt a by-laws for the Corporation and promulgate the necessary rules and regulations which are not inconsistent herewith for the effective implementation of the policies and purposes of the Corporation and revise or amend the same as may be expedient.

Section 18. General Counsel. – The Office of the Government Corporate Counsel shall be the General Counsel of the Corporation. The Corporation may, however, organize its own legal department to assist management and the Board in the performance of its functions.

Section 19. The Corporation Law. – The provisions of the Corporation Law, is so far as they are not inconsistent with the provisions and policies provided herein, shall be applicable to the VTOFCO.

Section 20. Repealing Clause. – LOI No. 866 and the provisions of any other Presidential Issuance, Ordinance, Rules and Regulations inconsistent herewith are hereby repealed, amended or modified accordingly. If for any reason, any section or provision of this Executive Order is declared unconstitutional or invalid, the other sections or provisions hereof, which are not affected thereby, shall continue to be in full force and effect.

Section 21. Effectivity. – This Executive Order shall take effect immediately.

Done in the City of Manila, this 30th day of September, in the year of Our Lord, Nineteen Hundred and Eighty.

(SGD.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(SGD.) JOAQUIN T. VENUS, JR.
Presidential Assistant

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