REVISED RULES AND REGULATIONS TO GOVERN LICENSING AND REGISTRATION, AND THE BALING, TAGGING, MARKING, INSPECTION, CERTIFICATION, AND SHIPMENT OF PHILIPPINE COMMERCIAL FIBERS

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Pursuant to Section 8 of Executive Order 709 dated July 27, 1981, and Executive Order No. 116 dated January 30, 1987 creating the Fiber Industry Development Authority to promote the integrated growth and development of the natural fiber industry (except cotton and coir) in all its aspects, baling, tagging, marking, inspection, certification and shipment of Philippine commercial fibers are hereby promulgated for the information and guidance of all concerned.

Chapter I
Definition of Terms

SECTION 1. Terms Used — As used in these rules and regulations the following words or terms shall be construed as indicated herein:

1. Abaca shall refer to the commercial fiber extracted from the plant scientifically known as musa textiles;

2. Administrator shall mean the Administrator of the Fiber Industry Development Authority;

3. Bale shall mean the fiber packed in the manner and form and with a weight and volume as prescribed in Chapter III, Section 4 hereof.

4. Fiber shall refer to any indigenous fiber derived from plants or from animals, such as hairs, feathers, and silk. It shall be denominated and interpreted according to its common and commercial significance and not its scientific nomenclature;

5. Fiber Industry shall mean the production or culture, marketing, grading, baling, processing, or manufacture of fibers, including such other activities as are related thereto;

6. FIDA or Authority shall refer to the Fiber Industry Development Authority;

7. Finished or semi-finished product shall include any fiber-based article or commodity which contains 25% or more commercial fibers of the article, by weight or volume;

8. Foreign matter shall include, but is not limited, to dust, dirt, plastic, stone, etc. which are extraneous or foreign to the fibers;

9. Grade refers to the design-nation of fiber quality according to the established government standard thereof;

10. Inspector shall mean the FIDA inspector or any other FIDA personnel duly authorized to inspect fibers;

11. Loose fibers shall refer to unclassified, unbaled, unbundled, and uninspected fibers;

12. Manufacturer or Processor shall mean an industrial firm engaged in the manufacture or processing of fibers

into semi-finished or finished products;

13. Order shall refer to this particular Administrative Order;

14. Person shall mean any natural or juridical person such as a corporation, partnership, or association, including a cooperative;

15. Producer shall mean anyone engaged in the agricultural production of fiber;

16. Production refers to the various farm operations like the production of seed and planting materials, planting, application of fertilizers, weeding, control of plant pests and diseases, harvesting, fiber stripping and drying, and other allied operations;

17. Regional Office shall mean the FIDA regional office;

18. Station efers to the municipality or city where the grading-baling establishment is located;

19. Trader shall mean any person, juridical or natural, engaged purely in buying and selling of commercial fibers.

SECTION 2. Abbreviations Used — The following abbreviations used in this Order shall mean as indicated hereunder.

1. GBE — grading-baling establishment;

2. O.K. Bales — inspected and approved bales;

3. I.C. Bales — inspected and condemned bales; and

4. ICN. — identification control number of fiber inspectors.

Chapter II
Licensing and Registration

SECTION 1. Activities of the Fiber Industry Requiring Permit or License — No person, firm, or association shall engage in any of the following activities without a grading permit or an appropriate license duly issued by the Authority.

1. Sorting, classifying, grading, and baling of fiber whether for local consumption or for export;

2. Buying and selling loose commercial fibers;

3. Processing/manufacturing commercial fibers into semi-finished or finished products; and

4. Classifying commercial fibers in grading-baling establishment (GBEs), Class A Traders, or processing firms, or in other manufacturing plants.

Persons, firms, or associations operating two or more grading-baling establishments or branches shall secure a grading permit or license for each establishment or branch.

SECTION 2. Application for Grading Permit/License — All applications for fiber grading permit/license shall be made in a form prescribed by the Authority and shall be filed at the regional office having jurisdiction over the area of operation.

Upon securing an application, applicants shall pay an application fee in accordance with the schedule of fees indicated under the General Provisions.

SECTION 3. Requirements for the Issuance of Grading Permit or License — Upon filing of the duly accomplished

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application form, the applicant for a grading permit or license must comply with the following:

1. Corporation/entities must submit the following documents/papers:

a. Corporation

1) Articles of Incorporation
2) Certificate of Registration by the Securities and Exchange Commission (SEC)

b. Partnership

1) Articles of Partnership
2) Certificate of Registration by the Securities and Exchange Commission (SEC)

c. Sole Proprietorship. Certificate of Registration by the Bureau of Domestic Trade (BODT)

d. Cooperative

1) Articles of Incorporation
2) Certificate of Registration by the Bureau of Cooperative Development (BCOD)

In case of a renewal of permit or license, the applicant is further required to submit an annual report of operation in the form prescribed by the Authority.

2. Grading-baling establishments must own/possess/comply with the following minimum equipment, facilities, and other requirements:

- One metric weighing device;

- One baling press;

- For abaca and ramie, a minimum floor area of 850 square meters for classification work and storage; and for other fibers, any area sufficient to fill customary classification and storage requirements may be considered adequate;

- Fixed partitions to separate the fibers from other commodities in case of grading-baling establishments storing commodities other than fibers in the same warehouse; and

- Must employ at least one licensed classifier.

3. Applicant for a Trader's License must own/possess/comply with the following:

- The necessary storage space for fibers with fixed segregating partition in case other commodities are also stored in the warehouse;

- One metric weighing device;

- Additional requirements for Class A Traders who are classifying, grading and baling:

    1) A minimum floor area of 250 sq. m. for classification and storage;

    2) One manual pressing device; and

    3) Employment of at least one licensed classifier.

4. Applicant for a Processor's License must own/possess/comply with the following:

1) A storage space for fibers with a fixed partition to segregate other commodities if other goods are to be stored

therein;

2) One (1) metric weighing device;

3) Employment of at least one licensed classifier in case the applicant will utilize uninspected fibers;

4) A simple written description of how the fibers are to be utilized.

5. Applicant for Classifier's License must submit/comply with the following:

- Two ID pictures;

- Certificate of good moral character by the Barangay Captain of the barangay where he resides;

- Police Clearance;

- He must pass the practical examination on fiber classification and grading given by the Authority.

SECTION 4. Establishment Number — Upon issuance of the grading permit, processor's or trader's license, a number shall be assigned to the permittee or licensee concerned which shall thereafter identify him or her.

SECTION 5. Registered Mark — Every GBE, processor or trader shall have the right to use a mark consisting of not more than three letters, preferably the initials of the firm or person who owns or operates the establishment. The mark shall be registered with the Authority at the time the application for a grading permit, processor's or trader's license is filed and shall be indicated in the corresponding permit or license.

All grading-baling establishments, processors' or traders' establishments owned or operated by one person shall have only one registered mark, and any such establishment owned or operated jointly by two or more persons shall be allowed to register and use only one mark.

No change in the registered mark of any GBE, processor or trader shall be made unless officially authorized in writing. The application for changing a registered mark shall be filed at least two months in advance from the date the new mark is intended to be used.

Registered marks and establishment number of GBE, processors and traders who fail to renew their permits/licenses for the succeeding year may be cancelled without the need for giving notice thereof.

SECTION 6. Grading-Baling Establishments, Processors, and Traders Required to Have Identification Signboard — All GBEs, Processors, and Traders are hereby required to hang in a conspicuous place on the exterior wall of their establishments a signboard measuring at least 60 cm. in length, and 38 cm. in width bearing the name or business name appearing in their license/grading permit, viz., "Licensed GBE" or "Licensed processor", as the case maybe; the establishment number; and the registered mark of the permittee/licensee.

SECTION 7. Expiration and Renewal of Grading Permits and Licenses — All grading permits and licenses issued under these rules and regulations shall automatically expire after one year from the date of issuance. A permittee/licensee desiring to continue in the activity for which he has been issued a permit/license shall, before the expiration of such permit/license, file an application for renewal thereof.

Any permittee/licensee who fails to apply for renewal of license within one year after the expiration of his license, shall, upon subsequent application, be considered as late renewal and shall be assessed an amount, the rates to be determined by the FIDA as penalty thereof.

SECTION 8. Suspension/ Cancellation of Grading Permit and License and/or Imposition of Fine — Any grading permit or license may be suspended/cancelled and/or a fine may be imposed by FIDA any time the

permittee/licensee concerned is found to have committed any violation of this Order or any of the following:

1. Failure to provide the required identification signboard or the necessary partition to separate the fiber from other commodities;

2. Failure to maintain minimum facilities, equipment and personnel necessary to carry out the proper grading and baling of fibers;

3. Failure to pay the required inspection fees;

4. Allowing another person to operate the permittees grading establishment except under Chapter III, Section 6 hereof;

5. Changing, obliterating, or counterfeiting, in whole or in part, the official mark or the establishment's registered mark, or the letter designation of any grade, or otherwise tampering with the tag of any bale of fiber which has been duly inspected and approved, or causing or knowingly allowing another to do the same;

6. Tampering with or altering the quality or quantity of the fibers contained in any bale already officially inspected and approved, and duly stamped as such;

7. Counterfeiting the official grade and ICN stamps of the government or using the official government grade and ICN stamps without proper authority;

8. Employing classifiers in the permittee's/licensee's establishment without the required license;

9. Knowingly misdeclaring the province of production of fibers;

10. Delivering/selling by GBE of fibers that have not been graded and inspected by the Authority;

11. Knowingly misclassifying or misgrading fibers, or knowingly consenting to do the same;

12. Transporting/shipping fibers without Permit to Transport Fiber;

13. Delivering/selling uninspected fibers (for grading-baling establishments);

14. Non-submission of fibers for inspection (for GBE and Class A traders) as prescribed in Chapter III, Section 9 hereof;

15. Non-renewal of license/grading permit/registration to engage in grading and baling, trading, processing, and classifying, and production of fibers; and

16. Processing/manufacturing by industrial firms of fibers that have not been officially inspected and/or certified by the FIDA.

SECTION 9. Effects of Suspension or Cancellation of Permit or License — The permittee or licensee whose permit/license has been suspended or cancelled by the Authority shall, from receipt of the order or notice of suspension or cancellation, cease and desist from grading and baling; buying and selling; sorting and classifying fibers, as the case may be. In the case of fiber processors, the licensee shall cease and desist from buying fibers.

The suspension or cancellation of the permit/license shall be without prejudice to the imposition of the penalties provided in Chapter V, Section 10 of these rules and regulations.

SECTION 10. Registration of Fiber Producers — All persons engaged in the production of commercial fibers, except cotton and coir, are hereby required to register with the Authority within 90 days from the effectivity of this Order; Provided that abaca producers who are already registered under AIDA (Abaca Industry Development

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Authority) Administrative order No. 1-A, Series of 1979 shall register after five years from such registration. Those who propose to engage in this activity after the promulgation of these rules and regulations shall register within 90 days after planting.

Fiber producers who own plantations each of less than 1,000 square meters are exempt from registration.

SECTION 11. Application for Registration — The application for registration shall be made in a form prescribed by the Authority and shall be filed at the Regional Office having jurisdiction over the area of operation.

SECTION 12. Expiration and Renewal of Registration Certificate — The registration certificate issued herein shall automatically expire after five years from date of issuance. Producers who desire to continue to engage in the production of commercial fibers shall apply for renewal of their registration before the expiration thereof.

Chapter III
Baling, Tagging, Marking,
and Inspection of Fibers

SECTION 1. Qualitative and Quantitative Control of Fibers — No fiber for which the official standard shall have been established may be consumed locally or exported from the Philippines in any quantity without first being graded, baled, inspected, approved and/or certified. However, in case of fibers owned by fiber processors for domestic utilization, baling may be optional.

SECTION 2. Assignment of Lot Numbers — Before baling, a lot number shall be assigned to each kind of fiber from the same province and of the same type of cleaning (e.g. handstripped or spindle-stripped). Each lot of fiber may consist of several grades.

A separate lot number shall be assigned to each of the following:

- Fibers to be baled for export;

- Fibers to be baled for local consumption;

- Fibers to be baled for other person under Chapter III, Section 6 hereof;

- Reclassified fibers from I.C. bales.

Each fiber lot shall be numbered consecutively without repetition unless otherwise ordered by the Administrator or his representative. The number assigned to a particular lot of fiber in any establishment may not be run for over a month. A new lot number shall be issued immediately after the closing of a given lot.

SECTION 3. Supervision of Baling Operations — Any Fiber Inspector assigned to a fiber grading-baling establishment shall supervise the sorting, classification, and grading of fibers and shall conduct his own examination of fibers in the "langarillas", or as the fibers are laid for weighing preparatory to baling. During the process, the Fiber Inspector shall see to it that the fibers are free from foreign matters and the classification and grading thereof conform with the established official standards. Should any defect be found in the hanks, the said parcels containing the hanks should be segregated for reclassification and regrading. As soon as the Fiber Inspector finds to his satisfaction that the classified and graded fibers meet the required standard classification, grading, and specified weight, he may issue the long cloth tag to be securely tied inside the bale before pressing.

The Fiber Inspector shall stamp his ICN on the back side of the long cloth tag of the bales in which pre-baling operations have been undertaken under his direct supervision.

SECTION 4. Baling of Fibers for Export — All fibers for export shall be baled as follows:

1. Every bale of fiber shall contain only dry fibers of the same kind of cleaning, grade, and province of production. The fibers must be more or less of the same length and free from plastic and other foreign matters.

2. In case of fibers tied into hanks, no hank shall be more than ten (10) centimeters in diameter at the butt or head, nor less than five (5) centimeters, except in the case of buntal fiber where such hanks may be less than five (5) centimeters in diameter at the butt or head. The strand used in tying the hanks shall be of the same kind and grade as the fiber forming the hank and each strand shall not be knotted.

3. Unless otherwise provided herein, each bale shall have an approximate dimension of one hundred (100) centimeters by fifty-five (55) centimeters by sixty (60) centimeters (100 cm. X 55 cm. X 60 cm.) with a net weight of one hundred twenty-five (125) kilograms immediately after pressing.

Grading-baling establishments which possess the necessary facilities may press fiber in bales of two hundred fifty (250) kilograms net weight with a volume not exceeding 0.6 cubic meter. Such bales shall be considered the equivalent of two bales and shall be baled under a separate lot number.

4. Each bale of fiber, unless otherwise specified herein, shall be securely bound with not less than seven crosswise and three lengthwise bands of strong materials. To hold the bales to their regular size, the second, fourth, and sixth crosswise ties may be doubled. The extremities shall not be closer than ten (10) centimeters to the edge of the bale. No ties made out of weak fiber or tow shall be allowed for binding the bale. All the fiber binding materials of each bale shall not weigh more than one kilogram.

In case steel band is used in securing the bale, the minimum requirement for long fibers shall be four crosswise bands. Cotton and kapok fibers shall be bound with six crosswise bands. Extreme bands shall not be closer than (10) centimeters to the edge of the bale.

5. Bales of decorticated abaca may be increased in length to permit the laying of fibers without doubling provided that the volume and weight of each bale does not exceed what is prescribed in paragraph 3 hereof.

6. Hanks of abaca and other long fibers such as agave species, ramie and kenaf, shall not be divided into two or three parts but shall be twisted as a whole once or twice to keep the fiber together before they are laid straight in the press box, the heads or butts of the hanks in one row alternating with the tips of the hanks of the next row until the bale is completed. The hanks shall be so packed that the tips of one layer shall double back over the butt of the layer of hanks below, and so on.

Grading-baling establishments may also press bales in such a manner that three or four hanks of fiber are laid straight side by side in the press box at the middle of the lower press block "cojin" the ends of which are placed a little farther away from the inner end-side of the press box. The remaining portion of the hanks shall be coiled along the opposite end-side and along the sides of the press block encircling the butt ends until the entire length of the hanks is so coiled. The subsequent layer of hanks shall similarly be arranged with the butts or heads on the opposite side of the layer of hanks below, until all the hanks composing the bale are so placed in the press box.

7. Buntal fibers shall be tied into hanks of two to three centimeters in diameter and the tie shall not be less than eight nor more than ten centimeters from the butt end of each hank.

The hank shall be bent at the tie and it shall be bound together with not less than three ties to prevent the fibers from falling. The hanks shall be laid straight full length in the bale and in layers, the head of each layer alternating with the tips of the other.

A bale of buntal fiber shall weigh fifty (50) kilograms net and shall be composed of two separate bundles each weighing approximately half the total weight of a bale. Each bundle shall be wrapped with thick paper and the

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two bundles tied together with rope of good materials.

The bale shall be wrapped with burlap or abaca mat or any mat of good quality material suited for the purpose and sewed fittedly. This is then tied securely with abaca rope or cords of any suitable material to further hold the bale. The approximate dimensions of the bale shall be one hundred twenty-five (125) centimeters by thirty-five (35) centimeters by forty-five (45) centimeters (125 cm. X 35 cm. X 45 cm.).

8. Coir bristles, CH-1, CH-2, may be made into hanks of not less than five (5) centimeters but not more than fifteen (15) centimeters in diameter each hank tied with non-metallic material suitable for the purpose. However, to facilitate the baling, mattress fibers may be twisted instead in the press box. Grade of coir, except the grade CH-W (coir waste), may be baled in the same manner as those of abaca and similar fibers as agave species, ramie and kenaf. Each bale shall have a net weight of one hundred twenty five (125) kilograms with the volume not exceeding 0.33 cubic meter after pressing.

Spool coiled twisted coir fiber may be baled in coil forms, each bale containing not more than five (5) coils, and each coil weighing approximately twenty-five (25) kilograms net, so as to make a bale of one hundred twenty-five (125) kilograms net. The volume of the bale shall not exceed 0.33 cubic meter and each coil contained in the bale shall be secured in place with any suitable rope or non-metallic material, one coil laid on top of the other forming a cylinder and pressed into a bale which shall be secured with not less than three steel bands evenly spaced, or of not less than four non-metallic ropes of strong material.

Grade CH-W, coir waste, composed of dust and very short fibers may be packed in a suit-able container of good material. A pack of grade coir waste of one hundred twenty-five (125) kilograms net in such a container shall be considered as a bale for purposes of inspection.

9. Cotton and kapok fibers shall be baled loose (i.e., fibers are not tied into hanks). A bale of cotton or kapok shall have a net weight of one hundred twenty-five (125) kilograms and the bale shall be wrapped with abaca net or saguran or any suitable material sewed fittedly to protect the fibers from exposure and dirt. The dimensions of the bale may vary but the volume shall not exceed 0.33 cubic meter.

In case the baling of fibers, other than abaca, for export in accordance with the foregoing provisions is impractical due to special handling requirements for the particular kind of fiber or for valid reason, the Authority may allow deviation therefrom upon written application specifying the manner in which baling may be made.

SECTION 5. Baling of Fibers for Local Consumption — A bale of fibers for local consumption may have a weight equal to or half of a bale of the same kind of fiber prescribed in the preceding section regardless of size or volume. Each bale of abaca and other long fibers shall be bound securely by at least four crosswise bands of strong materials.

Except as otherwise provided herein, the baling of fibers for local consumption shall be in accordance with the provisions of the preceding section.

SECTION 6. Baling of Fiber for Other Persons — A grading-baling establishment may bale fibers for other persons but such establishment shall place its own name, address, establishment number, lot number, registered mark and initial of station on the tags of the bales which they have baled for others. However, the registered mark of the owner of the fiber may be used in lieu of the actual baler provided that written permission of the FIDA is first secured.

A grading-baling establishment may have its graded fibers pressed in the establishment of other persons not engaged in grading and baling of fibers but with adequate equipment and facilities for pressing fibers upon written

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permission from the FIDA. The owner of the fibers shall place upon the tags of the bales so pressed its own name, address, establishment number, lot number, registered mark, and initials of its station.

SECTION 7. Tagging and Marking of Bales of Fiber for Export — The tagging and marking of bales for export shall be as follows:

1. Each bale of fibers shall bear a tag known as the long cloth tag made of unstarched raw cotton of good quality material not less than fifty-eight (58) centimeters long and ten (10) centimeters wide, one end of which shall be securely tied to the fiber inside the bale and the other end shall project out from one end of the bale about fifteen (15) centimeters long. However, in the case of buntal fiber, the long cloth tag shall, instead, be securely tied to the ties of either bundle composing the bale and must be placed between them.

In case of bales of short fibers where tying of the long cloth tag is not practical, one end of the long cloth tag shall, instead, be knotted and securely placed between the hanks.

2. The following data in their order shall be stamped, one below the other on the long cloth tag placed inside the bale:

- The full or abbreviated name of the GBE;

- The name of the municipality or city where the establishment is located;

- The establishment and lot number separated by a dash;

- The full or abbreviated name of the province of production;

- The date of pressing; and

- The initials of the station, the registered mark of the establishment, and the letter designation of the grade, the three forming one line separated from one another by bars.

For this purpose, the initials of municipalities and cities contained in Appendix A[*] hereof are adopted as part of these rules and regulations.

3. The classifier's license number shall be indicated on the upper portion of the long cloth tag where the end is to be knotted.

4. The other end of the long tag projecting out of the bale shall be divided into two (2) sections. The one adjacent to the bale shall bear the same data stamped in the upper end of the tag in the same order, except the classifier's license number, and the rest of the long tag shall be reserved for the official stamps of the Authority.

5. All markings on the long cloth tag, whether letters or numerals, shall be stamped with clear indelible stamping ink and shall not be less than one centimeter in height except the name of the municipality/city where the establishment is located and the date of pressing which shall not be less than eight millimeters.

6. Another cloth tag of the same or better material than the long cloth tag provided herein may be placed, as may be required by the buyers, on one side of the bale underneath the bindings or ties, or placed over the mat, in case of bales wrapped with a mat. This tag may either be a square tag measuring thirty-five (35) centimeters square or a triangular one as a result of dividing the square tag diagonally. Upon it, the following data in their order shall be stamped or stenciled, one below the other, clearly in letters not less than five (5) centimeters high except the words "PRODUCT OF THE PHILIPPINES": which shall have a measurement of not less than one-and-a-half (1 1/2) centimeters in height:

- The words "PRODUCT OF THE PHILIPPINES";

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- The initial of the station where the establishment is located;

- The registered mark of the establishment;

- The letter designation of the grade of fiber contained in the bale.

Square/triangular tags shall be optional for bales that are wrapped with quality materials. However, the data required to be placed thereon shall invariably appear clearly on the exposed surface of the wrapping materials on either side of the bale.

7. Shipping marks or number, or marks denoting the country of origin of the fiber may only be stamped upon the square or triangular tag or wrapping, as the case may be, after the bale has been inspected and approved in such a way as not to blur, cancel, or confuse the marks appearing on the square/triangular tag. Shipping marks or number may, however, be permitted in special cases to be placed on the square/triangular tag before inspection upon the written authorization of the Administrator.

8. Data/marks required herein to be placed upon the square or triangular cloth tags shall be stamped or stenciled in black paint, printers ink, Chinese or Indian ink, or marker pen. Free hand marking shall not be accepted.

Except those specified in this Section, no other marks whatsoever shall appear on the tags of any bale of fiber before inspection.

SECTION 8. Tagging and Marking of Bales for Local Consumption — Tagging and marking of bales for local consumption shall be in accordance with the preceding section with the exception of the square or triangular tag.

SECTION 9. Mandatory Inspection of Fiber — No GBE shall export or deliver fibers to local processors or end-users without first being inspected and approved by the Authority for compliance with the standard classification as well as the rules and regulations on baling, tagging and markings. Likewise, no Class A Trader who is classifying, grading, and baling shall sell or deliver fibers to local processors or end-users without first being inspected and approved by the Authority.

SECTION 10. Request for Inspection of Fiber — The inspection of fibers shall be made by the Fiber Inspector upon the written request of the owner or baler.

The request for inspection of bales shall be accompanied with a copy of the Daily Fiber Baling Report, duly signed, indicating:

1. The name and address of the GBE;

2. The date of pressing;

3. Establishment and lot numbers;

4. Province of production;

5. Number of bales by grade in each lot; and

6. Weight per bale.

Bales must be submitted for inspection within three (3) working days from date of baling.

SECTION 11. Procedure in the Inspection of Fibers — The following procedure shall be followed in the inspection of fibers:

1. All bales submitted for inspection shall remain standing side by side until the same shall have been inspected.

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However, where the piling of bales in "camadas" becomes necessary for lack of adequate space, the same may be piled after checking and after random sample bales are picked out by the Inspector.

2. The Inspector shall check the number of bales by grade and by lot, province of production, date of pressing, etc. as reflected in the Daily Fiber Baling Report or the request for inspection. All bales found to have deficiencies or irregularities such as wet or deformed bales, and those with broken ties, illegible markings, or detached tags shall be excluded from inspection.

3. The Inspector shall pick out at random sample bales from among those of the same grade and lot not bearing his ICN. One sample bale, more or less, may be examined for every ten bales of each grade. The Inspector shall mark the long tag of each sample bale with his initials and stamp it with the letter "S" on the reverse side. Only sample bales picked out shall be inspected and in case such bales are found to be substandard only those of the same grade and lot not bearing the inspector's ICN shall be rejected. The selection of the sample bales shall be made not earlier than twenty (20) minutes before actual inspection thereof.

4. Each lot of fiber submitted for inspection shall remain under the exclusive control of the Fiber Inspector until all grades comprising it shall have been inspected. The Fiber Inspector may inspect additional sample bales of each grade of lot if he has reasonable grounds to believe that the classification and grading thereof have been defective or inaccurate. In case of dispute, the owner of the fiber or baler may request the inspection of additional samples to resolve any doubt.

5. All approved bales of fiber shall be stamped with the corresponding government grade and the Inspector's Identification Control Number (ICN) immediately after inspection and piled in "camadas" within twenty-four (24) hours thereafter.

6. All disapproved bales shall have their long cloth tags stamped "I.C." immediately after inspection and shall be reclassified within two (2) days thereafter.

SECTION 12. Reclassification of Inspected Fibers — Except as provided herein, any bale of fibers which has been officially inspected, whether approved or condemned, shall not be broken open by the owner for reclassification unless prior permission has been obtained from the Authority. The fibers taken from the broken open approved or condemned bales shall be baled like any other loose fibers under a separate lot number, and shall be subject to inspection and payment of inspection fees. All tags taken from the original bales shall be surrendered to the FIDA.

All inspected and approved bales held in stock for more than one year from date of pressing shall be broken open for reclassification. The fibers taken from these bales shall be baled like any other loose fibers under a separate lot number and shall be subject to inspection but exempted from the payment of inspection fees.

The report of inspection of bales reclassified from O.K. or I.C. bales shall contain a statement to that effect giving the particulars of the original bales such as date of pressing, establishment number, lot number, initials of the station, registered mark, number of bales of each grade and the province or production. In the case of reclassified from O.K. bales, the Primary Certificate of Fiber Inspection thereof shall bear the Words "RECLASSIFIED FROM O.K. BALES" to preclude double counting in the production report.

SECTION 13. Reconditioning of Inspected and Approved Bales — Any inspected and approved bale may be broken open whenever necessary for reconditioning as to physical shape, weight, and or replacement of broken ties and marred tags upon written permission from the Authority. The request for such permit shall state the reason for the reconditioning.

When the reconditioning is done under the direct supervision of the Fiber Inspector, reconditioned bales shall be

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exempted from new inspection and payment of inspection fees.

The report of inspection of reconditioned bales shall contain a statement to that effect giving the particulars of the original bales and on the face of the Primary Certificate of Fiber Inspection thereof, the words "RECONDITIONED O.K. BALES" shall be stamped to preclude double counting in the production report.

SECTION 14. Rebaling of Fiber for Local Consumption — Any bale of fibers for local consumption already inspected and approved may be broken open to be pressed and rebaled for export in accordance with Chapter III, Section 4 hereof. The resulting bale shall be considered as "RECLASSIFIED FROM O.K. BALE" and shall be subject to the provisions of Chapter III, Section 12 of this Order.

SECTION 15. Reinspection of Approved Bales — Any lot of fibers or part thereof already inspected and approved may be ordered reinspected by the Authority if the bales comprising the whole or part of the lot are substandard, adulterated, contaminated with foreign matters, or for similar reason.

In case the sample bales are found to be in order upon reinspection, the same shall be baled, with their former tags and shall not be subject to payment of new inspection fees. If the sample bales are found to be substandard or adulterated, all the remaining bales of the same lot and grade, and the date of pressing shall be ordered broken open for reclassification in accordance with Chapter III, Section 12 of these rules and regulations.

SECTION 16. Duty of Fiber Inspector to Submit Report of Inspections — Every inspection made by a Fiber Inspector shall be duly reported to the Authority in a form to be provided therefor furnishing the owner of the fiber or GBE with a copy thereof.

SECTION 17. Primary Certificate of Fiber Inspection — A separate certificate of inspection of approved, and of condemned bales comprising a lot of fibers shall be issued to the owner of the fiber upon payment of the corresponding inspection fees. Such certificate, known as the Primary Certificate of Fiber Inspection, shall be signed by the Fiber Inspector who conducted the inspection.

The Primary Certificate of Fiber Inspection shall be based on the report of inspection of the lot. However, where the inspection of a lot is completed in several days, the primary certificate shall be made from the "Summery of Lot Closed". In such a case, the certificate shall be dated as of the last day of inspection, except in the case of bales pressed in the ports of export on the last day of the month and inspected on the following day, in which case, the certificate shall be dated as of the last day of the month.

The Primary Certificate of Fiber Inspection covering approved bales shall specify the description of the bales covered therein. The primary certificate covering condemned or rejected bales shall show on its face in bold capital letters, "I.C." and the reason for such rejection. The primary certificate covering high density bales shall be stamped with the words "HIGH DENSITY BALES" in letters each of not less than 2 centimeters in height.

Whenever the owner of the bales covered by a primary certificate sells or transfers all bales described therein to another person, he shall request the Authority to stamp the certificate to indicate the fact of transfer. The original copy of the certificate so stamped shall be given by the owner/seller to the buyer/transferee. The owner of the fiber shall keep a memorandum of the bales sold or transferred at the back of the duplicate copy of the corresponding certificate of inspection.

SECTION 18. Secondary Certificate of Fiber Inspection — If the whole or part of the lot is sold or transferred, a certificate of inspection known as Secondary Certificate of Fiber Inspection covering the bales sold or transferred may be obtained by filing a request therefor with the Regional Director having jurisdiction thereof. The Secondary Certificate shall be based on the declaration of particulars of the bales shipped/delivered by the

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owner/seller. All secondary certificates issued for each lot of fibers must be recorded at the back of the corresponding primary certificates.

SECTION 19. Stock Inventory — At the close of each year, or at any time when directed by the Director all grading-baling establishments and processors shall take a physical inventory of their stock of inspected bales of fiber by grade.

In case of merger of grading-baling establishments/processors, each of the merged GBEs/processors shall take stock inventory of inspected bales of fiber before the merging is effected.

In case of insolvency or dissolution of a grading-baling establishment/processor, or upon the cancellation of its permit, an inventory of all stocks of inspected bales shall be made immediately after the declaration of insolvency, or dissolution, or the cancellation of its permit.

The inventory of stock shall be jointly undertaken and certified by a representative of the grading-baling establishment/processor and that of the Authority.

Chapter IV
Shipment of Fibers

SECTION 1. Permit to Transport Fibers Within the Philippines — No person shall ship or transport fibers, whether baled or loose, from one province to another within the Philippines unless a permit to transport, covering such fibers, is issued by the Regional Director or his authorized representative having jurisdiction of the place of origin of the fiber to be shipped.

The application for such a permit shall specify the

1. shipper,
2. kind of fiber,
3. grade,
4. volume,
5. province of production,
6. name and address of the consignee, and
7. carrier.

Every permit to transport shall cover only one shipment to one consignee and the same is automatically cancelled five (5) days after the date of issue if the shipment covered therein has not started from its origin.

All fibers transported must be acknowledged at destination by the recipient/consignee and attested by the Fiber Inspector concerned on the permit to transport accompanying such shipment.

In places where there are no FIDA officers who can issue this permit to transport fibers, a sworn affidavit executed by the shipper concerned on a form prescribed for the purpose will suffice. The original copy of this affidavit, like the permit to transport, must accompany each shipment.

SECTION 2. Commodity Clearance for Shipment of Fibers to Other Countries — No fiber shall be shipped to other countries unless a commodity clearance covering the fibers to be exported has been approved by the Director or his authorized representative. The approval shall be secured by presenting the commodity clearance showing

- the description of the bales of fibers to be shipped,

- the initial of the station and registered mark of the baler,

- the number of bales of each grade,

- the FOB value in U.S. dollars of the fibers to be shipped, and (5) the name and address of the consignee.

The commodity clearance shall be presented for approval at the Regional Office having jurisdiction of the port of export or at any One-Stop Export Documentation Center in the Philippines where FIDA has assigned personnel.

As a prerequisite for the approval of the commodity clearance, the exporter must submit the following documents/papers:

1. For direct shipment — A written certification by the Fiber Inspector concerned that the bales covered in the commodity clearance have been inspected and approved specifying therein the particulars of bales.

2. For transhipment

- Written notice of shipment by the exporter specifying the kind of fiber, grade, and volume:

- Letter of guarantee by the exporter that the bales covered by the commodity clearance have been inspected and approved for foreign consumption.

In case it becomes necessary to make changes in the entries of the approved commodity clearance, the exporter must give written notice thereof and submit the approved commodity clearance to the Regional Office that approved the same for the purpose of making the necessary changes in the entries thereof.

SECTION 3. Checking of Bales for Shipment — All bales of fiber to be shipped shall be checked individually as to grade, weight, size, marks, and quantity as appearing in the approved commodity clearance, permit to transport, or shipper's affidavit, as the case may be. Checking shall be made during loading of the shipment from the warehouse under the supervision of the Fiber Inspector concerned.

All bales of fiber to be shipped for local consumption shall be clearly stamped with the words "FOR LOCAL CONSUMPTION" on their long cloth tags before being shipped.

SECTION 4. Declaration of Particulars of Bales Shipped/Delivered — All GBEs shall, within three (3) days after each shipment/delivery of fibers, submit to the Regional office having jurisdiction thereof, a declaration of the particulars of the bales exported or delivered.

The declaration of the particulars of bales shall contain the following:

1. Destination of fibers;
2. Name of the carrier;
3. Primary Certificate of Fiber Inspection number;
4. Establishment and lot numbers;
5. Initials of the station and registered mark of the baler;
6. Government grade;
7. Number of bales;
8. Description of the fiber;
9. Province of production;
10. Permit to transport fiber control number

SECTION 5. Bill of Lading — Shippers of fiber shall furnish the Authority through its regional office which has jurisdiction over the port of embarkation a copy of the non-negotiable Bill of Lading covering each parcel of fiber bales exported immediately after shipment. Short shipments or "shut outs" shall be noted on the corresponding Bill of Lading as soon as the vessels leave port.

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SECTION 6. Trial Shipment of Fibers — Shipment of fibers to other countries resulting from trade promotion undertaken by any person other than a grading-baling establishment shall be known as "trial shipment". The fibers covered by a trial shipment may be exempted from the provisions of the rules and regulations on baling, tagging, and marking provided that a copy of the Export Agreement shall be submitted to the Authority upon application for approval of the required commodity clearance. The fibers shall be inspected and certified as to kind, grade, and volume, and subject to the payment of inspection fees.

The exemption granted herein shall apply only to one shipment not exceeding five (5) tons or forty (40) bales made by any particular person unless a second or even a third shipment is justifiable in the view of the Director on the basis of the application filed by the exporter concerned stating his reasons for such additional shipments.

SECTION 7. Shipments of Fibers for Experimental and Scientific Purposes — Shipment of fibers to other countries for experimental and scientific purposes may be exempted from the provisions of this Order on baling, tagging, marking, and inspection provided that the shipper submits to the Authority documents showing such purposes. Notwithstanding such exemption, the fibers must be inspected and certified as to kind and grade upon request of the shippers but shall not be subject to the payment of inspection fees. The words "FOR SCIENTIFIC PURPOSE" shall be marked in bold letters on the face of the commodity clearance covering such shipment.

The exemption granted herein may apply to several shipments provided their aggregate weight does not exceed five hundred (500) kilos per consignee.

SECTION 8. Permit to Sell Excess Fibers by Processors — Any processor/manufacturer who may want to sell excess fibers to another processor, GBE, or trader shall, prior to such delivery, secure written authorization from the FIDA.

Chapter V
General Provisions

SECTION 1. Application Fees for Grading Permit/License — All applicants for fiber grading permit/license shall, upon securing an application, pay an application fee of P50.00, except an applicant for a classifier's license who shall pay only P10.00.

SECTION 2. Grading Permit and License Fees — Every applicant for a grading permit or license shall pay, upon filing of duly accomplished application form, a permit/license fee as follows:

1. Grading Permit Fee:

First Class - Those baling 50,000 or more a year

P5,000.00

Second Class - Those baling 30,000 to 49,999 year

P4,000.00

Third Class - Those baling 10,000 to 29,999 a year

P3,000.00

Fourth Class - Those baling less than 10,000 a year

P1,500.00

The classification of GBE shall be based on the number of bales pressed during the preceding year.

A new GBE shall initially pay the fee corresponding to a fourth class establishment.

2. Processor's License Fee:

Class A

- Fiber processors whose products are partly or entirely for export

P250.00

Class B

- Fiber processors whose products are purely for local consumption

P150.00

Class C

- Home industries whether their products are for export or for local consumption

P15.00

3. Trader's License Fee:

Class A —

Fiber traders who are sorting, classifying, grading, and baling solely for local consumption regardless of volume, or those who are solely engaged in buying and selling loose commercial fibers with a sales volume of 20,000 or more kilos a year .....

P150.00

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Class B

— Fiber traders who are solely engaged in buying and selling loose commercial fibers with sales volume of less than 20,000 kilos but not less than 10,000 kilos a year .....

P75.00

Class C —

Fiber traders who are solely engaged in buying and selling loose commercial fibers with a sales volume of less than 10,000 kilos a year .....

P15.00

The volume of sales for purposes of the trader's classification refers to that of the preceding year.

A new fiber trader shall initially pay the fee corresponding to Class C. However, if he has the required facilities and equipment for grading and baling fibers, he may apply for a Class A trader's License.

A trader licensee can export only through the facilities of a GBE.

4. Classifier's License Fee.....P15.00

Cooperatives falling under P.D. 175 and Letters of Implementation No. 23 are exempt from payment of permit/license fees provided herein for ten years from date of their organization. However, they are not exempted from payment of application and inspection fees.

SECTION 3. Registration Fee of Fiber Producers — Each fiber producer, as described in Chapter II, Section 11 hereof, shall pay a registration fee of P10.00 upon filing of the application form.

SECTION 4. Inspection Fees — The following inspection fees shall be levied and collected for each bale of fibers inspected and stamped, whether approved or rejected;

1. Eight pesos (P8.00) for each bale of fiber of the following standard weight

Kind of Fiber

Standard Weight
(In Kilograms)

a. Buntal

50

b. Abaca

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125

c. Ramie

125

d. Coir

125

e. Kenaf

125

f. Salago

125

g. Maguey

125

h. Piña

125

i. MSP

125

j. Sabahon

125

k. Pacol

125

l. Musa Factory Waste

125

m. Cabo Negro

125

n. Kapok

125

o. Cotton

125

p. Sisal

125

q. Salago

125

2. Sixteen pesos (P16.00) for each high density bale with a weight equivalent to twice the standard weight of a bale.

3. Four pesos (P4.00) for each bale of fiber with a weight equivalent to one-half of the standard weight of a bale.

SECTION 5. Payment of Fees — All fees due the Authority under these rules and regulations shall be paid at the FIDA Central Office or at the Regional Office having jurisdiction of the fiber industry participant concerned. Every payment shall be acknowledged by the issuance of an official receipt duly signed by the accountable official.

All inspection fees shall be paid within forty-eight (48) hours after receipt of the bill of collection exclusive of Saturdays, Sundays, and legal holidays. Non-payment of inspection fees within 48 hours after receipt of the bill of collection shall cause the automatic suspension of fiber inspection, and failure to pay within fifteen (15) days after the suspension of inspection shall be sufficient ground for suspension of the corresponding permit or license.

SECTION 6. Appeal on the Decision of the Fiber Inspector Disapproving/Condemning Bales of Fibers — The owner of the bales which have been disapproved or condemned upon inspection may, within twenty four (24) hours from receipt of the report of inspection, appeal said decision in writing to the Regional Director having jurisdiction thereof, specifying the number of bales under dispute, the grade, lot number, date of pressing, and date of inspection thereof. In such case, the following shall be inspected by the Regional Director:

- The sample bales originally inspected by the Fiber Inspector;

- The additional bales opened and inspected by the Fiber Inspector, if any;

- At least five percent (5%) of the bales under dispute picked out at random by the Chief Fiber Regional Officer;

- At least five percent (5%) of the bales under dispute picked out at random by the appellant.

The Regional Director shall render a decision within two (2) working days from receipt of the appeal.

When the decision rendered by the FIDA Regional Director is not satisfactory to the appellant, the latter may file appeal of said decision to the FIDA Director within twenty-four (24) hours.

The decision of the FIDA Director shall be rendered within ten (10) working days from receipt of the appeal and the same shall be final.

Pending the resolution of the appeal, the GBE concerned shall see to it that the quality and condition of the bales originally examined shall not in any way be altered. Otherwise, the appeal shall be dismissed and the decision on appeal automatically sustained.

SECTION 7. Complaints Pertaining to Inspected and Approved Bales — Complaints from local or foreign processors with reference to the classification, grading, baling, tagging, marking, or certification of the bales of fibers which have been duly inspected and approved by FIDA personnel shall be made in writing and shall specify the name, registered mark, and establishment number of the baler, the lot number of the bales subject of the complaint, and the Identification Control Number of the Inspector concerned so as to enable the Authority to make a complete and thorough investigation of the facts involved therein. The complete long tags taken from the bales in question or the facsimiles thereof shall be sent along with the complaint.

SECTION 8. Application of the Rules to Other Kinds of Fibers — The provisions of this Order shall apply to all kinds of Philippine commercial fibers, including those that may hereafter be developed.

SECTION 9. Waiver of Provisions of this Order — The Director may waive any of the provisions of this Order except those that relate to inspection and certification of fibers, and payment of fees.

SECTION 10. Penalty Clause — Any person who violates any of the provisions of this Order shall, aside from suspension or cancellation of permit/license or imposition of fine not exceeding twenty thousand pesos (P20,000.00) by the Authority, be liable to imprisonment not exceeding one (1) year or fine not exceeding twenty thousand pesos (P20,000.00), or both, if found guilty by the proper courts of law.

1. Whenever the violation is committed by a corporation, association, partnership or firm, the penalty shall be imposed on the president, partner, manager, or principal officer thereof.

2. If the offender is a naturalized citizen, he shall, in addition to the penalty prescribed herein, be liable to all sanctions provided under existing Immigration laws, rules and regulations, including the cancellation of his naturalization certificates and such registration in the civil registry and immediate deportation after serving completely his sentence.

3. If the offender is an alien, he shall, after serving completely his sentence or otherwise, be liable to existing sanctions imposed by law on undesirable aliens, including immediate deportation.

4. If the offender is a public officer or employee, he shall, in addition to the penalty of imprisonment and fine prescribed herein, be liable to the administrative penalties imposed by the Civil Service Law, rules and regulations.

SECTION 11. Repealing Clause — All circulars, Orders, Rules and Regulations and Memoranda, or parts thereof, inconsistent with the provisions of this Order are hereby repealed and modified accordingly.

SECTION 12. Effectivity — This Order shall take effect fifteen (15) days after its publication in the Official Gazette, or in any newspaper of general circulation.

Adopted: 10 April 1991

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(SGD.) JOAQUIN M. TADEO
Administrator

Approved: 24 May 1991

(SGD.) SENEN C. BACANI
Secretary

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