

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

20 FEB -3 P 4 06

SENATE

S. No. 1310

RECEIVED BY: J

Introduced by SENATOR RONALD "BATO" DELA ROSA

AN ACT
STRENGTHENING THE OFFICE OF THE GOVERNMENT CORPORATE COUNSEL BY RATIONALIZING AND FURTHER PROFESSIONALIZING ITS ORGANIZATION, UPGRADING POSITIONS AND APPROPRIATING FUNDS THEREFOR

The Office of the Government Corporate Counsel (OGCC) acts as the principal and statutory law office of government-owned-and-controlled corporations (GOCCs), their subsidiaries, government financial institutions, government corporate offspring, government instrumentalities with corporate powers and government acquired asset corporations, as well as economic zones, state universities and water districts all over the Philippines.

As provided in the Administrative Code of 1987, the OGCC is mandated to exercise control and supervision over all legal departments or divisions of corporations and handles cases, renders opinions, reviews or drafts contracts and other legal services. Furthermore, under Presidential Decree No. 242, the OGCC mediates and arbitrates disputes, claims and controversies between and among GOCCs.

For eighty four (84) years since it was created in 1935, the workload of the OGCC has increased and expanded. According to the Chief Government Counsel Elpidio Vega, at present the clients of OGCC has been pegged to more

than seven hundred twenty (720) government corporations. Considering this magnitude of the job of the OGCC, it is but high time that it must be strengthened and the organizational structure and personnel be reinforced in order to cope with the demands in the discharge of its mandate. Along with this is the revision and upgrade of the compensation and benefits of the employees.

The proposed measure aims to expand and upgrade the positions of the Government Corporate Counsel, Deputy Government Corporate Counsel and Assistant Government Corporate Counsels, and the Government Corporate Attorneys. Their rank, salary, allowances, retirement and pension benefits, emoluments, prerogatives and privileges shall be the same as their counterpart in the judiciary. On the otherhand, the non-legal personnel shall have the same salaries and benefits as that of their counterparts in the Office of the Solicitor General. Moreover, the salaries, benefits and privileges of the personnel of the OGCC shall automatically be increased with any corresponding increase in salaries and privileges subsequently granted to their respective counterparts in the judiciary, the Office of the Solicitor General and the Court of Appeals.

Hence, the approval of this is bill is earnestly sought.


RONALD "BATO" DELA ROSA



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Be it enacted by the Senate and the House of Representatives of the Philippines __ Congress assembled:

1 SECTION 1. *Short Title.* – This act shall be known as the "OGCC Charter."

2
3 Sec. 2. *Declaration of Policy.* – It shall be the policy of the State to
4 protect and promote the welfare, rights and interests of government-owned or
5 controlled corporations (GOCCs), government financial institutions (GFIs),
6 government instrumentalities with corporate powers (GCIPs), government
7 corporate entities (GCEs) as defined in Republic Act 10149 as well as their
8 subsidiaries and corporate offsprings including economic zones, state
9 universities and water districts, all collectively referred to in this Act as
10 government corporations (GOCCs).

11
12 Toward this end, the State shall require the improvement of legal
13 services to efficiently address the expanding needs of these government
14 corporations in accordance with its initiative towards an improved fiscal
15 management and good corporate governance. It shall be the mandate of the
16 OGCC to safeguard the legal interest of the government corporations.

17
18 Sec. 3. *Power, Jurisdiction and Mandate.* – Any law to the contrary
19 notwithstanding, the Office of the Government Corporate Counsel (OGCC) shall
20 be the statutory counsel and principal law office of all government corporations.
21 All government corporations shall refer to the OGCC the following:

22 a. All important legal questions for opinion and advice;

- 1 b. All contracts for review, provided that the GCC may from time to time
- 2 determine which contract shall no longer be submitted to OGCC; and
- 3 c. All cases for representation before regular courts, quasi-judicial
- 4 bodies, administrative agencies and arbitral tribunals, *provided that*,
- 5 the Government Corporate Counsel (GCC) may thereafter authorize
- 6 the government corporation's legal department or retained counsel
- 7 as collaborating counsel to handle cases, as the urgency or
- 8 expediency of circumstances may warrant.

9

10 The OGCC shall:

11

- 12 d. Exercise control and supervision over the legal departments of all
- 13 government corporations and conduct periodic performance audit of
- 14 the in-house lawyers or legal departments of government
- 15 corporations and to recommend appropriate actions to them;
- 16 e. Conciliate, mediate, act as hearing officers or adjudicate all disputes
- 17 on controversies exclusively between government corporations;
- 18 f. Investigate and, in appropriate cases, hear administrative disciplinary
- 19 cases involving all lawyers, officials and employees of government
- 20 corporations upon the latter's request and recommend appropriate
- 21 administrative or disciplinary sanctions;
- 22 g. Conduct fact-finding and preliminary investigation in appropriately
- 23 referred cases;
- 24 h. Act as Corporate Secretary or any other officer of government
- 25 corporations upon their request;
- 26 i. Be assigned as members of technical working groups, bids and
- 27 awards committee, task force and other committees in relation to
- 28 government corporations' projects;
- 29
- 30 j. Be detailed or assigned to government corporations upon their
- 31 request provided, that the GCC approves the assignment or
- 32 designation, including attendance in meetings requested by
- 33 government corporations;
- 34 k. Represent the OGCC in the Governing Board and management
- 35 committees of government corporations;
- 36 l. Approve the engagement of private lawyers by the government
- 37 corporations; and
- 38 m. Perform such other functions necessary in the interest of the service.

39

40 Sec. 4. *Expansion and Upgrading of Positions.* –

41

- 42 A. The Government Corporate Counsel ("GCC") shall have the rank,
- 43 salary, allowances, retirement and pension benefits, emoluments,
- 44 prerogatives and privileges as the Presiding Justice of the Court of
- 45 Appeals. He/she shall be assisted by a Deputy Government
- 46 Corporate Counsel ("DGCC") and twelve (12) Assistant Government
- 47 Corporate Counsels ("AGCC") who shall have the rank, salary,
- 48 allowances, retirement and pension benefits, emoluments,

1 prerogatives and privileges of an Associate Justice of the Court of
2 Appeals.

3
4 No person shall be appointed GCC, DGCC or AGCC unless he/she is a
5 natural-born citizen of the Philippines and, for at least fifteen (15) years, has
6 been engaged in the practice of law in the Philippines.

7
8 B. The number, rank, salary, allowances, retirement and pension
9 benefits, emoluments, prerogatives and privileges of the other
10 members of the legal staff shall be as follows:

- 11
12 1. The present ten (10) Government Corporate Attorney IV ("GCA IV")
13 shall be increased to sixteen (16) and they shall have the rank, salary,
14 allowances, retirement and pension benefits, emoluments,
15 prerogatives and privileges of a Regional Trial Court Judge. No
16 person shall be appointed as GCA IV unless he/she is a natural-born
17 citizen in the Philippines and, for at least ten (10) years, has been
18 engaged in the practice of law in the Philippines;
- 19 2. The present fourteen (14) Government Corporate Attorney III ("GCA
20 III") shall be increased to nineteen (19) and they shall have the rank,
21 salary, allowances, retirement and pension benefits, emoluments,
22 prerogatives and privileges of a Metropolitan Trial Court Judge. No
23 person shall be appointed GCA III unless he/she is a natural-born
24 citizen of the Philippines and, for at least five (5) years, has been
25 engaged in the practice of law in the Philippines.
- 26 3. The present seventeen (17) Government Corporate Attorney II
27 ("GCA II") shall be increased to twenty (20) who shall be natural-
28 born citizens of the Philippines and have been engaged in the practice
29 of law in the Philippines for at least three (3) years;
- 30 4. The present four (4) Government Corporate Attorney I ("GCA I") shall
31 be increased to twelve (12) who shall be natural-born citizens of the
32 Philippines and have been engaged in the practice of law in the
33 Philippines for at least one (1) year.

34
35 The GCC, DGCC and AGCCs shall be appointed by the President of the
36 Philippines. The other members of the legal and administrative personnel shall
37 be appointed by the GCC. Except for the GCC, the appointments of the DGCC
38 and AGCCs shall be permanent upon compliance with the prescribed
39 qualification standards under this law.

40
41 The GCC may appoint in coterminous capacity two (2) lawyers with the
42 same rank, salary, allowances and other benefits of an AGCC and two (2)
43 lawyers with the same rank, salary, allowances and other benefits of a GCA IV,
44 who shall form part of his confidential staff.

45
46 Sec. 5. *Organizational Structure.* – The OGCC shall be headed by the
47 GCC, who is the principal law officer and legal defender of all the government
48 corporations. He shall have the authority and responsibility for the exercise of

1 the OGCC's mandate and for the discharge of its duties and functions, and shall
2 have supervision and control over the OGCC and its constituent units. The GCC
3 shall promulgate necessary rules & regulations for the implementation of the
4 provisions of this law.

5
6 The GCC shall be assisted by the DGCC, AGCCs and such number of
7 GCAs as may be necessary to operate the OGCC.

8
9 Unless otherwise determined by the GCC, the legal staff shall be divided
10 into teams, each to be headed by an AGCC.

11
12 The administrative structure of the OGCC shall be composed of the
13 Secretarial and Legal Support Services, Finance and Accounting Services,
14 Human Resource and Management Services, Case and Records Management
15 Services, Library Management and Information Technology Services, Corporate
16 Planning Services and Property and Supply Services.

17
18 The legal and non-legal personnel of the OGCC occupying the positions
19 affected by the changes embodied in this Act at the time of its approval shall
20 thereafter occupy and discharge the duties and functions of the upgraded
21 positions and receive the corresponding salary, benefits and privileges without
22 necessity of new appointments.

23
24 Sec. 6. *Compensation.* – The salary grades for the basic monthly
25 compensation of the OGCC legal personnel shall be as follows:

26

Position	Salary Grade
Government Corporate Counsel	31
Deputy Government Corporate Counsel	30
Assistant Government Corporate Counsel	30
Government Corporate Attorney IV	29
Government Corporate Attorney III	28
Government Corporate Attorney II	27
Government Corporate Attorney I	26

27
28 The 150 non-legal personnel shall be composed of the following: two (2)
29 Chief Administrative Officers; one (1) Budget Officer V; one (1) Executive
30 Assistant (EA) V; two (2) EA IV; one (1) EA III; one (1) Accountant IV; four (4)
31 Supervising Administrative Officers; one (1) Planning Officer IV; eleven (11)
32 Administrative Officers (AO) V; one (1) Librarian IV; one (1) Information
33 Technology Officer; one (1) Computer Main Technician; one (1) Librarian III;
34 four (4) AOs III; three (3) AOs II; twelve (12) Senior Administrative Assistant
35 III; one (1) Planning Analyst II; twenty (20) Administrative Assistant (ADAS)
36 VI; one (1) Computer Operator III; twelve (12) ADAS V; twelve (12) ADAS
37 III; one (1) Bookkeeper III; three (3) Records Officer I; fourteen (14) ADAS II;

1 five (5) ADAS I; one (1) Chauffeur IV; one (1) Security Guard III; ten (10) ADA
2 VI; one (1) Driver IV; one (1) Buyer II; fourteen (14) ADA IV; and six (6) ADA
3 III.

4
5 The non-legal personnel shall have the same salaries and benefits as
6 that of their counterparts in the Office of the Solicitor General.

7
8 The salaries, benefits and privileges of the personnel of the OGCC
9 granted under this Act shall automatically be increased to keep in step with any
10 corresponding increase in salaries and privileges subsequently granted to their
11 respective counterparts in the judiciary, the Office of the Solicitor General and
12 the Court of Appeals.

13
14 *Sec. 7. Personnel benefits and privileges.*— Provisions of other laws to
15 the contrary notwithstanding, and subject to availability of funds, the OGCC
16 may provide its employees the following benefits:

- 17
18 I. Health care services through a health maintenance organization
19 (HMO).
20 II. Accident insurance for all employees for approved travels while in
21 the performance of official duties;
22 III. Provided the efficiency of the service is not prejudiced,
23 scholarships for the deserving employees on official time to
24 upgrade their knowledge and skills. *Provided further,* That
25 scholars under this provision shall be selected on the basis of
26 merit as determined by competitive examination; and
27 IV. A Provident Fund which shall consist of, but not be limited to
28 contributions made by the OGCC and by its employees;
29 V. Reimbursement of registration fees and expenses for trainings
30 and seminars, Mandatory Continuing Legal Education fees and
31 professional license fees.

32
33 *Sec. 8. Other Benefits.* – Provisions of other laws to the contrary
34 notwithstanding, the legal personnel of the OGCC are authorized and shall
35 continue to receive allowances and honoraria from government corporations
36 which shall not exceed one hundred percent (100%) of their annual basic
37 salary. The employees of the OGCC may likewise be extended such benefits
38 and privileges as are given to the employees of government corporations.

39
40 *Sec. 9. Retirement Benefits.* – Any law to the contrary notwithstanding,
41 and consistent with Section 4 of this Act granting them the same retirement
42 benefits and privileges of their counterparts in the judiciary, the retirement
43 benefits of the GCC, DGCC, AGCC, GCA IV and GCA III shall be automatically
44 increased whenever there is an increase in the salaries and allowances of the
45 same positions from which he or she retired.

46 *Sec. 10. Attorney's Fees and Special Assessment.* – The OGCC is
47 authorized to receive twenty percent (20%) of the money claims collected by,
48 or awarded/adjudged to government corporations, in addition to the attorney's

1 fees awarded by a court, tribunal, or panel, including awards/judgments,
2 stipulated under court-approved compromise agreements. The OGCC is hereby
3 authorized to use such awards and attorney's fees to meet contingencies,
4 obligations and undertakings and/ or for employee benefits and incentives,
5 necessary or proper to promote efficiency in the service as determined by the
6 GCC.

7
8 The GCC is likewise authorized to make special assessments upon
9 government corporations and to disburse and use the same for such
10 contingencies, obligations and undertakings, and to provide for employees'
11 benefits and incentives allowed under the law.

12
13 Attorney's fees and special assessments shall be deposited in an
14 authorized government depository and shall be made available for expenditure
15 without the need for a cash disbursement ceiling for purposes of meeting
16 obligations and contingencies, upgrading facilities and equipment, granting of
17 employees' benefits and incentives and defraying such other expenses not
18 provided for in the General Appropriations Act subject to accounting and
19 auditing procedures.

20
21 Sec. 11. *Franking Privilege.* – All official matters and telegrams of the
22 OGCC addressed for delivery within the Philippines shall be received,
23 transmitted and delivered free of charge.

24
25 Sec. 12. *Appropriations.* – The amount needed for employees' salaries,
26 mandatory allowances and benefits under other laws, maintenance and other
27 operating expenses and capital outlay shall be appropriated in the budget of
28 the OGCC under the annual General Appropriations Act.

29
30 Sec. 13. *Repealing Clause.* - All laws, decrees, rules and regulations
31 inconsistent with the provisions of this Act are hereby repealed or amended
32 accordingly.

33
34 Sec. 14. *Separability Clause.* – If any of the provisions of this Act is
35 declared invalid or unconstitutional, the provisions not affected thereby shall
36 continue to be in full force and effect.

37
38 Sec. 15. *Effectivity.* – This Act shall take effect after fifteen (15) days
39 from its publication in the Official Gazette or in a national newspaper of general
40 circulation.

41
42 Approved,

43