Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4806

Introduced by Representatives Michael L. Romero and
Enrico A. Pineda

EXPLANATORY NOTE

The Office of the Government Corporate Counsel (OGCC) acts as
the statutory counsel of about 714 government-owned or controlled
corporations, government instrumentalities exercising corporate powers,
government financial institutions and government corporate entities,
their subsidiaries and corporate offspring’s as well as economic zones,
state universities and water districts (which shall all hereinafter be
referred collectively as “GOCCs” for brevity) all over the country. Its
responsibilities cover all the legal affairs of all the GOCCs and it handles
special tasks for them including the exercise of control and supervision
over all their legal departments. Its mandate has been further reinforced
in subsequent executive issuances to effectively provide legal counsel to
the GOCCs in their operations.

The strengthening of the OGCC is long overdue. The existing
organizational structure and personnel complement of OGCC was
formulated way back in 1978 and has not been amended and improved
since then despite the increasing work performed by the OGCC in
discharging its mandate. To ensure that OGCC shall be able to adapt to
the changing conditions, the increase in the number of its personnel and
corresponding adjustment in their compensation and benefits is
inevitable.

For decades, the legal guidance and assistance provided by the
OGCC by way of legal representations, legal opinions, drafting and review
of contracts, performance of special tasks the exercise of control and
supervision over its legal departments, enabled the GOCCs to more
efficiently perform their respective mandates within the bounds of the
law.

With OGCC as statutory counsel, GOCCs do not need to engage
private lawyers to address their legal requirements. The GOCCs are able
to generate savings and utilize its much needed funds for its core
purposes, which would otherwise be allocated for legal fees of private
lawyers if OGCC has not existed.

With the growth in the number of GOCCs coupled with the
complexities of their requirements brought by the modern business
situations and conditions, the increase in the request for the legal
services of OGCC, not only in terms of volume, but also the nature of the
services required, call for specialization and expertise in specific fields of
law.

The Officials and employees of OGCC who are entrusted with the
legal concerns of the GOCCs need to be properly equipped and be
adequately compensated to effectively fulfill their duties and
responsibilities.

In line with the principle of National Government’s thrust to
standardize and rationalize the current compensation framework in the
bureaucracy, the positions, salaries and benefits of the lawyers and
administrative staff of the OGCC should be at par with the salary grades,
positions, salaries and benefits of its counterparts in the Department of
Justice performing similar functions and providing similar legal services.
It is for this reason that the OGCC needs a new Charter upgrading the
positions, salaries and benefits of its employees and increasing the
number of its legal personnel and administrative staff.

In view of the foregoing reasons, the expeditious approval of this
proposed bill is earnestly sought.

MICHAEL L. ROMERO

ENRICO A. PINEDA
Republic of the Philippines

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HOUSE BILL NO. 4806

Introduction by Representatives Michael L. Romero
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AN ACT
STRENGTHENING THE OFFICE OF THE GOVERNMENT
CORPORATE COUNSEL BY RATIONALIZING AND FURTHER
PROFESSIONALIZING ITS ORGANIZATION, UPGRADE
POSITIONS AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Short Title — This act shall be known as the
“OGCC Charter.”

SECTION 2. Declaration of Policy — It shall be the policy of
the State to protect and promote the welfare, rights and interests
of government-owned or controlled corporations (GOCCs),
government financial institutions (GFIs), government
instrumentalities with corporate powers (GCIPs), government
corporate entities (GCEs) as defined in Republic Act 10149 as
well as their subsidiaries and corporate offspring’s including
economic zones, state universities and water districts, all
collectively referred to in this Act as government corporations
(GOCCs).
Toward this end, the State shall require the improvement of legal services to efficiently address the expanding needs of these government corporations in accordance with its initiative towards an improved fiscal management and good corporate governance. It shall be the mandate of the OGCC to safeguard the legal interest of the government corporations.

SECTION 3. Power, Jurisdiction and Mandate – Any law to the contrary notwithstanding, the Office of the Government Corporate Counsel ("OGCC") shall be the statutory counsel and principal law office of all government corporations. All government corporations shall refer to the OGCC the following:

a. All important legal questions for opinion and advice;
b. All contracts for review, provided that the GCC may from time to time determine which contract shall no longer be submitted to OGCC; and
c. All cases for representation before regular courts, quasi-judicial bodies, administrative agencies and arbitral tribunals, provided that, the Government Corporate Counsel (GCC) may thereafter authorize the government corporation’s legal department or retained counsel as collaborating counsel to handle cases, as the urgency or expediency of circumstances may warrant.

The OGCC shall:

d. Exercise control and supervision over the legal departments of all government corporations and conduct periodic performance audit of the in-house lawyers or legal departments of government corporations and to recommend appropriate actions to them;
e. Conciliate, mediate, act as hearing officers or adjudicate all disputes on controversies exclusively between government corporations;
f. Investigate and, in appropriate cases, hear administrative disciplinary cases involving all lawyers, officials and employees of government corporations upon the latter’s request and recommend appropriate administrative or disciplinary sanctions;
g. Conduct fact-finding and preliminary investigation in appropriately referred cases;

h. Act as Corporate Secretary or any other officer of government corporations upon their request;

i. Be assigned as members of technical working groups, bids and awards committee, task force and other committees in relation to government corporations’ projects;

j. Be detailed or assigned to government corporations upon their request provided, that the GCC approves the assignment or designation, including attendance in meetings requested by government corporations;

k. Represent the OGCC in the Governing Board and management committees of government corporations;

l. Approve the engagement of private lawyers by the government corporations; and

m. Perform such other functions necessary in the interest of the service.

SECTION 4. Expansion and Upgrading of Positions –

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

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

B. The number, rank, salary, allowances, retirement and pension benefits, emoluments, prerogatives and privileges of the other members of the legal staff shall be as follows:
1. The present ten (10) Government Corporate Attorney IV ("GCA IV") shall be increased to sixteen (16) and they shall have the rank, salary, allowances, retirement and pension benefits, emoluments, prerogatives and privileges of a Regional Trial Court Judge. No person shall be appointed as GCA IV unless he/she is a natural-born citizen in the Philippines and, for at least ten (10) years, has been engaged in the practice of law in the Philippines;

2. The present fourteen (14) Government Corporate Attorney III ("GCA III") shall be increased to nineteen (19) and they shall have the rank, salary, allowances, retirement and pension benefits, emoluments, prerogatives and privileges of a Metropolitan Trial Court Judge. No person shall be appointed GCA III unless he/she is a natural-born citizen of the Philippines and, for at least five (5) years, has been engaged in the practice of law in the Philippines.

3. The present seventeen (17) Government Corporate Attorney II ("GCA II") shall be increased to twenty (20) who shall be natural-born citizens of the Philippines and have been engaged in the practice of law in the Philippines for at least three (3) years;

4. The present four (4) Government Corporate Attorney I ("GCA I") shall be increased to twelve (12) who shall be natural-born citizens of the Philippines and have been engaged in the practice of law in the Philippines for at least one (1) year.

The GCC, DGCC and AGCCs shall be appointed by the President of the Philippines. The other members of the legal and administrative personnel shall be appointed by the GCC. Except for the GCC, the appointments of the DGCC and AGCCs shall be permanent upon compliance with the prescribed qualification standards under this law.
The GCC may appoint in coterminous capacity two (2) lawyers with the same rank, salary, allowances and other benefits of an AGCC and two (2) lawyers with the same rank, salary, allowances and other benefits of a GCA IV, who shall form part of his confidential staff.

SECTION 5. Organizational Structure – The OGCC shall be headed by the GCC, who is the principal law officer and legal defender of all the government corporations. He shall have the authority and responsibility for the exercise of the OGCC’s mandate and for the discharge of its duties and functions, and shall have supervision and control over the OGCC and its constituent units. The GCC shall promulgate necessary rules & regulations for the implementation of the provisions of this law.

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

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

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

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

SECTION 6. Compensation – The salary grades for the basic monthly compensation of the OGCC legal personnel shall be as follows:
<table>
<thead>
<tr>
<th>Position</th>
<th>Salary Grade</th>
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<tbody>
<tr>
<td>Government Corporate Counsel</td>
<td>31</td>
</tr>
<tr>
<td>Deputy Government Corporate Counsel</td>
<td>30</td>
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<tr>
<td>Assistant Government Corporate Counsel</td>
<td>30</td>
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<tr>
<td>Government Corporate Attorney IV</td>
<td>29</td>
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<tr>
<td>Government Corporate Attorney III</td>
<td>28</td>
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<tr>
<td>Government Corporate Attorney II</td>
<td>27</td>
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<tr>
<td>Government Corporate Attorney I</td>
<td>26</td>
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</tbody>
</table>

The 150 non-legal personnel shall be composed of the following: two (2) Chief Administrative Officers; one (1) Budget Officer V; one (1) Executive Assistant (EA) V; two (2) EA IV; one (1) EA III; one (1) Accountant IV; four (4) Supervising Administrative Officers; one (1) Planning Officer IV; eleven (11) Administrative Officers (AO) V; one (1) Librarian IV; one (1) Information Technology Officer; one (1) Computer Main Technician; one (1) Librarian III; four (4) AOs III; three (3) AOs II; twelve (12) Senior Administrative Assistant III; one (1) Planning Analyst II; twenty (20) Administrative Assistant (ADAS) VI; one (1) Computer Operator III; twelve (12) ADAS V; twelve (12) ADAS III; one (1) Bookkeeper III; three (3) Records Officer I; fourteen (14) ADAS II; five (5) ADAS I; one (1) Chauffeur IV; one (1) Security Guard III; ten (10) ADA VI; one (1) Driver IV; one (1) Buyer II; fourteen (14) ADA IV; and six (6) ADA III.

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

The salaries, benefits and privileges of the personnel of the OGCC granted under this Act shall automatically be increased to keep in step 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.

**SECTION 7. Personnel benefits and privileges** – Provisions of other laws to the contrary notwithstanding, and subject to availability of funds, the OGCC may provide its employees the following benefits:

I. Health care services through a health maintenance organization (HMO).

II. Accident insurance for all employees for approved travels while in the performance of official duties;

III. Provided the efficiency of the service is not prejudiced, scholarships for the deserving employees on official time to upgrade their knowledge and skills. *Provided further,* That scholars under this provision shall be selected on the basis of merit as determined by competitive examination; and

IV. A Provident Fund which shall consist of, but not be limited to contributions made by the OGCC and by its employees;

V. Reimbursement of registration fees and expenses for trainings and seminars, Mandatory Continuing Legal Education fees and professional license fees.

**SECTION 8. Other Benefits** – Provisions of other laws to the contrary notwithstanding, the legal personnel of the OGCC are authorized and shall continue to receive allowances and honoraria from government corporations which shall not exceed One Hundred Percent (100%) of their annual basic salary. The employees of the OGCC may likewise be extended such benefits and privileges as are given to the employees of government corporations.

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

SECTION 10. Attorney’s Fees and Special Assessment –
The OGCC is authorized to receive twenty percent (20%) of the
money claims collected by, or awarded/adjudged to government
corporations, in addition to the attorney’s fees awarded by a
court, tribunal, or panel, including awards/judgments,
stipulated under court-approved compromise agreements. The
OGCC is hereby authorized to use such awards and attorney’s
fees to meet contingencies, obligations and undertakings and/or
for employee benefits and incentives, necessary or proper to
promote efficiency in the service as determined by the GCC.

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

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

SECTION 11. Franking Privilege – All official matters and
telegrams of the OGCC addressed for delivery within the
Philippines shall be received, transmitted and delivered free of
charge.

SECTION 12. Appropriations – The amount needed for
employees’ salaries, mandatory allowances and benefits under
other laws, maintenance and other operating expenses and
capital outlay shall be appropriated in the budget of the OGCC under the annual General Appropriations Act.

SECTION 13. Repealing Clause - All laws, decrees, rules and regulations inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

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

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

Approved,