

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 1714



Introduced by **Rep. ANGELO MARCOS BARBA**
2nd District, Ilocos Norte

EXPLANATORY NOTE

This Bill reintroduces the previously vetoed bill on the Office of the Government Corporate Counsel (OGCC), subject to certain revisions to address the Veto Message dated 22 July 2022 of His Excellency President Ferdinand R. Marcos, Jr.

Even as the President may have vetoed the OGCC bill passed during the Eighteenth Congress, he particularly recognizes the need to strengthen the OGCC given the growth in the number of government corporations in the recent years coupled with the complexity of their requirements brought on by current business conditions. The additional complement of lawyers and the upgrading of existing positions in the OGCC are necessary to strengthen its organizational structure, improve the service that it provides, and accord its men and women the privileges and benefits presently enjoyed by their counterparts in the Judiciary and the Justice Sector which includes the National Prosecution Service (NPS), the Public Attorney's Office (PAO), and the Office of the Solicitor General (OSG).

Government corporations have a crucial role in the country's economic development. They annually contribute tens of billions to the nation's coffers (approximately PhP375 Billion in 2022), and are the indispensable partners of the National Government in nation building, particularly in the pursuit of government projects, programs, and initiatives. Notably, the number of government corporations has greatly increased to seven hundred thirty two (732) to date.

The OGCC's vital role in nation building is evident in its stalwart legal support to its client corporations. The assistance it renders is based on institutional knowledge and specialization, given the vast experience and collective wisdom which it has achieved in almost a century of public service which began in 1935.

However, the evolution and broadening of the scope of activities of government corporations have resulted in an increase in the volume, complexity, and importance of the work of the OGCC. Thus, it is necessary to strengthen the OGCC's current complement to maintain its effectiveness in

addressing the legal needs of its clients, particularly corporations which do not have internal legal departments.

The proposed legislative measure shall strengthen the applicable laws and issuances on the organizational structure of the OGCC, to create new positions in its hierarchy and augment the OGCC's present complement with an additional thirty-six (36) lawyer positions, thus:

Position	Current number of positions	Proposed number of positions
Assistant Government Corporate Counsel	10	12
Government Corporate Attorney IV	10	12
Government Corporate Attorney III	14	14
Government Corporate Attorney II	17	17
Government Corporate Attorney I	4	12
Associate Government Corporate Attorney II	0	12
Associate Government Corporate Attorney I	0	12
Total number of lawyers	55	91

The upgrading of the rank, salary grades, privileges, and benefits of the OGCC lawyers is designed to keep them at par with the ranks, salary grades, privileges, and benefits of counterpart positions in the Department of Justice and its attached agencies, particularly those in the NPS, the PAO, and the OSG, thus:

LAWYER POSITIONS IN THE DEPARTMENT OF JUSTICE					
Required number of years in the practice of law	Present OGCC Position and Salary Grade	Proposed OGCC Position and Salary Grade	OSG Position and Salary Grade	NPS Position and Salary Grade	PAO Position and Salary Grade
	Executive Order No. 878, as amended	(Proposed Act)	Republic Act 9417 (2007)	Republic Act 10071 (2010)	Republic Act 9406 (2007)
15	Assistant Government Corporate Counsel	Assistant Government Corporate Counsel	Assistant Solicitor General	Prosecutor V (Senior Deputy State, Regional, Provincial or City	Deputy Chief Public Attorney (same salary and privileges

	(SG 29) <i>Present</i> Regional Trial Court Judge level	(SG 30) <i>Proposed</i> Associate Justice of the Court of Appeals level	(SG 30) Associate Justice of the Court of Appeals level	Prosecutor) (SG 30) Associate Justice of the Court of Appeals level	as the counterp art position in the NPS)
10	Governme nt Corporate Attorney IV (SG 28) <i>Present</i> Metropolit an Trial Court Judge level	Governm ent Corporate Attorney IV (SG 29) <i>Proposed</i> Regional Trial Court Judge level	Senior State Solicitor General (SG 29) Regional Trial Court Judge level	Prosecutor IV (Deputy State, Regional, Provincial, or City Prosecutor) (SG 29) Regional Trial Court Judge	Public Attorney V (same salary and privileges as the counterp art position in the NPS)
5	Governme nt Corporate Attorney III (SG 27)	Governm ent Corporate Attorney III (SG 28)	State Solicitor II (SG 28)	Prosecutor III (Senior Assistant State, Regional, Provincial or City Prosecutor) (SG 28)	Public Attorney IV (same salary and privileges as the countarpa rt position in the NPS)

	<i>Present</i>	<i>Proposed</i> Metropolit an Trial Court Judge level	Metropolit an Trial Court Judge level	Metropolit an Trial Court Judge level	
4	Government Corporate Attorney II (SG 26) <i>Present</i>	Government Corporate Attorney II (SG 27) <i>Proposed</i>	State Solicitor I (SG 27) Municipal Trial Court Judge in Cities level	Prosecutor II Assistant State, Regional, Provincial or City Prosecutor s (SG 27) Municipal Trial Court Judge in Cities level	Public Attorney III (same salary and privileges as the counterp art position in the NPS)
3	Government Corporate Attorney I (SG 25) <i>Present</i>	Government Corporate Attorney I (SG 26) <i>Proposed</i>	Associate Solicitor III (SG 26)	Prosecutor I Associate Provincial or City Prosecutor s (SG 26)	Public Attorney II (same salary and privileges as the counterp art position in the NPS)
2	No position	Associate Government Corporate Attorney II	Associate Solicitor II		Public Attorney I (same salary and privileges as the

		(SG 25) <i>Proposed</i>	(SG 25)		counterpart position in the NPS)
o	No position	Associate Government Corporate Attorney I (SG 23) <i>Proposed</i>	Associate Solicitor I (SG 24)		Associate Public Attorney II (same salary and privileges as the counterpart position in the NPS)

The budget necessary to implement this proposed legislative measure, if passed into law, would have minimal to nil impact on the National Budget, but is expected to have maximum yield.

It is worthy to note that, to date, the Department of Budget and Management (DBM) allowed the OGCC a total number of eighteen (18) coterminous lawyer positions (referred to as BBM and PPP lawyers) in recognition of the need to augment its present complement. In this regard, the intended creation of additional *plantilla* positions would be far more expedient. There would be minimal budgetary requirements in view of the OGCC's present structure which already incorporates the expenses for 18 coterminous lawyer positions.

The required budget would improve the efficiency and morale of the OGCC, effectively result in significant savings for the government, and minimize deputization and the engagement by client corporations of external counsel. The OGCC is expected to supervise the legal departments of its client government corporations, assist its growing number of client corporations without legal departments, perform necessary corporate tasks, and handle more cases and concerns of its clients which, due to the lack of adequate personnel, would previously require the engagement of external counsel.

It is significant to note that the OGCC's organizational structure and the number of its personnel have remained unchanged since the 1980's, or for approximately four decades. Notably, the strengthening of its counterpart agencies, specifically the PAO, OSG, and NPS, had been approved in the years

2007 and 2010 and implemented through Republic Act (R.A.) 9406 (2007), R.A. 9417 (2007), and R.A. 10071 (2010), respectively.

Given its growing number of clients and insufficient number of lawyers, the OGCC was constrained to confirm and ratify its client corporations' requests for the engagement of external counsel, for additional manpower and to ensure that its clients' cases were properly handled. The need to undertake dispute resolution such as compulsory arbitration, enhance legal risk management, and improve remedial structures has exponentially grown, to include actions filed in international fora which require expeditious and diligent attention. The rigors of arbitration, whether domestic or international, in this decade alone required additional manpower particularly given the financial impact of such arbitration cases and the magnitude of their effect on public welfare.

The OGCC's workforce should, therefore, be augmented to sufficiently address the developing requirements and legal concerns of the government corporate sector.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read 'Angelo Marcos Barba', with a large, stylized initial 'A'.

ANGELO MARCOS BARBA

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TWENTIETH CONGRESS
First Regular Session

House Bill No. **1714**

Introduced by **Rep. ANGELO MARCOS BARBA**
2nd District, Ilocos Norte

AN ACT
UPGRADING AND CREATING ADDITIONAL POSITIONS IN
THE OFFICE OF THE GOVERNMENT CORPORATE COUNSEL
(OGCC), AMENDING FOR THE PURPOSE EXECUTIVE ORDER NO.
878 DATED MARCH 4, 1983, AS AMENDED BY EXECUTIVE
ORDER NO. 299 DATED JULY 26, 1987

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

Section 1. Section 1 of Executive Order (EO) No. 878, as amended by EO No. 299, is hereby further amended, as follows:

SECTION 1. The Office of the Government Corporate Counsel (OGCC) shall be headed by the Government Corporate Counsel whose rank, SALARY, RETIREMENT AND PENSION BENEFITS, RIGHTS, emoluments and privileges, shall be the same as those of the Presiding Justice of the Court of Appeals. He shall be assisted by a Deputy Government Corporate Counsel whose rank, SALARY, RETIREMENT AND PENSION BENEFITS, RIGHTS, emoluments, and privileges shall be the same as those of an Associate Justice of the Court of Appeals, and ~~{ten (10)}~~ TWELVE (12) Assistant Government Corporate Counsels WITH THE rank, SALARY, RETIREMENT AND PENSION BENEFITS, RIGHTS, emoluments, and privileges ~~shall be the same as those of [Regional Trial Judge of the Regional Trial Courts]~~ AN ASSOCIATE JUSTICE OF THE COURT OF APPEALS. THE SALARY GRADE CORRESPONDING TO THE POSITION OF THE DEPUTY GOVERNMENT CORPORATE COUNSEL SHALL BE FOUR (4) STEPS ABOVE THE SALARY GRADE CORRESPONDING TO THE POSITION OF AN ASSISTANT GOVERNMENT CORPORATE COUNSEL.

~~{The Government Corporate Counsel, Deputy Government Corporate Counsel, and Assistant Government Corporate Counsels must be officers learned in law, of recognized competence, with experience in the practice of law~~

~~for at least ten (10) years, and at least thirty-five (35) years of age.}~~

NO PERSON SHALL BE APPOINTED GOVERNMENT CORPORATE COUNSEL, DEPUTY GOVERNMENT CORPORATE COUNSEL, OR ASSISTANT GOVERNMENT CORPORATE COUNSEL UNLESS HE OR SHE IS A NATURAL-BORN CITIZEN OF THE PHILIPPINES AND HAS BEEN ENGAGED IN THE PRACTICE OF LAW IN THE PHILIPPINES FOR AT LEAST FIFTEEN (15) YEARS.

The incumbent Government Corporate Counsel, Deputy Government Corporate Counsel, and Assistant Government Corporate Counsels shall be entitled to the RANK, SALARY, RETIREMENT AND PENSION BENEFITS, rights, emoluments and privileges vested upon them BY THIS ACT as of the time of their appointments, AND without need of further appointments.

Sec. 2. Section 4 of EO No. 878, as amended by EO No. 299, is hereby further amended, as follows:

Section 4. The number, rank, qualifications for appointment, emoluments and privileges of the other members of the legal staff of OGCC shall be as follows:

~~{(a) A first bracket of ten (10) State Corporate Attorneys who shall have the rank, qualifications for appointment, emoluments and privileges of Metropolitan Trial Judges;}~~

A. TWELVE (12) GOVERNMENT CORPORATE ATTORNEY IV (GCA IV) POSITIONS. A GCA IV SHALL HAVE THE RANK, SALARY, RETIREMENT AND PENSION BENEFITS, RIGHTS, EMOLUMENTS, AND PRIVILEGES OF A JUDGE OF A REGIONAL TRIAL COURT. NO PERSON SHALL BE APPOINTED AS GCA IV UNLESS HE OR SHE IS A NATURAL-BORN CITIZEN OF THE PHILIPPINES AND HAS BEEN ENGAGED IN THE PRACTICE OF LAW IN THE PHILIPPINES FOR AT LEAST TEN (10) YEARS;

~~{(b) A second bracket of seven (7) State Corporate Attorneys whose annual compensation shall be as provided in Presidential Decree No. 1726 and who must be members of the Philippine Bar and have at least three (3) years experience in the practice of law;}~~

B. FOURTEEN (14) GOVERNMENT CORPORATE ATTORNEY III (GCA III) POSITIONS. A GCA III SHALL HAVE THE RANK, SALARY, RETIREMENT AND PENSION BENEFITS, RIGHTS, EMOLUMENTS, AND PRIVILEGES OF A JUDGE OF A METROPOLITAN TRIAL COURT. NO PERSON SHALL BE APPOINTED GCA III UNLESS HE OR SHE IS A NATURAL-BORN CITIZEN OF THE PHILIPPINES AND HAS BEEN ENGAGED IN THE PRACTICE OF LAW IN THE PHILIPPINES FOR AT LEAST FIVE (5) YEARS;

~~{{(e) A third and a fourth bracket of seven (7) State Corporate Attorneys each whose annual compensation shall be as provided in Presidential Decree No. 1726 and who must be members of the Philippine Bar and have at least two (2) years experience in the practice of law;}}~~

C. SEVENTEEN (17) GOVERNMENT CORPORATE ATTORNEY II (GCA II) POSITIONS. A GCA II SHALL BE A NATURAL-BORN CITIZEN OF THE PHILIPPINES AND HAS BEEN ENGAGED IN THE PRACTICE OF LAW IN THE PHILIPPINES FOR AT LEAST FOUR (4) YEARS;

~~{{(d) Ten (10) Trial Attorneys whose annual compensation each shall be as provided in Presidential Decree No. 1726 and who must be members of the Philippine Bar and have at least one (1) year experience in the practice of law;}}~~

D. TWELVE (12) GOVERNMENT CORPORATE ATTORNEY I (GCA I) POSITIONS. A GCA I SHALL BE A NATURAL-BORN CITIZEN OF THE PHILIPPINES AND HAS BEEN ENGAGED IN THE PRACTICE OF LAW IN THE PHILIPPINES FOR AT LEAST THREE (3) YEARS;

~~{{(e) A Senior Research Attorney and five (5) Research Attorneys whose annual compensation shall be as provided in Presidential Decree No. 1726 and who must be members of the Philippine Bar.}}~~

E. TWELVE (12) ASSOCIATE GOVERNMENT CORPORATE ATTORNEY II (AGCA II) POSITIONS. AN AGCA II SHALL BE A NATURAL-BORN CITIZEN OF THE PHILIPPINES AND HAS BEEN ENGAGED IN THE PRACTICE OF LAW IN THE PHILIPPINES FOR AT LEAST TWO (2) YEARS; AND

F. TWELVE (12) ASSOCIATE GOVERNMENT CORPORATE ATTORNEY I (AGCA I) POSITIONS. AN AGCA I SHALL BE NATURAL-BORN CITIZEN OF THE PHILIPPINES AND A MEMBER OF THE PHILIPPINE BAR.

~~[The number and salaries/compensation of the members of the Administrative and support staff of the OGCC shall be those indicated in the Staffing Pattern and salary schedule attached hereto as Annex "A".]~~

THE INCUMBENT MEMBERS OF THE LEGAL STAFF SHALL BE ENTITLED TO THE RIGHTS, SALARY, BENEFITS AND PRIVILEGES VESTED UPON THEM BY THIS ACT AS OF THE TIME OF THEIR APPOINTMENT WITHOUT NEED OF FURTHER APPOINTMENT.

Sec. 3. Section 5 of EO No. 878, as amended by EO No. 299, is hereby further amended, as follows:

~~[SEC. 5. The Government Corporate Counsel is hereby authorized to reorganize his legal and administrative/support staff within three months in such manner as he may deem proper to promote the efficiency of the service. Any member of the staff not otherwise selected/appointed by the Government Corporate Counsel as a result of the reorganization herein authorized, or who refuses such appointment, shall be paid the money value of his accumulated vacation and sick leave, and such retirement gratuity as may be due him under existing retirement laws. Anyone not appointed who does not qualify under any existing retirement law may be paid one month salary for every year of service, payable in lump sum, from out of the salary lapses in the Office of the Government Corporate Counsel.]~~

SECTION 5. ORGANIZATIONAL STRUCTURE. -THE GOVERNMENT CORPORATE COUNSEL HAS THE AUTHORITY TO DISCHARGE THE DUTIES AND FUNCTIONS OF THE OGCC, AND SHALL HAVE CONTROL AND SUPERVISION OVER THE OGCC AND ITS CONSTITUENT UNITS. THE GOVERNMENT CORPORATE COUNSEL SHALL PROMULGATE THE NECESSARY RULES AND REGULATIONS FOR THE IMPLEMENTATION OF THE PROVISIONS OF THIS ACT. UNLESS OTHERWISE DETERMINED BY THE GOVERNMENT CORPORATE COUNSEL, THE LEGAL STAFF SHALL BE DIVIDED INTO TEAMS, EACH TO BE HEADED BY AN AGCC.

THE OGCC SHALL BE SUPPORTED BY SUCH NUMBER OF NON-LEGAL PERSONNEL NECESSARY AND COMMENSURATE TO THE OGCC'S WORK REQUIREMENTS, AS RECOMMENDED BY THE OGCC AND APPROVED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT. NON-LEGAL PERSONNEL SHALL HAVE THE SAME SALARIES AND BENEFITS AS THOSE OF THEIR COUNTERPARTS IN THE OFFICE OF THE SOLICITOR GENERAL.

THE ADMINISTRATIVE STRUCTURE OF THE OGCC SHALL BE COMPOSED OF ITS SECRETARIAL AND LEGAL SUPPORT SERVICE; TRAINING, RESEARCH, AND PUBLICATION SERVICE; FINANCE AND ACCOUNTING SERVICE; HUMAN RESOURCE AND MANAGEMENT SERVICE; CASE AND RECORDS MANAGEMENT SERVICE; LIBRARY MANAGEMENT AND INFORMATION TECHNOLOGY SERVICE; CORPORATE PLANNING SERVICE; AND PROPERTY AND SUPPLY SERVICE. 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, EMOLUMENTS, AND PRIVILEGES WITHOUT NECESSITY OF NEW APPOINTMENTS.

Sec. 4. Section 7 of EO No. 878, as amended by EO No. 299, is hereby further amended as follows:

SECTION 7. [~~In addition to the appropriation for the Office of the Government Corporate Counsel, the savings of the said office, if any, may be used to carry out this Executive Order.~~] APPROPRIATIONS. - THE AMOUNT NEEDED TO IMPLEMENT THE UPGRADING OF POSITIONS AND SALARIES, OFFICE RIGHT-SIZING, PHYSICAL EXPANSION, AND PAYMENT OF RETIREMENT BENEFITS, PENSION, PRIVILEGES, AND OTHER EMOLUMENTS PROVIDED IN THIS ACT SHALL BE TAKEN FROM THE FUNDS AND BUDGET OF THE OGCC UNDER THE ANNUAL GENERAL APPROPRIATIONS ACT.

Sec. 5. Repealing Clause. – All laws, presidential decrees, executive orders, presidential proclamations, issuances, rules and regulations, or parts thereof that are inconsistent with the provisions of this Act are hereby repealed and/or modified accordingly.

Sec. 6. Effectivity. – This Act shall take effect after fifteen (15) days following its complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,