

Title: Rep. Edcel C. Lagman, et al. vs. Executive Secretary Paquito N. Ochoa, Jr., et al.

Facts:

The consolidated petitions G.R. No. 197422 and G.R. No. 197950 challenge the constitutionality of Republic Act No. 10149, or the GOCC Governance Act of 2011. The case traces its roots to public outrages over reported excesses and inefficiencies in government-owned or controlled corporations (GOCCs) resulting in substantial financial losses. In response, Congress enacted R.A. 10149 to optimize GOCC operations in line with national development goals, establishing the Governance Commission for GOCCs (GCG).

Petitioner Rep. Edcel C. Lagman, in G.R. No. 197422, filed his petition on July 15, 2011, invoking the Court's original jurisdiction and challenging the statute's constitutionality for violating security of tenure, undue delegation of legislative powers, encroachment on the Civil Service Commission's jurisdiction, and contravening the equal protection clause. Petitioner Prospero A. Pichay, Jr., former chairperson of the Local Water Utilities Administration, similarly challenged the law in G.R. No. 197950 filed on August 22, 2011.

Respondents, including the Executive Secretary, the Department of Budget and Management Secretary, and the GCG, argued that the petitions failed to demonstrate an actual case that calls for the exercise of judicial review, asserting the law's constitutionality.

On February 7, 2012, the cases were consolidated, and the parties submitted their respective memoranda. This case examines the specific arguments related to the shortening of terms of GOCC directors and officials and the new powers granted to the GCG, which petitioners allege unduly delegate legislative powers and infringes on the constitutional functions of the Civil Service Commission.

Issues:

1. Whether the petitions raise justiciable issues that call for the Court's power of judicial review.
2. Whether the filing of the petitions directly with the Supreme Court violates the rule on hierarchy of courts.
3. Whether R.A. No. 10149 amounts to an undue delegation of legislative power in view of the principal functions vested in the GCG.
4. Whether R.A. No. 10149 violates the security of tenure of officials, trustees, and directors of GOCCs.
5. Whether the GCG duplicates and supplants the constitutional authority and jurisdiction of

the Civil Service Commission.

6. Whether R.A. No. 10149 violates the equal protection clause.

7. Whether the repeal by R.A. No. 10149 of the individual charters of the affected GOCCs is valid.

Court's Decision:

The Court dismissed the petitions and upheld the constitutionality of R.A. No. 10149. The Court concluded that the enactment of the law and the shortening of the terms of GOCC directors or trustees are valid legislative actions. It found no undue delegation of legislative powers, as the GCG was only empowered to ascertain particular facts necessary to enforce the law based on sufficient standards outlined by Congress. The law sufficiently provided guidelines and limits on the GCG's authority. Furthermore, it did not violate security of tenure since shortening terms and reorganization are within Congress's legislative prerogatives. Additionally, the GCG's functions do not infringe on the Civil Service Commission's jurisdiction, as the GCG merely complements its work without usurpation.

Doctrine:

Congress can legislate changes to aspects of public offices created by legislative enactment, particularly when it does so in good faith and for sound public policy. The creation, reorganization, or abolition of public offices is within the legislative domain, subject to constitutional limitations such as observance of security of tenure.

Class Notes:

- Legislative power is fundamentally vested in Congress and cannot be delegated except for contingent legislation or subordinate legislation under sufficient standards.
- An actual case or controversy is required for the exercise of judicial review.
- The rule on hierarchy of courts is not an iron-clad rule and direct resort to the Supreme Court may be allowed under exceptional and compelling circumstances.
- Security of tenure guarantees that civil service employees cannot be removed or suspended except for cause provided by law and does not protect against the valid legislative act of abolishing or modifying an office.
- Delegation of legislative power must satisfy two tests: the law must be complete in itself, setting forth the policy to be executed, and must fix a standard that provides adequate guidelines to map out the delegate's authority.

Historical Background:

R.A. No. 10149 was enacted against a backdrop of perceived mismanagement and financial

irresponsibility within GOCCs. Following public clamor, the legislative and executive branches sought to reform the administration of GOCCs to enhance transparency, efficiency, and responsiveness to the public interest. The creation of the GCG manifested the government's intent to centralize oversight and policy coordination of GOCCs to mitigate systemic issues that contributed to governance inefficiencies and compromises in accountability.