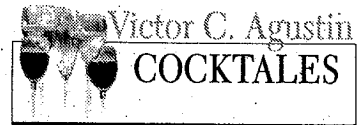


BUSINESS

PCGG empire builder bypasses De Lima



THE government's 35-percent stake in the asset-rich Philcomsat Group has been pulled out from a scheduled privatization and returned to the Presidential Commission on Good Government, with no less than PCGG Chairman **Andres Bautista** expressing his desire to put in his own nominees in the Philcomsat board.

Sequestered shares represent just 7.9 percent of Philcomsat, not even enough for one board seat.

"We hope that the current management will assist us in expediting the election of the new government representatives to the corporations during the next board or shareholders' meetings which we understand will be held not later than September 2011," Bautista wrote the Philcomsat Group.

(Disclosure: Cocktales is related by affinity to the Ilusorio bloc of the Philcomsat Group.)

According to the grapevine, Bautista was impressed by the size and the appointments, not to mention the perks, of the Philcomsat offices in Makati during a recent visit that he then and there told two Philcomsat officers he wanted to have himself elected to the board.

The new PCGG tact was contrary to the Nov. 4, 2010 memo of Justice Secretary **Leila de Lima** to Bautista, reminding him that the government shareholdings had been transferred to the Privatization Management Office of the Finance Department as early as 2007. The department is looking at the Philcomsat assets for possible privatization.

Rather than report back to De Lima who has supervision over the PCGG, Bautista managed to secure Executive Order 42 dated May 9, 2011 from President **Benigno Aquino III** authorizing the PCGG chairman, in consultation with Executive Secretary **Paquito Ochoa Jr.**, to replace any holdover

government nominee-directors "with up to two members of the PCGG" in 50 companies.

Incidentally, Bautista furnished copies of his July 18 "I wish" letter to the Philcomsat Group to Ochoa, Finance Secretary Cesar Purisima, PMO chief **Grace Singson**, but not to De Lima.

Hmmmm...