

## RECORD OF THE SENATE

MONDAY, SEPTEMBER 6, 1999

### OPENING OF THE SESSION

*At 3:34 p.m., the Senate President Pro Tempore, Hon. John H. Osmeña, called the session to order.*

**The President Pro Tempore.** The 18th session of the Second Regular Session of the Eleventh Congress is hereby called to order.

Let us all stand for the opening prayer to be led by Sen. Vicente C. Sotto III.

After the prayer, the Senate Choir will lead us in the singing of the national anthem. The Choir will also render another song, entitled *Pilipinas*.

*Everybody rose for the prayer.*

### PRAYER

**Senator Sotto.** As we close our eyes and bow our heads before our Lord God, let us recollect, with childlike trust, His promise that "whenever two or three are gathered together in His name, there He is in the midst of them."

Almighty Father, as we gather today in behalf of Your people, be upon our minds, our lips, and our hearts that we may reflect You in our thoughts, in our words, and in our actions today. Your gentle assurance that we only have "to ask, and we shall receive" gives us the courage to claim Your promise as we lift up to You all our needs, our cares, and our concerns.

As we face the different issues confronting our country at present, guide us, dear Lord, in every decision we will make and that with Your grace, accomplish the difficult tasks we need to perform.

All these we ask in Jesus' name through the intercession of our Blessed Mother.

Amen.

### NATIONAL ANTHEM

*Everybody remained standing for the singing of the national anthem.*

### ROLL CALL

**The President Pro Tempore.** The Secretary will please call the roll.

### The Secretary, reading:

|                                         |          |
|-----------------------------------------|----------|
| Senator Teresa Aquino-Oreta .....       | Present  |
| Senator Robert Z. Barbers .....         | Present  |
| Senator Rodolfo G. Biazon .....         | Present  |
| Senator Renato L. Compañero Cayetano .. | Present  |
| Senator Anna Dominique M.L. Coseteng .. | Present  |
| Senator Franklin M. Drilon .....        | Present  |
| Senator Juan Ponce Enrile .....         | Present  |
| Senator Juan M. Flavier .....           | *        |
| Senator Teofisto T. Guingona Jr. ....   | Present  |
| Senator Gregorio B. Honasan .....       | Present  |
| Senator Robert S. Jaworski .....        | Present  |
| Senator Loren B. Legarda-Leviste .....  | Present  |
| Senator Ramon B. Magsaysay Jr. ....     | Present  |
| Senator John Henry R. Osmeña .....      | Present  |
| Senator Sergio R. Osmeña III .....      | Present  |
| Senator Aquilino Q. Pimentel Jr. ....   | *        |
| Senator Ramon B. Revilla .....          | Absent** |
| Senator Raul S. Roco .....              | Present  |
| Senator Miriam Defensor Santiago .....  | Present  |
| Senator Vicente C. Sotto III .....      | Present  |
| Senator Francisco S. Tatad .....        | Present  |
| The President .....                     | *        |

**The President Pro Tempore.** With 18 senators present, there is a quorum.

The Majority Leader is recognized.

**Senator Drilon.** Mr. President, before I move for the approval of the *Journal* of the previous session, I would like to inquire from the Secretariat why the amendments which were manifested to be read into the *Record* as far as Senate Bill No. 1620 under Committee Report No. 60 is concerned are not reflected in the *Journal*.

It will be recalled, Mr. President, that during the previous session, it was the agreement that the proposed amendments to the TRANSCO bill which were submitted in writing should be considered as read into the *Record* of the Chamber. The *Journal* that we have at hand does not contain that manifestation.

May we know from the Secretary, Mr. President, the reason for this and may we ask the President to allow the Secretary to reply?

**The President Pro Tempore.** The Secretary will reply to the query of the Majority Leader.

\* On official mission

\*\* On account of illness

to Republic Act No. 6734, otherwise known as the Organic Act for the Autonomous Region in Muslim Mindanao.

SEC. 2. The term of office of the regional governor, regional vice governor and members of the regional legislative assembly shall begin at noon of the Thirtieth of September next following their election and shall end at noon of the Thirtieth of September three (3) years thereafter.

SEC. 3. All incumbent elected officials of the autonomous region shall hold office until September 30, 1999 pursuant to Republic Act No. 8746: *Provided*, That the incumbent regional governor, vice governor and the members of the regional legislative assembly shall continue in office in a holdover capacity until their successors shall have been duly elected and qualified: *Provided, further*, That while acting in a holdover capacity, the regional governor and vice governor shall not make appointments, including promotions, transfers and/or assignments of personnel and shall be subject to all the restrictions and/or prohibitions mandated by Section 261 of the Omnibus Election Code more particularly, but not limited to, paragraphs (k), (m), (o), (r), (u), (v), and (x); paragraph (g) which shall apply as to period but shall not otherwise apply to the appointments of teachers and health workers; and paragraphs (h) and (w) which shall apply during the election periods of the plebiscite and election.

SEC. 4. Certificates of candidacy filed with the Commission on Election in accordance with Republic Act No. 8746 shall cease to be valid and effective/ Candidates who were considered *ipso facto* resigned from their public office by virtue of the filing of their certificates of candidacy are hereby reinstated.

SEC. 5. If any provision of this Act is held unconstitutional, other provisions not affected thereby shall remain valid and binding.

SEC. 6. All laws, decrees, rules and regulations, and all other issuances or parts thereof, which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 7. This Act shall take effect upon approval by the President.

Approved,

**Senator Roco.** Thank you, Mr. President. I also thank the Majority Leader.

**The President Pro Tempore.** The Majority Leader is recognized.

**BILL ON SECOND READING**  
**S. No. 1271--Professional Regulation**  
**Commission Act**  
*(Continuation)*

**Senator Drilon.** Mr. President, I move that we resume consideration of Senate Bill No. 1271 as reported out under Committee Report No. 25.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 1271 is now in order.

**Senator Drilon.** This is the Act further amending PD No. 223, as amended, entitled: "Creating the Professional Regulation Commission and Prescribing Its Powers and Other Purposes."

For that purpose, may I ask the Chair to recognize Sen. Anna Dominique M. L. Coseteng, the principal sponsor. We are in the period of interpellations.

**The President Pro Tempore.** Senator Coseteng is recognized.

**Senator Coseteng.** Thank you, Mr. President.

This is just a brief backgrounder since we started deliberations on March 1 of this year concerning the PRC reorganization bill, also known as Committee Report No. 25 and Senate Bill No. 1271. On that date, our Majority Leader, Senator Drilon, also delivered his cosponsorship speech. After the two sponsorship speeches were given, there were several questions that were answered, questions coming from Senator Guingona, the Minority Leader, as well as from Senator Cayetano.

At the outset, I would like to state that the contentious issue in this bill is the issue of continuing professional education. At that time, I had precisely manifested the fact that we found it very unfair and quite absurd that professionals needed to renew their licenses every three years and only upon completion of the continuing professional education by way of attending seminars, conventions, conferences and other such activities.

At the outset, I would like to also state that this controversy was resolved by way of the action of the Chair of the Committee on Civil Service and Government Reorganization to delete Executive Order No. 266, which is the basis of the CPE as a

mandatory requirement for the renewal of a professional's license. So this repealing clause would now be an amendment to be introduced during the period of amendments.

I would also like to make a manifestation of the fact that Senator Enrile had informed the Chair of this particular problem as well which he felt was best if it were deleted.

**Senator Drilon.** Mr. President, with that manifestation, may I now ask the Chair to recognize Sen. Miriam Defensor Santiago who wishes to raise questions to the sponsor.

**The President Pro Tempore.** Sen. Miriam Defensor Santiago is recognized.

**Senator Santiago.** Thank you, Mr. President. May I please inquire from Senator Coseteng if she is willing to yield the floor to me so that I can raise clarificatory questions in support of this bill?

**Senator Coseteng.** Yes, gladly, Mr. President.

**Senator Santiago.** I shall go through the bill in chronological order as printed. I am going to discuss first Section 3. My question is: Should the nomenclature of the positions of the members of the Commission not be changed from "Commissioner" to "Chairman" and from "Associate Commissioners" to "Commissioners" to be consistent with the nomenclature of positions of members of commissions envisioned as collegial bodies such as the constitutional commissions and the Commission on Higher Education among others?

**Senator Coseteng.** I agree, Mr. President.

**Senator Santiago.** Then I shall raise this point at the amendments' stage with the lady senator's welcome support.

My next question is still on this provision. This provision provides for a term of office of nine years. Is it not too long? Would seven years not be more appropriate considering that the terms of office of members of other constitutional commissions are limited only to seven years?

**Senator Coseteng.** at is a very good suggestion, Mr. President.

**Senator Santiago.** Thank you. I take that as an affirmative attitude and I will then propose the proper amendment at the proper time.

Still on this provision. Is there not a need to make explicit who will temporarily succeed the chairperson in case his term

expires so that we could prevent a hiatus in the leadership of the Commission?

**Senator Coseteng.** It is envisioned that the most senior of the associate commissioners assume the chairmanship.

**Senator Santiago.** The most senior. And should we not make this a part of the bill just to avoid confusion or dispute when the proper occasion arises in the future?

**Senator Coseteng.** Yes, that is duly noted and I agree with our colleague.

**Senator Santiago.** Thank you. One last question on this point. We will have to refer initially to Presidential Decree No. 223, also known as the Act creating the PRC. That Act was dated 22 June 1973 and it provides for a commissioner, two associate commissioners, a term of nine years without reappointment to start from the time they assume office. My question is: Will this provision under the existing old law still be applicable to the incumbent chair and the two associate commissioners?

**Senator Coseteng.** Yes, Mr. President.

**Senator Santiago.** What will happen if any of these three personages reached compulsory retirement age but their term of office had not yet ended?

**Senator Coseteng.** I believe that this provision refers to a fixed term. So in that situation, it is the fixed term that would prevail.

**Senator Santiago.** So they would be serving beyond the compulsory retirement age if they have not yet reached the nine-year term of office? I just want to put it on record.

**Senator Coseteng.** Yes, Mr. President.

**Senator Santiago.** Thank you.

My second question is: Letter of Instruction No. 993, dated 19 February 1980 authorized the transfer of the Philippine Contractor's Licensing Board including its budget as well as all funds generated by its activities from the Professional Regulation Commission to the Department of Trade and Industry. This LOI stated that existing regulations governing professions are no longer adequate for effectively supervising and regulating much less fostering the growth of construction contracting.

My first question is: Under this bill, is the Philippine Contractor's Licensing Board still under the control of the Department of Trade and Industry or are we transferring it to the Professional Regulation Commission?

**Senator Coseteng.** It is no longer with the PRC, Mr. President. It is with the Department of Trade and Industry (DTI).

**Senator Santiago.** I will raise a point about that. But the immediate follow-up question is: Are there any other professional regulatory boards not under the control and supervision of the PRC, like the Philippine Contractor's Licensing Board?

**Senator Coseteng.** Mr. President, the lawyers are not under the PRC.

**Senator Santiago.** Apart from the lawyers and apart from the contractors, are there any other sectors in the professional community who will not be covered by this bill?

**Senator Coseteng.** Real estate brokers, Mr. President, as well as computer technologists. Several others are not yet under the PRC and many others are still pending. Different bills are still pending before the committee which we will be taking up after this Committee Report No. 25 would have been passed so that all the provisions in the respective bills will now fall under the same parameters.

**Senator Santiago.** Then my apprehensions are set at rest with that explanation because otherwise I was going to raise the point: Is the situation not anomalous since how can these boards effectively maintain a high standard of admission to the practice of those excluded professions and ensure and safeguard the integrity of licensure examinations if they are exempted from the regulatory powers of the PRC?

**Senator Coseteng.** All the boards were created by law. So normally it is the individual professional organization that seeks this recognition from Congress through a law, Mr. President.

**Senator Santiago.** That is correct. But is it not time that the Congress, particularly the Senate, adopted a homogenous national policy on the regulation of the various professions? If there is only going to be one body, should we not all place the professions under the PRC at this time now? Or if we are determined that there are justifiable reasons for excluding certain professional sectors, then should we not be clear on what the criteria are for including some and excluding others?

**Senator Coseteng.** That is correct, Mr. President. As a matter of fact, we have come across what we call several gray areas. For example, the case of the landscape architects and many others whose bills are still pending; for example, we have a problem with the hairdressers because they would like to be professionalized and yet the schools or the institutions do not have a common curriculum for all of them; for example, the case

of the real estate brokers, it is the same problem that we face.

When we spoke to some of the real estate brokers who also wanted their sector to be professionalized and to fall under the PRC, the individual brokerage houses or individual organizations conduct their own seminars and training programs.

So there is really no set standard. So that when the government licensure examinations are given to these particular persons, for example, then we would not be able to determine what kind of questions to ask, because to begin with, there was really no standard adopted in any of the learning institutions thus far.

So I asked them to work it out with some colleges that are willing to offer such courses so that this will standardize, in effect, the curriculum.

For example, in the case of the customs administration, the passing average is only 10 percent. So we can just imagine the quality of schools, or maybe the preparation that goes into this particular course is not even adequate to meet the criteria or the standard that has been set by the PRC in the formulation of these examinations, Mr. President.

**Senator Santiago.** Nonetheless, please allow me to give advance notice that I believe it would clarify the situation if the bill provided the criteria for inclusion and exclusion as well of certain professions. That way, it will be the Congress rather than certain lobby groups that will determine the jurisdiction of the PRC which I believe is more congruent with our legislative function. So I shall consider this point and place it under advisement.

**Senator Coseteng.** If I may be allowed to seek the advice of the lady senator, perhaps we can incorporate some of these recommendations during the period of amendments. For now, it is only the constitutional provision that is being used to determine which of these professions would fall under the PRC. The General Welfare Clause is what is being followed for now. So we would welcome whatever recommendations our colleague will have, Mr. President.

**Senator Santiago.** Thank you, Mr. President.

Please allow me to proceed to page 2. I will refer to lines 13 to 21.

**Senator Coseteng.** Yes, Mr. President. Page 2, Section...

**Senator Santiago.** Page 2, lines 13 to 21, enumerates the duties of the Chair as Presiding and Chief Executive Officer of the Commission. My question is: Is this list conclusive? Does it admit no other possible functions and duties for the Chair as

Presiding Officer and Chief Executive? Or does the sponsor want to add a catchall phrase?

**Senator Coseteng.** What would be the recommendation of the lady senator? So far, these seem to be the powers and functions of the Chairman. But would there be any recommendations, Mr. President?

**Senator Santiago.** Yes, Mr. President. I will bring that up during the period of amendments.

My next question will deal with page 7 of the bill. I seem to get the impression that page 7 contradicts page 14. Please allow me to explain.

I am referring particularly to page 7, paragraph (j), lines 17 to 25. This states that one of the powers of the Commission is: "(j) Upon recommendation of the PROFESSIONAL REGULATORY Board concerned, TO approve the registration of and authorize the issuance of a certificate of registration AND LICENSE with or without examination to a foreigner, who is registered under the laws of his country." My understanding is, this paragraph provides that it is the power of the Commission to approve the registration of and authorize the issuance of a certificate of registration and license with or without examination only upon recommendation of the Regulatory Board. I would like to emphasize the clause "only upon recommendation of the Regulatory Board." This is in contradistinction to page 14, paragraph (e), lines 22 to 24. This provision states that one of the powers, functions and responsibilities of the various Regulatory Boards is: "(e) Subject to review by the Commission, to approve registration without examination and the issuance of corresponding certificate of registration."

My question concerns the fact that this paragraph (e) on page 14, lines 22 to 24, empowers the Regulatory Boards to approve registration without examination and the issuance of corresponding certificate of registration subject to review by the Commission. I would like to place emphasis on the clause "subject to review by the Commission."

It seems to me, therefore, that by their sheer phraseology, there is a conflict between these two provisions, on the one hand, page 7, paragraph (j), lines 17 to 25; and on the other hand, page 14, paragraph (e), lines 22 to 24.

**Senator Coseteng.** I appreciate the lady senator for pointing out this inconsistency, Mr. President. I believe that in the reciprocity provisions concerning foreign professionals, an examination is necessary.

**Senator Santiago.** Then in that case, we shall have to

improve the style of these paragraphs in order to make clear that that is the reference point. Otherwise, there will be a conflict.

**Senator Coseteng.** That is correct, Mr. President.

**Senator Santiago.** I will make the corresponding proposal during the period of amendments.

**Senator Coseteng.** Thank you, Mr. President.

**Senator Santiago.** Let me proceed please to page 10, line 5, paragraph (o).

Page 10, line 5, paragraph (o) states that one of the proposed powers of the Commission is: "TO ADOPT A PROGRAM FOR THE FULL COMPUTERIZATION OF ALL LICENSURE EXAMINATIONS GIVEN BY THE VARIOUS PROFESSIONAL REGULATORY BOARDS INCLUDING THE REGISTRATION OF PROFESSIONALS."

However, Executive Order No. 200, also known as the Institutionalization of the Full Computerization of the Licensure Examinations administered by the various Regulatory Boards under the supervision of the PRC was issued on September 20, 1994. In that light, I would like to know if the PRC, in coordination with the various Professional Regulatory Boards, has already issued the necessary guidelines to implement the full computerization of licensure examinations in compliance with the provisions of Executive Order No. 200 which was issued four years ago.

**Senator Coseteng.** Yes, Mr. President. The PRC has issued these guidelines in compliance with said Executive Order.

**Senator Santiago.** If so, then there is no more necessity for page 10, line 5, paragraph (o).

**Senator Coseteng.** It is our desire to further strengthen the institutionalization of computerization of licensure examinations.

**Senator Santiago.** If that is the case, so that we can avoid the objection or the criticism that this is a redundancy, then we must restyle page 10, line 5, paragraph (o), to reflect that intent.

**Senator Coseteng.** Yes, Mr. President. This can be done.

**Senator Santiago.** Thank you, Mr. President. I will move on to page 17.

Page 17, Section 13, line 21, to page 18, line 23, provides penalties for manipulation and other corrupt practices in the

conduct of professional examinations, the highest of which is "imprisonment of not less than six (6) years and one (1) day to not more than twelve (12) years, or a fine of not less than fifty thousand pesos (P50,000.00) to not more than one hundred thousand pesos (P100,000.00) or both ... at the discretion of the court."

My question is: Does the lady senator not think that this penalty, as is my impression specifically the fine, is miniscule considering the reported amount of money that changes hands in exchange for leakage in the examinations and for other considerations? In other words, should we not raise the criminal penalty? It does not really amount to very much and may not serve a deterrent purpose.

**Senator Coseteng.** We are open to recommendations, Mr. President.

**Senator Santiago.** Thank you, Mr. President. I will make those recommendations.

Next question. I will have to refer to Administrative Order No. 228 dated November 29, 1995 which imposed the penalty of dismissal from the service with forfeiture of all benefits under the law on then PRC Associate Commissioner Mariano Mendieta. I will have to recall the facts of that sordid case because my question will be: What safeguards can we put into this bill in order to avoid the repetition of the incidents concerning that dismissed associate commissioner?

I was referring to this administrative order which imposed the penalty of dismissal from the service on the associate commissioner of the PRC. This associate commissioner was involved in two administrative cases concerning the Anti-Graft and Corrupt Practices Act.

The first case was about the application for a permit to operate a school of physical therapy by the Fatima College of Medicine. After twice inspecting and evaluating the facilities and proposed program for the Bachelor of Science in Physical Therapy course at Fatima, the Board of Physical and Occupational Therapy found that the school still lacked the necessary preparation and organization to operate a school of physical therapy, and thus refused to recommend the grant of temporary permit for school year 1990 to 1991.

However, the DECS issued a temporary permit for 1990 to 1991 authorizing Fatima College to conduct the first and second years of the physical therapy course. Thereafter, BPOT issued an unnumbered and undated resolution, series of 1990, stating, among others, that the temporary permit dated 1990 issued by DECS to the College of Physical Therapy of Fatima College should be cancelled for the protection of

the students. Instead of acting on the BPOT's undated and unnumbered resolution, the PRC associate commissioner issued a memorandum to one of the lawyers in his staff, ordering the lawyer to inspect and investigate the physical therapy course in Fatima College.

After ostensibly making the finding that Fatima College allegedly complied with the suggestions of BPOT and allegedly expressed its willingness to provide whatever additional facilities might be required by the Board, the lawyer recommended that the College should be allowed to operate. On this basis, the associate commissioner issued a memorandum to BPOT stating that Fatima College had complied with the requirements of the Board. Because of these facts, Mendieta was found liable under the Anti-Graft Law for giving a private party—referring to Fatima College—an unwarranted benefit.

The second administrative complaint was filed by the incumbent PRC Chair, Hermogenes Pobre, who is here in session with us today. This was relative to the suspicious and possible anomalies in the conduct of the physicians' licensure examinations given by the Board in February 1993 where the names of the top 10 examinees all came from one school, that is, Fatima School of Medicine. It resolved, among others, that the registration of all Fatima School examinees should be withheld, and that PRC, together with a neutral body, would initiate an investigation on the anomaly.

It appears that in that particular case, the associate commissioner ordered the preparation of a list of 10 successful examinees from the different schools by the PRC registration division. This document was utilized the following day as an annex to the petition filed by the Fatima School examinees against PRC, without impleading the respondent associate commissioner and the board of examiners. Associate Commissioner Mendieta was charged with unduly cooperating with the Fatima School examinees in filing the case.

I believe that act manifested and highlighted his role as dispenser and peddler of undue patronage precisely prohibited by Republic Act No. 6713.

The PRC viewed that misconduct as a continuation of the manifest partiality earlier shown by the respondent Mendieta in favor of Fatima School. On that basis, the PCAGC found Mendieta liable for charges in the first and second administrative complaints and thus recommended his dismissal from the service.

These were very scandalous incidents in the past. I would like to know from the lady senator: Is there or are there any provisions in the bill that will ensure that such conduct on the part of a PRC associate commissioner will be prevented?

**Senator Coseteng.** Mr. President, the two cases cited by our colleague are now pending in the Supreme Court. Precisely, the new bill provides for penalties from fine to imprisonment, et cetera, depending on the gravity of the case. Also, in the event that the offender is an officer or an employee of the Commission or a member of the Regulatory Board, he shall be removed from office and suffer the penalty of perpetual absolute disqualification from public office in addition to the prescribed penalties in the other parts of this bill. That comes out in Section (b), line 3 of page 18.

**Senator Santiago.** These criminal penalties would work a deterrent effect. But at the same time, would it not be beneficial if the bill included provisions that would limit, for example, the discretion on the part of an associate commissioner, particularly discretion to act on an individual basis so that he will not be tempted by the latitude of his discretion to commit abuses as was done in these two cases?

**Senator Coseteng.** Section 4 of the bill, Mr. President, states that the chairman becomes the chief executive officer and this disallows the associate commissioners from committing these kinds of crimes.

With the computerization program that has been set in place, it will be more difficult for anyone, whether officer of the PRC or otherwise, to tamper with the results or to provide answers to these questions because many of these questions, Mr. President, are selected at random and there is no way of telling exactly what these questions will be hours before the actual examination is given.

**Senator Santiago.** I am looking for a specific provision or clause in the bill. I notice in the first case involving Associate Commissioner Mendieta that he, on an individual basis, issued a memorandum to a certain Board stating that Fatima College had complied with the requirements of the Board and, in effect, therefore, indicating to the Board that Fatima College should be given the permit or the license it had been applying for. So I believe that in order to avoid further Mendieta situations, the bill should prohibit a single commissioner from acting on behalf of the entire Commission.

**Senator Coseteng.** Yes, Mr. President. This is part of the practice. It was just that at that time it was Mendieta's singular action. It was not allowed but he just did it on his own.

**Senator Santiago.** Then I believe that it would be sufficient basis for including an explicit provision in the bill, imposing an explicit prohibition on the part of individual members of the PRC.

**Senator Coseteng.** That is correct, Mr. President.

**Senator Santiago.** Thank you, Mr. President.

How about the second case where all the top 10 doctors of the medical board came from the same school? Should we not have another provision that will avoid a similar situation?

**Senator Coseteng.** I believe, Mr. President, that was before the computerization was institutionalized. I suppose at that time there were leaks and the questions could have fallen into the hands of those who perhaps were able to distribute some of these questions and therefore, they came prepared with answers.

At any rate, today, the system has changed because of this random or raffling of questions. According to the chairman of the PRC, in the last five years they have recorded zero anomaly as far as examinations and questions are concerned, Mr. President.

**Senator Santiago.** I am glad about this news. I hope it does not indicate that their methods have become so sophisticated that they can no longer be detected. But we will presume in favor of the success of the computerization program.

My last few questions are: Other than recommending to the Commission on Higher Education the revision or amendment of the curricula, can the PRC recommend to CHED or to other pertinent government agencies, either the closure of schools or the suspension of the permit to operate of learning institutions, which would have consistently manifested miserable performance in licensure examinations? Would that be allowed under the present bill?

**Senator Coseteng.** It is not specified, Mr. President. The practice is that as far as state colleges and universities are concerned, the PRC recommends to the Department of Budget and Management to cut down the budget of these nonperforming schools. However, in several hearings, the committee has enlisted the support of the PRC to make the necessary recommendations to the CHED.

Right now, perhaps it is pertinent and relevant to report to this august Chamber that out of, for example, over 400 schools of accountancy, more than 100 of these schools have not produced a single accountant. So the PRC has given them a list of these schools and CHED has been foot-dragging—I must admit and I am sorry to say—because they have only closed eight schools out of the more than 100 schools recommended for closure. Concerning other professions so far, not much has been done on the part of CHED, Mr. President.

**Senator Santiago.** Then why do we not include in the bill

a provision on the power to recommend of the PRC with respect to closing schools or suspending permits in order that the CHED or the other government agencies referred to would be impressed with the authoritative nature of that recommendation and not drag its feet, as the distinguished senator has alleged?

**Senator Coseteng.** Mr. President, that is precisely the amendment that I will be proposing when the time comes.

Just to report also part of the success of this effort between the committee and the PRC, we have recommended that since the PRC cannot close down the schools, the PRC should publish in newspapers of national circulation the names of the nonperforming schools. Because in the past, what they published were the names of the performing schools. But that still leaves the parents and the students in the dark as to which schools actually have not been performing considering that they advertise these courses in the media as well.

**Senator Santiago.** Yes. I believe that would be justified by the police power notwithstanding that it might be considered derogatory to those who are so-called "nonperforming." So, I would be happy to see that committee amendment at our next stage.

I would like to refer now to page 3, concerning the first five lines there. This refers to the compensation and allowances of the commissioners. They are, as evidenced by these lines, equated to the position of the Presiding Justice and Associate Justices of the Court of Appeals.

I understand that their desire is to be placed on the level of a department secretary and of an undersecretary and to be entitled to retirement benefits under RA No. 3568, as amended.

Would that not be more logical considering the nature of the functions undertaken by the PRC to assimilate them to a secretary and to an undersecretary level rather than to the Presiding Justice and Associate Justices of the Court of Appeals? They are an administrative agency; they are not a judicial agency.

**Senator Coseteng.** In terms of value, it is actually the same. It is just a matter of replacing the titles of presiding justice and associate justices of the Court of Appeals to, as the distinguished Senator recommends, secretary and undersecretary; but the rank and the grade remain the same, Mr. President.

**Senator Santiago.** Yes, thank you, Mr. President.

Still on the topic of the salary and allowances, I will go then to page 15, lines 24 to 31, Section 9 concerning the members of the Boards.

We have already agreed under page 3 that the positions of the chairmen and the two commissioners should be elevated to the rank of a department secretary and department undersecretary.

If so, my question concerning the members of the Professional Regulatory Boards is this: Should we not make their compensation equivalent to at least one salary grade lower than the salary grade of the commissioners, provided, that the chairmen of the regulatory boards shall receive a monthly compensation two steps higher than the members of the board and provided, further, that they shall be entitled to other allowances and benefits provided under existing laws?

This is simply to make pages 3 and 15 harmonious with each other.

**Senator Coseteng.** Mr. President, in Section 9, this is actually two grades lower than the Chairman of the Board and one grade lower than the Associate Commissioners.

**Senator Santiago.** Under the present setup.

**Senator Coseteng.** Yes, Mr. President.

The distinguished senator is recommending just one grade lower instead of two. Is that correct?

**Senator Santiago.** The members of the board shall be one salary grade lower than that of commissioners, but the Chair shall have monthly compensation two steps higher than the members of the board.

**Senator Coseteng.** Instead of 10 percent. Is that what the distinguished lady senator means?

**Senator Santiago.** That is right.

**Senator Coseteng.** All right. Two steps.

**Senator Santiago.** On page 18, lines 24 and 25, I am concerned about the effect of this bill on the terms of office of the incumbent Chair and commissioners. Therefore, just to eliminate possible confusion or even possible adverse effect on the continuity of public service, should we not have a transitory provision such that the incumbent commissioner and the two incumbent associate commissioners shall be described as "serving as Chair and commissioners under the terms for which they have been appointed without need of new appointments," so that we can make clear under this law that there is no vacancy which arises as a consequence of the enactment of this bill?



We could also have a similar provision for the incumbent executive director in that he will also serve as assistant commissioner without need of new appointment.

**Senator Coseteng.** Yes, Mr. President. That can be included in the period of amendments as a separate section covering the recommendation.

**Senator Santiago.** Thank you, Mr. President.

My final question is: We know that this is a legislation passed by Congress and it cannot possibly cover all possible contingencies and details. Normally, these are assigned in the form of implementing rules and regulations to the agency covered by the Act. So pursuant to standard operating procedure, should we not have, let us say, a Section 15, to be entitled "Implementing Rules and Regulations" to provide that within a certain period, perhaps 90 days after the approval of this Act, the PRC, in consultation with the representatives of the various professional regulatory boards and accredited professional organizations, and possibly also in consultation with the Department of Budget and Management, the Commission on Audit, and the Commission on Higher Education, shall prepare the necessary rules and regulations needed to implement the provisions of this Act?

In a recent public hearing notably involving the DILG Secretary, I pointed out that legislative power cannot be delegated unless two tests are met: One, the statute should be complete when it leaves the Legislature; and two, the test should be imposed by the Act so that in the exercise of the rule-making power, there will be no tendency to exceed the limitations imposed by Congress. So in compliance with my own thoughts on the subject previously articulated, should we not have this standard provision?

**Senator Coseteng.** Yes, Mr. President. This can be taken up in the period of amendments. I agree.

**Senator Santiago.** I thank the distinguished sponsor for her patience and kindness. That is all, Mr. President.

**Senator Drilon.** Mr. President, Sen. Robert Z. Barbers wishes to be recognized to interpellate.

**The President Pro Tempore.** Senator Barbers is recognized.

**Senator Barbers.** Mr. President, may I know if the distinguished lady senator from Quezon City would yield for some few clarificatory questions?

**Senator Coseteng.** Yes, Mr. President.

**Senator Barbers.** Mr. President, there are persistent reports that anomalies are happening in the Professional Regulation Commission. One report indicated that there is a syndicate now inside or within the PRC responsible for the issuance of fake certificates. May I know if this report has been acted upon by the PRC or was there already an action taken by the PRC? If there was, then may we be informed what action was taken amidst this report on the issuance of fake certificates?

**Senator Coseteng.** Thank you, Mr. President. This is a grave concern as well of the Committee on Civil Service and Government Reorganization. As a matter of fact, Chairman Pobre has brought to the attention of the committee the fact that a syndicate operating from Pangasinan has been charging P200,000 and up for certificates supposedly to persons who have not passed the government licensure exams. Cases have been filed against this group of persons and the decision is forthcoming. We have been on top of this case and we have been following this up regularly with the PRC. The printing of certificates and the selling of certificates is done outside. With the Chairman fully aware of this practice, he has pursued this and would like to see this to its logical conclusion.

Also we have identified diploma manufacturers at Claro M. Recto with the aid of persons from the office of Chairman Pobre. Actually, we have informed the police and the National Bureau of Investigation about this matter. So far these people are still in operation and nobody has been arrested. For the price of P200 each, this representation now has diplomas in accountancy and doctor of medicine. I had to do it to prove a point that we can actually buy these diplomas in Claro M. Recto. So, the PRC has no power to arrest all these diploma manufacturers.

By the way, for an additional P240, we can actually come up with a complete transcript of records from these establishments. The PRC has been on their tails as well. But we cannot do this without the cooperation of the Philippine National Police. I had brought this to the attention of all police chiefs, from the time of General Sarmiento to the present. I am still waiting for reports of any arrest, any charges filed against these persons.

As far as anomalies are concerned, maybe, for lack of a better word, we can call it also an anomaly. But there have been many practitioners practicing without license and also foreign practitioners practicing in the country without the clearance from the PRC.

Mr. President, the PRC has registered zero foreign practitioners in the country. However, we know that there are those actually practicing here, maybe, using different methods, either through the Bureau of Immigration or using existing law and going around it, if I may put it that way.

**Senator Barbers.** In other words, Mr. President, the syndicate responsible for the issuance of fake certificates has already been neutralized considering that there is a case filed against these people as the lady senator mentioned a while ago. Am I correct?

**Senator Coseteng.** I cannot say whether this syndicate has been neutralized. But charges have been filed against one person who operates outside Pangasinan. However, I cannot accept or I cannot believe that the operation has been stopped. What we want to see is to bring this person to jail, at least, make him spill the beans as to who the accomplices are and go more deeply into the operation of this organization, Mr. President.

**Senator Barbers.** That is precisely why I raise this point, Mr. President, because the report is very persistent. Also we are in receipt of some information that aside from the one arrested by the authorities with respect to the issuance of fake certificates, there are other groups in connivance with some employees of the PRC who are still issuing fake certificates. I made mention of this so that together we can help the PRC in neutralizing these syndicates.

Now, in another area, Mr. President, there is again a persistent report on another syndicate in cahoots with the people in the PRC whose job, in exchange for monetary consideration, is to sell test questions before the scheduled examination date. May I know if again an action was taken by the PRC in this regard?

**Senator Coseteng.** On the first issue as far as those people in the PRC who are engaged in selling certificates and the like are concerned, I just need to note the names of these particular persons. Because we cannot undertake a wild goose chase and look for these characters unless we name names, and I think that is the best way to do it. I believe Chairman Pobre is not just going to let this matter continue if he is provided with some leads. Knowing the connection of our colleague in the police department, NBI and other law enforcement agencies, and knowing his genuine concern to straighten out the PRC to restore the confidence, not just of our people from the PRC but also the entire world, on our Filipino professionals, it is but proper that these persons be exposed and we can all start by identifying them by their names.

On the second matter of selling test questions, I believe the test questions are finalized and printed out one hour before the examination. I do not know how any one can sell these questions and how a person can actually provide answers to these examinees one hour before the exams because of the new computerization system. I think these complaints, the same complaints that have been reaching my office even before, occurred at the time when the PRC was not yet computerized. But now, with the full

computerization in place, the report of Chairman Pobre is such that zero anomaly has been recorded in the last five years. If there are any complaints by informants reaching the gentleman's office as to the persons selling questions, they may be selling questions, yes, but the questions may not come out in the actual examination because they no longer have access to which questions are going to be raffled off for final printing for the examinations.

**Senator Barbers.** Mr. President, the report might not be accurate, but just the same these are reports which must not be taken for granted.

**Senator Coseteng.** That is correct, Mr. President.

**Senator Barbers.** We can tap the services of the intelligence community, the intelligence group of the Philippine National Police, as well as the NBI, and we can ask their support or their help in identifying and unmasking the members of this syndicate. But I tell the lady senator, the cleaning must start from the PRC itself because there are people in connivance with this syndicate and I think it is of common knowledge. As a matter of fact, I just heard some stories coming from some people who went to the PRC that it is very easy now to get a certification and at the same time to get tips on some questionnaires in an examination. These are reports, as I said, which should be verified by the PRC itself. With us, it is not a problem, we can extend our assistance to them. We can tap the law enforcement units at the same time, Mr. President.

**Senator Coseteng.** Mr. President, I appreciate the gentleman for bringing up the fact that the NBI, the police authorities and the intelligence groups are very reliable and can be used to ferret out all these scalawags and all these crooks. But so far, they have not come up with a single name. We have asked and tapped the NBI time and time again, and I can assure the gentleman that as far as the PRC is concerned, with the numerous complaints—and we have volumes and volumes of complaints from the PRC Chairman, from the different professional boards, et cetera, lodged in the files of the NBI—so far, they have not come up with a single name.

May I find out who in the NBI has all these leads so we can actually get from these very reliable NBI persons those names? We are going to submit these names to Chairman Pobre, and if he does not do anything about it, then he will be made accountable. I am sure that he is doing his own cleaning. If these persons remain nameless and faceless, and people continue to patronize them, maybe what should be done is to plant subjects to ensure that the so-called "scalawags" in the PRC are removed because that is also my concern, Mr. President.

As a matter of fact, this bill has been delayed for deliberation

on this floor and one of the reasons I gave Chairman Pobre is that there are so many complaints against the PRC. So, they started computerizing and they told us that they are addressing this particular need. They showed me the list of cases that have been filed with the NBI but to no avail. I wonder if the NBI is the proper agency, but I am not losing faith. I am not losing confidence. I am still hoping that some decent elements in the NBI will come up with their list and from that list we can start and be on the right track.

**Senator Barbers.** Yes, Mr. President. We can task the NBI and other law enforcement units to work closely with the PRC so that we can come up with personalities.

**Senator Coseteng.** Yes, Mr. President.

**Senator Barbers.** Now, going to computerization, is the senator saying that if the examination is computerized, this would be free from any cheating or any anomaly? Will this eliminate cheating in the examination?

**Senator Coseteng.** I find it extremely difficult for any informant to come out with the list of questions that would take one-half day to answer and sell this to someone who can actually come up with the actual answers for the examinees to copy in that limited time. I find that very difficult.

Besides, the NBI is supposed to be always present during the examination time and during the raffling of the questions. During the printing of the questions, the NBI is also there. Unless it is the NBI that will leak it. Mr. President.

**Senator Barbers.** Probably, as I said earlier, the report might not be accurate. But may I ask, Mr. President: Who prepares the questionnaires? Is it the machine or a human being?

**Senator Coseteng.** The questions are raffled off by a computer. These questions are prepared by examiners. I suppose that in that entire range of questions...how many questions are there? There are 300 questions per subject deposited in a data bank with a pool of 2,000 questions. So, the examinee will have to review for the 2,000 questions and hope that the 100 questions will be the ones to come out.

**Senator Barbers.** Precisely, Mr. President, that is my point. Considering that the questionnaires are prepared by persons, by human beings, there is a great possibility that the one preparing the questions could be in cahoots with the syndicate by providing them with pointers like what is being done in college education where pointers are given to students before the examination.

So, that is my point. Considering that this is computerized,

probably the report of selling questions might not be accurate; but still, we have to be on the alert because these reports are very persistent. Almost always, we are in receipt of these reports although no personalities have been mentioned, but we have to take guidance.

**Senator Coseteng.** Yes, Mr. President. When it comes to pointers, we have hundreds and hundreds of review centers all over the country that are not under the control of the PRC. When one enrolls in a review center, these professors or these reviewers give the examinees all the pointers to as many questions as they can imagine that will be asked in an examination.

So, if an examinee diligently goes to a review center and reviews his books, I suppose he can hit a jackpot and get a 100-percent accuracy because his brain can store the answers to these 2,000 or 3,000 or whatever unlimited number of review questions.

I suppose that in a given subject matter, there is only so much information that we can ask about. When it comes to physical therapy, I think every graduate of physical therapy—if he diligently studied his lessons and went through the proper educational institution where the teachers are well-prepared to prepare the students, and if their teaching tools, equipment and faculty are A-1—has better chances of passing. Because I think when one takes a physical therapy exam, obviously, the exam will not have architectural questions; and if he or she takes a mechanical engineering exam, it will not have physical therapy questions either.

**Senator Barbers.** Nevertheless, Mr. President, the tips that are being given to the examinees will make a lot of difference in passing the examination. This would be detrimental to those who do not have connection. But for those who are in cahoots, as I said, with the syndicate, it would be very advantageous to them. Even in one subject, for example, if one is being given 10 to 20 tips, that will make a lot of difference.

**Senator Coseteng.** Let us put it this way, Mr. President. Based on statistics of how many actually passed the exam, those people selling those questions must be doing a very bad job. Why? As far as accountancy is concerned, for CPAs, only 16 percent passed. In other words, 84 percent flunked and only 16 percent passed. So does the gentleman mean these people who passed the measly, lousy 16 percent statistics represents the best in the entire country?

In the case of customs administration, only 10 percent passed. So the 90 percent did not. If there was so much selling of these questions and all, we have to have 90 percent passing.

In the case of medicine, it is 75 percent passing because it takes 10 years to prepare a doctor before he takes the board exam. The screening procedure, the very hectic school discipline, life in the schools, life in the hospitals, et cetera, make up this high percentage of passing.

The passing rate for teachers is 26 percent. We can just imagine if these questions were for sale. It is easy to sell to the teachers because they all want teaching job, and 27 percent is hardly an indication of questions being sold and being bought and being prepared for, and being answered properly to increase the statistics of teachers. Basically those are about the lowest.

**Senator Barbers.** Thank you, Mr. President. Just the same, we have to be on the alert always. Going hypothetical on the statistics that the lady Senator mentioned, for all we know, this 16 percent or the 10 percent may have received the tips from the PRC. Although this is hypothetical.

**Senator Coseteng.** Is the gentleman trying to say that our examinees are the dumbest in the world? I mean, this is an insult to us. I even traced back the reason why we have only 16 percent passing in the field of accountancy, in the field of CPAs. It is because the institutions precisely are not prepared to teach properly. That is why the findings of the PRC show that over 400 schools of accountancy are registered and operating and yet, more than 100 of these schools have not produced a single accountant, and they continue to operate—thanks to the Commission on Higher Education.

**The President Pro Tempore.** With the permission of the Senators on the floor, the Majority Leader is recognized.

**Senator Drilon.** Yes, with the permission of the sponsor and Senator Barbers. It was during my term as Executive Secretary when we imposed this computerization. There are about 2,000 questions in the data bank and about 100 questions are chosen at random by a program. If indeed the review centers can give tips on the 2,000 questions and these tips are remembered by the examinees, then they deserve to pass. But it is extremely difficult to remember all these tips for 2,000 questions.

In any case, Mr. President, I believe that the concern of the gentleman from Caraga should be addressed. The PRC is very firm on its position that there are no anomalies in the examinations to protect the integrity of this examination.

I would advise the PRC to take note of the statements of the gentleman from Caraga. If that is sufficient, may I request the gentleman to proceed to another topic with that caveat, Mr. President.

**Senator Barbers.** Precisely, Mr. President, that was my point. We must not be lax on our guard. We must not take things for granted. Because if there is a report—there is a saying, "If there is smoke, there is fire."—and this report has been very persistent ever since, now confirmed also by the fact that the PRC has arrested and filed the case against a member of a syndicate who was responsible for the issuance of fake certificates, I am asking that we should be vigilant.

That is why I went to another area on a report which states that there are also syndicates selling questions which I also said might not be accurate.

We should tap the resources of this government. We should ask the help of the law enforcement units in order to monitor these actions and to put behind bars the people or the syndicate responsible for this anomaly in the PRC.

Now we speak of the integrity of the PRC. We are there to help the PRC. We are not destroying the PRC. We are just making suggestions, Mr. President.

**Senator Coseteng.** Yes, that is correct, Mr. President. The point is well-taken. This is the reason if our colleague has any recommendation as to which NBI agent can do the best job or which policeman or police officer can do the best job, we would welcome that because that is precisely my point. We have sent this complaint the last three years to the police agencies and the NBI. Some of the cases in the NBI have been pending for five years now. So that in the last five years, the NBI has not acted on it.

So, hopefully, with the crusade being led by our colleague, Senator Barbers of Caraga region, at least we can do something about it now.

**Senator Barbers.** Yes, Mr. President. We can task the NBI and the other law enforcement units to work closely with the PRC so that we can come up with some results.

**Senator Coseteng.** Yes, Mr. President.

**Senator Barbers.** Now going to another area, Mr. President. In Section 13, it made mention of manipulation and other corrupt practices. Am I correct?

**Senator Coseteng.** Yes, Mr. President.

**Senator Barbers.** What is the penalty to be imposed in violation of this provision?

**Senator Coseteng.** Earlier, our attention was called by

Sen. Miriam Defensor Santiago concerning this particular section. She feels that the punishment by imprisonment of not less than six years and one day to not more than 12 years or a fine of not less than P50,000 to not more than P100,000, the financial amount stated here, is inadequate.

So we would welcome any suggestions from the floor as to what amount would be adequate in terms of penalties, Mr. President.

**Senator Barbers.** Because I am contemplating on proposing a higher penalty.

**Senator Coseteng.** Yes, Mr. President.

**Senator Barbers.** Considering that this involves the integrity of the PRC in administering examinations, can we recommend a penalty of *reclusion perpetua* or a penalty of life in case of violation of this provision?

**Senator Coseteng.** There might be a little bit of inconsistency here. Because if we are going to put life imprisonment as a penalty for manipulation of these licensure examination results, then the penalty might be graver than some of the grave crimes that could be committed. I think this also has to be rationalized because I seem not to subscribe to the theory that the graver the penalty, the greater the deterrence. It is the certainty of penalty that is a deterrent to the commission of crimes. Even if we say that it is life imprisonment, if the person does not get arrested, who are we going to send to jail for life? Yet, even if it is only for six months, if he is sure that he is going to get caught and if he is certain to get caught, nobody wants to spend six months in jail.

I believe that a life sentence may not really be logical in this particular situation, because comparative crimes which are graver and criminals are meted out a life sentence perhaps would not be consistent or would not be rational as far as this particular crime is concerned.

**Senator Barbers.** I realize that, Mr. President, but when we speak of a penalty, it presupposes a final conviction. In other words, there was already a person arrested, there was already a trial and the person has already been convicted or sentenced by the court.

Probably in a later date, if we can introduce amendments to this particular section to warrant the imposition of a penalty of *reclusion perpetua*, would that be all right with the distinguished sponsor?

**MANIFESTATION OF SENATOR COSETENG  
(To Reflect into the Record  
Senator Barber's Amendment)**

**Senator Coseteng.** I think that will still be subject to the approval of the Body. If this amendment is going to be accepted, we will cross the bridge when we get there. Let it be shown in the *Record* that the distinguished gentleman is submitting this as an amendment and we will deal with it when the time comes, Mr. President.

**Senator Barbers.** That is correct, Mr. President. As I said, we will be introducing some amendments to justify or to warrant the call for a penalty of *reclusion perpetua*. If it will not be approved by the Body, there is no problem. But still I will continue with my proposal.

Going to another section, Mr. President, Section 12, it gives the Commission the authority to use the 75 percent of its income as operational expense. May I ask: Will this be over and above the appropriated budget of the PRC?

**Senator Coseteng.** Yes, this is in addition to the appropriated budget, Mr. President.

**Senator Barbers.** Does the sponsor not think that this might become a source of graft and corruption later?

**Senator Coseteng.** I believe that the budget for 1998, for example, was slightly under P200 million. The annual income for 1998 was P204 million. But at that time the agency did not use its income. Because of that, it was not able to fully computerize. On top of that, there is the proposal to put up regional centers so that examinations will be given in the regions instead of making all the people in the regions come to Manila. So, it will be needing examination halls and an entire bureaucracy to conduct these functions of the PRC in the different regions. But if the Chamber would like to propose something less, I am sure that we can always work with it at the proper time.

**Senator Barbers.** At any rate, I will just confront the PRC in the budget hearing with respect to this item.

Going to the last point, Mr. President, I learned that there is a proposal to convert the Professional Regulation Commission into a department, and the Commissioner will now become a member of the Cabinet occupying a Cabinet portfolio. Am I correct, Mr. President?

**Senator Coseteng.** It is only when it comes to the salary scale, Mr. President.

**Senator Barbers.** In other words, there is no conversion. It will remain as a Commission.

**Senator Coseteng.** Yes, Mr. President.

**Senator Barbers.** That is all, Mr. President. I thank the lady senator for responding to my clarificatory questions.

**Senator Coseteng.** Thank you, Mr. President.

**Senator Drilon.** Mr. President, Senator Roco has registered his reservation to raise questions to the sponsor. He is not available immediately.

#### SUSPENSION OF CONSIDERATION OF S. NO. 1271

I therefore move that we suspend consideration of Senate Bill No. 1271 under Committee Report No. 25. I wish to inform the Chamber that we will call this bill again tomorrow for continuation and for possible termination of the period of interpellations.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, the motion is approved.

#### BILL ON SECOND READING

#### S. No. 1591--Amendments to the Omnibus Investments Code of 1987 (Continuation)

**Senator Drilon.** Mr. President, I move that we resume consideration of Senate Bill No. 1591 as reported out under Committee Report No. 49.

**The President Pro Tempore.** Is there any objection? *[Silence]* There being none, resumption of consideration of Senate Bill No. 1591 is now in order.

**Senator Drilon.** May I ask the Chair that we now recognize Sen. Ramon B. Magsaysay Jr., the principal sponsor, for the period of amendments.

**The President Pro Tempore.** Senator Magsaysay is recognized.

**Senator Magsaysay.** Thank you, Mr. President.

**Senator Drilon.** Sen. Sergio R. Osmeña III is coming in. May I therefore ask that we recognize Senator Osmeña III for his proposed amendments.

**The President Pro Tempore.** Senator Osmeña III is recognized.

**Senator S. Osmeña III.** Thank you, Mr. President. Will the distinguished sponsor yield for a few proposed amendments?

**Senator Magsaysay.** With pleasure from the distinguished gentleman from Cebu.

#### OSMEÑA III AMENDMENTS

**Senator S. Osmeña III.** On page IA, line 9, as a matter of style, the definition of the ROHQ should read as follows:

REGIONAL OPERATING HEADQUARTERS (ROHQ) SHALL MEAN A FOREIGN BUSINESS ENTITY WHICH IS ALLOWED TO DERIVE INCOME IN THE PHILIPPINES BY PERFORMING QUALIFYING SERVICES TO ITS AFFILIATES, SUBSIDIARIES OR BRANCHES IN THE PHILIPPINES AND IN THE ASIA PACIFIC REGION.

May I suggest that the sponsor consider this rephrasing, just as a matter of style.

**Senator Magsaysay.** It is accepted, Mr. President.

**Senator S. Osmeña III.** On page 3, line 23, after the word "Philippines", insert the following phrase: NOR SHALL IT SOLICIT OR MARKET GOODS AND SERVICES WHETHER ON BEHALF OF ITS MOTHER COMPANY OR ITS BRANCHES, AFFILIATES, SUBSIDIARIES OR ANY OTHER COMPANY.

**Senator Magsaysay.** It is accepted, Mr. President.

**Senator S. Osmeña III.** On page 4, line 14, replace "thirty thousand" with FIFTY THOUSAND.

**Senator Guingona.** Mr. President.

**The President Pro Tempore.** Sen. Teofisto T. Guingona Jr. is recognized.

**Senator Guingona.** With the permission of the two gentlemen on the floor. I just would like to clarify the second amendment "OR ANY OTHER COMPANY." May we know the meaning of that phrase?

**Senator S. Osmeña III.** That is a good question, Mr. President, and I am glad the distinguished Minority Leader asked that question.

Mr. President, I have learned from the Bureau of Internal Revenue that there are several RHQs which are actually brokers. They solicit the business in this country and then their