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SENATE

COMMITTEE REPORT NO. 785

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Submitted by the Committee on Public Services *jointly* with the Committees on Civil Service and Government Reorganization and Finance on

JAN 26 2010

RE : S. B. 3465

Recommending the approval of S. B. No. 3465 with amendments.

Sponsor : Sen. Revilla, Jr.

MR. PRESIDENT:

The Senate Committee on Public Services jointly with the Committees on Civil Service and Government Reorganization and Finance to which was referred S. B. No. 3465, introduced by Senator Enrile, *entitled*:

**"AN ACT  
REORGANIZING THE NATIONAL TELECOMMUNICATIONS  
COMMISSION, DEFINING ITS POWERS AND FUNCTIONS,  
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER  
PURPOSES."**

have considered the same and have the honor to report it back to the Senate with the recommendation that S. B. No. 3465 be approved with the following amendments, to wit:

1. On page 10 line 2 of Section 10, with the title, "Compensation and Emoluments of Personnel", after the word "commission," delete the words "requiring" and in lieu thereof, add the phrase **"WITH HIGH LEVEL OF"**;
2. Still on the same page, line and section, after the word "expertise" add the words **"IN TELECOMMUNICATIONS"**;
3. On line No. 4 of page 10 section 10, after the term "Civil Service Commission (CSC), delete the conjunctions "and the" and in lieu thereof, insert a comma sign (,);
4. Still on page 10, line 5, after the term "Department of Budget and Management (DBM), add the phrase **"AND THE COMMISSION ON INFORMATION AND COMMUNICATIONS TECHNOLOGY"**;
5. Still on the same page 10, line 7, after the acronym "CSC", delete the conjunctions "and the" and add the comma sign (,);

6. Still on the same page, section and line, after the acronym "DBM", add the words **"AND CICT"**;
7. On the second paragraph of section 10, line 13, after the acronym "CSC" delete the conjunctions "and the" and in lieu thereof, insert a comma sign (,) and after the acronym "DBM" add the words **"AND THE CICT"**;
8. Still on the same section 10, line 15, delete the words "president of the Philippines" and replace it with the word **"COMMISSION"**;
9. On line 16 of page 10 Section 10, after the conjunction "be" delete the phrase "upgraded more than once a year" and in lieu thereof add the phrase **"REVISED MORE THAN ONCE EVERY TWO (2) YEARS"**;
10. Still on the same page, after section 11, add a new section that will now be Section 12, and renumber the succeeding sections accordingly. The new Section shall read as follows":

**"SEC. 12. CONGRESSIONAL OVERSIGHT COMMITTEE ON NATIONAL TELECOMMUNICATIONS COMMISSION - THERE IS HEREBY CREATED A JOINT CONGRESSIONAL OVERSIGHT COMMITTEE, HEREIN REFERRED TO AS THE "COMMITTEE" WHICH SHALL BE COMPOSED OF THE CHAIRMAN OF THE SENATE COMMITTEE ON PUBLIC SERVICES AND THE CHAIRMAN OF THE HOUSE COMMITTEE ON COMMUNICATION AND INFORMATION TECHNOLOGY, FOUR (4) SENATORS AND FOUR (4) REPRESENTATIVES TO BE APPOINTED BY THE SENATE PRESIDENT AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, RESPECTIVELY. THE COMMITTEE SHALL, AMONG OTHERS, IN AID OF LEGISLATION:**

- (A) MONITOR AND ENSURE THE PROPER IMPLEMENTATION OF THIS ACT; AND**
- (B) ENSURE TRANSPARENCY AND REQUIRE THE SUBMISSION OF ALL PERTINENT INFORMATION INCLUDING BUT NOT LIMITED TO, ITS COLLECTION PERFORMANCE DATA AND ITS ANNUAL AUDITED FINANCIAL STATEMENTS AND ON THE CONDUCT OF PROGRAMS, PROJECTS AND POLICIES RELATING TO THE IMPLEMENTATION OF THIS ACT.**

**THE OVERSIGHT COMMITTEE SHALL EXIST FOR A PERIOD OF TEN (10) YEARS FROM THE EFFECTIVITY OF THIS ACT AND MAY BE EXTENDED BY A JOINT CONCURRENT RESOLUTION."**

*with Senators Enrile, Revilla, Trillanes IV, and Angara as authors thereof.*

Respectfully submitted:

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Chairman  
Committee on Civil Service  
and Government Reorganization

**RAMON BONG REVILLA, JR.**  
Chairman  
Committee on Public Services

**PANFILO M. LACSON**  
Acting Chairman  
Committee on Civil Service  
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*Senate Pro-Tempore*



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*Majority Leader*

*Will Obispo*



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*Minority Leader*

FOURTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Third Regular Session )

SEP 29 9 5:12

SENATE

Senate Bill No. 3465

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Introduced by Sen. Juan Ponce Enrile

**AN ACT**  
**REORGANIZING THE NATIONAL TELECOMMUNICATIONS COMMISSION,**  
**DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR,**  
**AND FOR OTHER PURPOSES**

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

1           **SECTION 1. Title.** – This Act shall be known as the “*National Telecommunications*  
2 *Commission Reorganization Act of 2009.*”

3           **SEC. 2. Declaration of Policy.** – The State shall promote the development of high  
4 quality information and communications infrastructures and services as vital tools for economic  
5 development, nation building and global competitiveness. Towards this end, it is hereby a  
6 declared policy of the State to develop a regulatory environment for a viable, adequate, efficient,  
7 and universal information and communications sector using the best available and affordable  
8 technologies; foster a competitive business environment, and fair and efficient market conduct  
9 among industry players; ensure universal access to reliable and affordable services; and protect  
10 the interests and welfare of both of the industry players and the consuming public.

11           **SEC. 3. Definition of Terms.** – For purposes of this Act, the following terms are hereby  
12 defined:

13           (a) “Authorization” refers to any certificate, permit, license, accreditation, registration,  
14 recognition or similar permission granted to a person or entity to lawfully engage in  
15 the activities falling under the jurisdiction of the Commission;

16           (b) “Certificate of Public Convenience and/or Certificate of Authority” (CPC/CA) and  
17 “Certificate of Public Convenience and Necessity” (CPCN) both refer to a certificate  
18 issued by the Commission in the provision of services that fall within the jurisdiction  
19 of the Commission;

- 1 (c) "CICT" refers to the Commission on the Information and Communications  
 2 Technology created under Executive Order No. 269, series of 2004, or its successor  
 3 agency;
- 4 (d) "Commission" refers to the National Telecommunications Commission;
- 5 (e) "Frequency" refers to the number of cycles per unit time, usually expressed in Hertz;
- 6 (f) "Information and Communication Technology", herein referred to as "ICT", refers to  
 7 the totality of electronic means to collect, store, process and present information to  
 8 end-users in support of their activities. It consists, among others, of computer  
 9 systems, office systems and consumer electronics, as well as networked information  
 10 infrastructure, the components of which include the telephone system, the internet,  
 11 fax machines, computers, and other similar devices;
- 12 (g) "Interconnection" refers to the linkage by any means of transmission such as by wire,  
 13 radio, satellite, microwave channel of networks and services of two or more existing  
 14 services providers with one another;
- 15 (h) "Legislative Franchise" refers to the franchise issued by Congress authorizing the  
 16 entity to engage in a certain type of telecommunications, broadcast, cable TV,  
 17 multimedia and other information and communications infrastructures and services;
- 18 (i) "Radio Spectrum" shall cover radio frequencies from 9 KHz or higher that can be  
 19 used for broadcast services; and,
- 20 (j) "Universal Access" shall refer to the provision of affordable, accessible, and efficient  
 21 information and communications infrastructures and services to the widest array of  
 22 consumers possible.

23 **SEC. 4. Reorganization of the Commission.** – The Commission is hereby reorganized to  
 24 strengthen its existing organizational structure and capabilities to meet the rapid developments of  
 25 emerging technologies in the fields of information, communications, broadcast, cable TV and  
 26 other multi-media infrastructure and services.

27 The Commission shall be attached to the CICT for policy and program coordination, and  
 28 shall be under the administrative supervision of the same. The Commission shall independently  
 29 exercise its powers and functions and no other agency shall influence or effect a review or  
 30 modification of its decisions as a quasi-judicial body. Provided, however, that the decisions of  
 31 the Commission as a quasi-judicial entity shall be appealed only to the Court of Appeals and the  
 32 Supreme Court, as provided for by law.

33 **SEC. 5. Jurisdiction.** – The Commission shall have jurisdiction over all persons and  
 34 entities engaged in the operation and/or provision of information and communications,  
 35 telecommunications, broadcast, cable TV and other multi-media infrastructures and services.  
 36 Pursuant thereto, the Commission shall exercise supervisory and regulatory powers over such  
 37 persons and entities, including program, content and application providers in such infrastructures  
 38 and services, radio stations and radio training schools, maritime point of service activation,  
 39 networks or system services, franchise, equipment and other properties, and/or any person using

1 the radio spectrum and other limited resources in communications and information e.g.  
2 numbering systems, domain name systems and other related concerns.: *Provided*, that  
3 telecommunication stations owned and operated by the Armed Forces of the Philippines (AFP)  
4 shall be subject to the jurisdiction of the Committee only to the extent that the AFP shall first  
5 secure authorization from the Commission to use frequencies relative to the operation of such  
6 stations.

7 *SEC. 6. Powers and Functions.* – In addition to the powers already provided for by  
8 existing laws, not inconsistent with this Act, the Commission shall have the following powers  
9 and functions:

- 10 (a) Establish standards, specifications, measures, guidelines, rules and regulations that will  
11 govern the operations of service providers in the areas of information and  
12 communications technology, broadcast, cable TV, and other multi-media  
13 infrastructures/services;
- 14 (b) Issue CPCs/CAs and/or CPCNs to qualified ICT companies, radio and televisions  
15 broadcast networks, cable TV operators and other multi-media service providers;
- 16 (c) Recommend policies for the promotion of ICT, broadcast media or other technologies, as  
17 well as any other related fields thereto;
- 18 (d) Administer and implement the Public Telecommunications Policy Act, as amended, and  
19 other relevant laws that the Commission is mandated to enforce, including those pursuant  
20 to international treaties, conventions and/or agreements which the Philippine government  
21 has entered or will enter into;
- 22 (e) Adopt an administrative process to facilitate the entry of qualified service providers,  
23 taking into consideration the competition policies of the government thus enabling the  
24 public to gain access to information and communication services and, at the same time,  
25 enabling service providers to generate sufficient returns to promote and sustain industry  
26 growth
- 27 (f) Formulate plans and implement programs to provide better access to ICT, broadcast and  
28 other similar services in un-served and/or underserved areas at affordable rates;
- 29 (g) Provide rules, regulations, guidelines, measures and specifications in accordance with  
30 acceptable standards to ensure quality, safety, liability, security, compatibility and  
31 interoperability of ICT companies, radio and television broadcast networks, and other  
32 multi-media systems and facilities in conformity with national standards and  
33 specifications and those set by international radio and telecommunications bodies which  
34 the Philippines is a party of;
- 35 (h) Formulate and implement regulatory policies for the establishment, operation and  
36 maintenance of ICT facilities of new and converged services;
- 37 (i) Prescribe rules, regulations, guidelines, measures and specifications for the following:  
38 (i) The setting and imposition of appropriate fees and charges over persons and  
39 entities within its jurisdiction, such as:

- 1) Spectrum user fees for all assignees except those assigned to military and public safety services;
- 2) Permits, certificates, registration and license fees;
- 3) Supervision and regulations fees; and,
- 4) Other administrative fees and charges fines and sanctions;

(ii) Determination and prescription of fair and reasonable charges or rates pertinent to the operation of public utility facilities and services, after conducting public hearings or hearings on applications, except when these rates and tariffs are deregulated or established by international bodies or associations where the Philippines is a participating member of, or by bodies recognized by the Philippine government as the proper arbiter of such rates and tariffs.

Subject to the provisions of R.A. No. 7925 and such other laws as may be promulgated, except where deregulation has been authorized, rates and other charges of public services shall be submitted to the Commission for its approval and the Commission shall, after public hearing, render a decision, ruling or order on said rates by:

- 1) Approving the proposed rate and charges or any part thereof with or without alterations;
- 2) Rejecting the proposed rates and charges or any part thereof without prejudice to the submission of a new proposal for new schedules of rates and charges; or,
- 3) In the interest of the public, prescribe rates after due notice and public hearing for the use of facilities/networks and services offered other than those proposed by the service providers:

*Provided*, that the Commission shall have the original and exclusive jurisdiction over all cases contesting rates, fees, fines and penalties imposed by the Commission;

(iii) The accreditation and registration of radio and telecommunications equipment dealers, suppliers, manufacturers, repair shops, and the purchase, sale, lease, rental, possession and type approval/acceptance of radio and telecommunications equipment;

(iv) The fostering of fair and efficient market conduct through, but not limited to the protection of information, communication, radio, broadcast, cable TV and other multi-media facilities, systems of networks and services entities from unfair practices or other barriers;

(v) The implementation of a responsive and more effective use of information and communications facilities and services taking into consideration existing and emerging technologies; and,



- 1           (vi) The protection of consumers against inadequate satisfactory service, any illegal  
2           activity and/or the misuse or abuse of any entity's monopolistic or quasi-  
3           monopolistic powers and anti-competitive practices through, but not limited to,  
4           the conduct of investigations of complaints and the exaction of compliance from  
5           the providers to conform with service standards.
- 6           (j) Establish, prescribe and regulate areas of operation of public services/utilities,  
7           their equipment and other properties in accordance with their legislative franchise and  
8           their certificates, licenses, registration, accreditation and other authorizations;
- 9           (k) Require, consistent with due process, any public service to provide access to and  
10          the use of its facilities and services, including the interconnection with or the attachment  
11          to its facilities or equipment, on such terms and conditions and the payment of  
12          compensation, as the Commission may determine and approve;
- 13          (l) Allocate, sub-allocate and reallocate radio frequencies, and adopt frequency plans  
14          and standards based on the International Telecommunications Union regulations to  
15          promote growth and development of the sector;
- 16          (m) Assign radio frequencies, grant permits and licenses for the use of the radio spectrum or  
17          such other limited resources to authorized person or entity essential for the efficient  
18          operation of any facility, station, networks and services: *Provided*, that any application  
19          under this subsection shall be acted upon by the Commission within ninety (90) days  
20          from the time of filing thereof;
- 21          (n) Maintain a complete, and ensure the safety and integrity of, records of issued certificates,  
22          licenses, permits, registers, allocated and assigned frequencies and such other  
23          authorizations or activities of the Commission essential to planning, monitoring and  
24          enforcement of the powers of the Commission;
- 25          (o) Ensure and monitor the compliance by persons and entities of their franchises,  
26          certificates, permits, accreditations, registrations, certifications, licenses and other  
27          existing laws, rules and regulations, technical programs and performance standards, or  
28          terms and conditions of their authorizations;
- 29          (p) Impose fines and penalties on persons and entities that operate without authorization or  
30          violate the terms and conditions of any authorization issued by the Commission:  
31          *Provided*, that the fine may be in an amount as may be deemed appropriate by the  
32          Commission but shall not exceed Fifty Million Pesos (P50,000,000.00);
- 33          (q) Upon the issuance of proper notice and the conduct of public hearings, suspend, cancel or  
34          revoke any authorization of service providers who violate the rules and regulations set by  
35          the Commission: *Provided*, that, when national security, public safety, welfare or interest  
36          so requires, the Commission may order immediate suspension of operations, and  
37          subsequently hold a hearing within five (5) days from the promulgation of the order of  
38          suspension;

- 1 (r) Monitor and enforce rules and regulations including the investigation of all persons or  
2 entities under the jurisdiction of the Commission: *Provided*, that in the exercise of its  
3 police powers and in accordance with due process, the Commission may confiscate  
4 equipment and/or effect closure of any office, station or sub-station whose operations are  
5 found to be in violation of existing laws, rules and regulations or its franchises:  
6 *Provided, further*, that, in case of closure, the Commission may take remedial action to  
7 allow for temporary operations by a qualified service provider in the interest of public  
8 service;
- 9 (s) Regulate radio training schools, the conduct of qualifying examinations and issue  
10 certification for qualified radio technicians and operators in accordance with laws,  
11 international conventions and treaties, or regulation where the Philippines is a signatory;
- 12 (t) Establish and administer appropriate human resource programs, including the  
13 establishment of training centers to enhance human resources capacity building  
14 initiatives;
- 15 (u) Direct, authorize or order another grantee of a certification or authorization to  
16 temporarily operate the business of a grantee whose certificate has been suspended,  
17 cancelled or revoked for cause: *Provided*, that the certificate of a grantee who  
18 unjustifiably discontinues or abandons his service for whatever reason for a period longer  
19 than thirty (30) days, causing irreparable damage or serious inconvenience to the public  
20 shall be suspended: *Provided, further*, the Commission may take appropriate action to  
21 address such situation and, in accordance with due process, may approve or award new  
22 applications for certification or authorization: *Provided, furthermore*, that, in case of  
23 mere suspension, and the grantee has effected remedial measures within six (6) months  
24 from the suspension, the Commission may reverse its decision to suspend and thereafter  
25 reinstate its prior authorization to allow said grantee to operate the business again:  
26 *Provided, furthermore*, that if the period of six (6) months has lapsed and no remedial  
27 measures have been effected, the certificate or authorization shall be permanently  
28 revoked: *Provided, finally*, that a grantee whose certificate has been revoked may re-  
29 apply but shall be treated as a new applicant;
- 30 (v) Mandate a fair and reasonable interconnection of systems, stations, networks, facilities  
31 and/or services of authorized network operators and other providers through appropriate  
32 modalities of interconnection that provides a reasonable and fair level of charges, so as to  
33 provide the most extensive access, availability and affordability to the public, and ensures  
34 that no single player interest controls access to facilities and services;
- 35 (w) Directly intervene, enjoin speedy settlement through alternative dispute resolution  
36 mechanisms and impose judgment on on-going and protracted disputes involving  
37 interconnection among service providers, including the final approval of any  
38 interconnection agreements;

- 1 (x) Promulgate rules and procedures for the conduct of its proceedings and in arriving at  
2 decisions or orders;
- 3 (y) Summarily punish for contempt by a fine not exceeding five thousand pesos (P5,000.00)  
4 or by imprisonment not exceeding thirty (30) days or both, any person guilty of  
5 misconduct in the presence of the Commission or seriously interrupting any hearing or  
6 session or any proceeding before it, including cases in which a person willfully fails or  
7 refuses, without just cause, to comply with summons, subpoena ad testificandum,  
8 subpoena duces tecum, injunctions, decisions or orders, rules and regulations legally  
9 issued or promulgated by the Commission, or being present at a hearing, session or  
10 investigation, refuses to be sworn as a witness or to answer questions when lawfully  
11 required to do so, or to furnish information required by the Commission. The police  
12 agencies of the place where the hearing or investigation is conducted shall, upon the  
13 request of the Commission, assist in enforcing the provisions of this section;
- 14 (z) Require any public service or utility to produce before the Commission any and all  
15 records, data, statistics and documents deemed proper or necessary in the exercise of its  
16 powers and functions, and cite for contempt, direct or indirect, any person who fails or  
17 refuses to comply with any lawful order of the Commission;
- 18 (aa) Enlist the aid and support of any and all enforcement agencies of the Government,  
19 as well as the private sector in the implementation of its powers and functions under this  
20 Act;
- 21 (bb) *Motu proprio* inspect, or through duly authorized representatives, the operations,  
22 premises, books of accounts and records of any person or entity at any reasonable time, in  
23 the exercise of its quasi-judicial power for purposes of determining the existence of any  
24 anti-competitive behavior and/or market power abuse and any violation of rules and  
25 regulations issued by the Commission;
- 26 (cc) Approve the application for relevant authorization or certification by all the  
27 operators of information and communications, radio, broadcast, cable TV and other  
28 multi-media facilities, stations, systems or networks and services including radio schools  
29 after the submission of the following:
- 30 (i) The amount, terms and conditions of each proposed issue, sale or other  
31 disposition of its capital stocks if the issuance, sale or disposition would result in:  
32 1) A sale to any other public service or any corporation, domestic or foreign which  
33 vest in such one person or entity, more than forty percent (40%) of its  
34 subscribed capital stock; or,  
35 2) A sale or transfer to any alien which results to a reduction to less than sixty  
36 percent (60%) of the capital stock belonging to Philippine citizens.
- 37 (ii) The terms and conditions of each proposed contract or agreement for the  
38 interconnection of systems, facilities, networks and services;

- 1 (iii) Any contract or arrangement entered into between operators and program/content  
2 providers which tends or aims to exclude, inhibit and frustrate the ability to offer  
3 diverse programs for a wider variety of choices and diversity of programming to  
4 the subscribing public; and,
- 5 (iv) Any contract, agreement, reports as may be prescribed by the Commission from  
6 time to time;
- 7 (dd) Require public service time through broadcasting stations, including cable TV,  
8 operators, to assist the government on public information and education;
- 9 (ee) Perform such other powers and functions as may be prescribed by law, as well as  
10 those that which may be implied from or are incidental to the carrying out of the powers  
11 granted to the Commission; and,
- 12 (ff) Issue orders, rules and regulations and other issuances as may be necessary to ensure the  
13 effective implementation of the provisions of this Act.

14 **SEC. 7. Composition.** – The Commission shall be a collegial body of three (3)  
15 Commissioners, composed of a Chairperson and two (2) Commissioners, all of whom shall be  
16 appointed by the President of the Philippines upon the recommendation of the Chairman of the  
17 CICT.

18 (a) *Tenure of Commissioners.* The Commissioners shall have a fixed term of five (5)  
19 years with an option to be reappointed for another term of five (5) years: *Provided,*  
20 *that for the first set of appointees, the Chairperson shall hold office for five (5) years,*  
21 *one (1) Commissioner shall serve for three (3) years, and the other Commissioner for*  
22 *one (1) year: Provided, further, That any appointment to any future vacancy shall only*  
23 *be for the unexpired term of the predecessor: Provided, finally, That in no case shall*  
24 *any Commissioner serve for more than two (2) terms in the Commission.*

25 The Commissioner shall enjoy security of tenure and shall neither be suspended  
26 nor removed except for just cause in accordance with the law.

27 (b) *Remuneration of Commissioners.* The Commissioners shall be entitled to the same  
28 salary, allowance and benefits, including retirement, as those of the Justices of the  
29 Court of Appeals, except for the Chairperson who shall have the rank of the Presiding  
30 Justice of the Court of Appeals.

31 (c) *Qualifications of Commissioners.* The Commissioners must be residents and citizens  
32 of the Philippines, at least 35 years of age, of good moral character, of known probity  
33 and unquestionable integrity, with recognized competence in the field of information  
34 and communications technology, and, with at least five (5) years of actual and  
35 distinguished experience in their respective fields of expertise: *Provided,* that one of  
36 the Commissioners shall preferably be a member of the Philippine Bar, another a  
37 licensed electronics and communications engineer (ECE), and the third an economist  
38 or a graduate of any relevant profession.

1 (d) *Powers of the Commissioners.* All powers vested upon the Commission shall be  
2 vested on the Commissioners sitting as collegial body. Hearings may be conducted  
3 by any of the Commissioners, individually or jointly, or by Hearing Officers duly  
4 authorized or delegated to hear such cases. A majority vote shall be required to reach  
5 a decision, ruling or order of the Commission.

6 Notwithstanding the foregoing provision, the Chairperson may provisionally  
7 approve or decide on immediate cases involving the fixing of rates or charges:  
8 *Provided*, that a hearing will be scheduled within thirty (30) days from the grant  
9 thereof.

10 The Chairperson shall also be the Chief Executive Officer of the Commission and  
11 shall provide the general executive direction and supervision of the operations and  
12 activities of the Commission, its bodies, boards, offices, and personnel.

13 **SEC. 8. Regional Offices.** --The Commission shall be authorized to establish, operate, and  
14 maintain Regional Offices as the need arises. The regional office shall be headed by a Regional  
15 Director, who shall be appointed by the President of the Philippines upon the recommendation of  
16 the CICT.

17 Such regional offices shall function as line organization which shall be responsible for the  
18 following:

- 19 (a) implementation of laws, policies, projects, plans, rules and regulations of the  
20 Commission;
- 21 (b) supervision and inspection of the operation of radio, television, cable TV and  
22 telecommunications networks, station, systems, facilities and services;
- 23 (c) Regulation and control of communications, CABLE TV and broadcast services;
- 24 (d) Conduct of hearings on consumers' complaints and administrative cases;
- 25 (e) Issuance of permits, licenses and certificates, including the conduct of examination  
26 and licensing of qualified operations; and,
- 27 (f) Such other functions as may be assigned to them.

28 **SEC. 9. Fiscal autonomy.** -- The Commission shall enjoy fiscal autonomy. Its  
29 appropriations may not be reduced below the amount appropriated for the previous year and after  
30 approval, shall be automatically and regularly released. The Commission may re-align  
31 allocations to supplement any insufficient or inadequate appropriation as may be necessary to  
32 effectively discharge its duties.

33 Thirty percent (30%) of the total supervisory and regulatory fees (SRF) collected by the  
34 Commission under Section 6(i) of this Act shall constitute receipts automatically appropriated  
35 for a period of five (5) years from the effectivity of this Act, to be used by the Commission to  
36 augment its resources to fund its operations and activities pursuant to its mandate.

37 *Provided*, that all moneys appropriated and earned by the Commission shall be utilized  
38 solely for its operations and shall be subject to DBM budget rules and regulations.

1           **SEC. 10. Compensation and Emoluments of Personnel.** – All positions of the  
2 Commission requiring technical proficiency and expertise shall be governed by a compensation  
3 comparable to the private sector and position classification systems and qualification standards  
4 approved by the Commission, in consultation with the Civil Service Commission (CSC) and the  
5 Department of Budget and Management (DBM) based on a comprehensive job analysis and  
6 audit of actual duties and responsibilities. The compensation plan shall be subject to periodic  
7 review by the Commission, the CSC and the DBM no more than once every two (2) years  
8 without prejudice to merit reviews or increases based on productivity and efficiency.

9           The compensation and other emoluments for personnel with high level of expertise and  
10 proficiency shall be exempted from the coverage of R.A. No. 6758, otherwise known as the  
11 “Salary Standardization Act.” For this purpose, the schedule of compensation of personnel with  
12 high level of expertise and proficiency as determined by the Commission, in consultation with  
13 the CSC and the DBM, shall be submitted for approval by the President of the Philippines. The  
14 new schedule of compensation shall be implemented within six (6) months from the effectivity  
15 of this Act and may be upgraded by the President of the Philippines as the need arises:  
16 Provided, That in no case shall the rate be upgraded more than once a year.

17           **SEC. 11. Enhancement of Technical Competence.** – The Commission shall establish a  
18 rigorous training program, to include the setting up of training center, for its personnel to  
19 enhance the technical and regulatory competence of the Commission in the monitoring and  
20 enforcement of laws, orders, rules and regulations of the Commission, and the compliance  
21 thereof.

22           **SEC. 12. Annual Report.** – The Commission shall submit an annual report to both  
23 Houses of Congress not later than April 30 of each year, to include specific goals, objectives,  
24 accomplishments, plans and priorities of the Commission for the next five (5) years, as well as  
25 recommendations for legislative action to enable the Commission to achieve its objectives; and  
26 such other data as may be required from time to time.

27           **SEC. 13. Funding.** – In addition to the sums to be appropriated for the Commission  
28 under the General Appropriations Act for the Fiscal Year following the approval of this Act, any  
29 savings in the appropriation of the Commission and fees collected by the Commission for the  
30 current fiscal year may also be used to implement the provisions of this Act. Thereafter, the  
31 amount needed for such purpose shall be included in the subsequent annual General  
32 Appropriations Acts, or through special appropriations.

33           **SEC. 14. Transitory Provisions.**

34           (a) Within ninety (90) days after the approval of this Act, the Commission shall draw the  
35 new structure and staffing pattern necessary to carry out the powers and functions of  
36 the newly organized Commission, in consultation with the CSC and the DBM, to be  
37 submitted to the CICT Secretary for approval.

38           (b) The current Commissioners and existing personnel shall continue to hold office until  
39 approval of the staffing pattern and new appointments are issued.

1 (c) Any personnel, whose positions are not included in the new position structure and the  
2 duly approved staffing pattern shall be deemed separated from the service. The  
3 officials and employees who are or wish to be separated as a result of the  
4 implementation of this Act shall be entitled to one and a half month separation pay for  
5 every year of service: *Provided*, that they have rendered continuous service in the  
6 Commission for at least ten (10) years: *Provided, further*, that for officials and  
7 employees with the Commission for the last five (5) years, they shall be entitled to  
8 three (3) months separation pay for every year of service and all other benefits  
9 accruing to them under the laws of general application enforced at the time of their  
10 separation.

11 (d) All regular or permanent employees who shall be affected by this Act shall not suffer  
12 any loss of seniority or rank or decrease in emoluments.

13 **SEC. 15. Repealing Clause.** -- All laws, decrees, executive orders, rules and regulations  
14 and other issuances or parts thereof which are inconsistent with this Act are hereby repealed,  
15 amended or modified accordingly.

16 **SEC. 16. Separability Clause.** -- If any of the provisions of this Act shall be declared  
17 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force  
18 and effect.

19 **SEC. 17. Effectivity Clause.** -- This Act shall take effect immediately upon its approval.  
20

21 Approved .