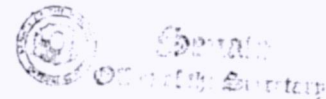


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

SENATE

S. B. No. 2035



INTRODUCED BY SENATOR JOSEPH VICTOR G. EJERCITO

AN ACT
EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO THE IGLESIA NI CRISTO, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 4339, ENTITLED "AN ACT GRANTING THE IGLESIA NI
CRISTO A FRANCHISE TO ESTABLISH RADIO STATIONS FOR PRIVATE
TELECOMMUNICATION", AS AMENDED BY REPUBLIC ACT No. 7225, AND
FOR OTHER PURPOSES

EXPLANATORY NOTE

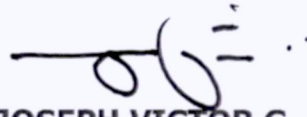
Religious institutions are important in the life of our nation as they play a major role in the proper moral formation of the people, espousing doctrines which are complementary to the principles of responsible citizenship.

The Iglesia Ni Cristo constitutes one of the largest Christian groups in the Philippines, with congregations in more than 100 countries and territories, and members belonging to more than 110 nationalities and ethnic groups. The Iglesia Ni Cristo is built on the strength of the religious conviction of its ministers and members, and their adherence to faith, respect, unity, and high moral standards.

With the vast membership of Iglesia Ni Cristo worldwide, it is considerable to provide the religious organization with an efficient and effective telecommunication system. The Iglesia Ni Cristo disseminates uniform bi-weekly preaching in all their religious congregations in addition to its pastoral guidance and religious instructions. Private communication has become an essential tool for its activities to maintain the privacy and exclusivity of their communication. As such, it is just right that the government continues to grant the Iglesia Ni Cristo a franchise to establish radio stations for private telecommunications.

This proposed measure seeks to extend for another 25 years the franchise given to the Iglesia Ni Cristo under Republic Act Nos. 4339 and 7225.

In view of the foregoing, the immediate enactment of this measure is earnestly sought.

A handwritten signature in black ink, appearing to read 'Jose G. Ejercito', written over a horizontal line.

SENATOR JOSEPH VICTOR G. EJERCITO

SEVENTEENTH CONGRESS OF THE)
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AN ACT

EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO THE IGLESIA NI CRISTO, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4339, ENTITLED "AN ACT GRANTING THE IGLESIA NI CRISTO A FRANCHISE TO ESTABLISH RADIO STATIONS FOR PRIVATE TELECOMMUNICATION", AS AMENDED BY REPUBLIC ACT No. 7225, AND FOR OTHER PURPOSES

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

SECTION 1. Section 1 of Republic Act No. 4339 is hereby amended to read as follows:

"Sec. 1. Nature and Scope of Franchise-Subject to the provisions of the Philippine Constitution and applicable laws, rules and regulations the franchise granted to the IGLESIA NI CRISTO, hereunder referred to as the grantee, to construct, establish, install, maintain, lease, purchase, operate and carry on a private telecommunications, including electronic telecommunications or electronic communications services throughout the Philippines and between the Philippines and other countries and territories, including outer space, as public interest may warrant, for domestic and international telecommunications is hereby extended for twenty-five (25) years from the effectivity of this Act. For this purpose, the grantee is hereby granted the right to construct, establish, install maintain, lease, purchase and operate the corresponding transmitting and receiving stations, satellites, lines, systems,

1 networks, international gateways, local exchanges, and platforms as it may consider
2 necessary convenient, or reasonable.

3
4 In this Act, the term 'telecommunications' shall include electronic
5 communications. In addition, the following terms shall have the meanings set forth
6 herein:

7
8 Electronic communications network shall mean: (a) a transmission system for
9 conveyance, by use of electrical, magnetic or electro-magnetic energy, of signals of
10 any description; and (b) any of the following as are used, by the person providing the
11 system and in association with it, for conveyance of the signals: (1) apparatus
12 comprised in the system; (2) apparatus used for the switching and routing of the
13 signals; and (3) software and stored data.

14
15 'Electronic communications service' shall mean a service consisting in, or having
16 as its principal feature, the conveyance by means of an electronic communications
17 network of signals. It includes wired wireless, fixed, cellular, and/or mobile, or
18 integrated telecommunications computers, electronic services, including value-added
19 services, or technologies related to such service which are at present available or
20 made available through technical advances or innovations in the future and fixed and
21 mobile stations."

22
23 **SEC. 2.** Sections 2 & 3 of Republic Act No. 4339 are hereby amended to read
24 as follows:

25
26 "Sec. 2. Right of Government. - A special right is hereby reserved to the
27 President of the Philippines, in times of war, rebellion, public peril, calamity,
28 emergency, disaster or disturbance of peace and order to temporarily take over and
29 operate the stations, transmitters, facilities, or equipment of the grantee, to
30 temporarily suspend the operation of any station, transmitter, facility, or equipment
31 in the interest of public safety security and public welfare or to authorize the temporary
32 use and operation thereof by any agency of the government, upon due compensation

1 to the grantee, for the use of the stations, transmitters facilities, or equipment during
2 the period when these shall be so operated.

3
4 The radio spectrum is a finite resource that is part of the national patrimony
5 and the use thereof is a privilege conferred upon the grantee by the State and may
6 be withdrawn any time after due process."

7
8 **SEC. 3.** Section 4 of Republic Act No. 4339 is hereby amended to read as
9 follows:

10
11 "Sec. 4. Term of Franchise. - The franchise shall be extended and in effect for
12 a period of twenty-five (25) years from the date of the effectivity of this Act, unless
13 sooner revoked or cancelled. In the event the grantee fails to operate continuously
14 for two (2) years, this franchise shall be deemed *ipso facto* revoked."

15 **SEC. 4.** Section 5 of Republic Act No. 4339 is hereby amended to read as
16 follows"

17
18 "Sec. 5. Authority of the National Telecommunications Commission (NTC) - The
19 grantee shall secure from the NTC a Certificate of Public Convenience and Necessity
20 or the appropriate permits and licenses for the construction, installation, and operation
21 of its telecommunications systems/facilities. In issuing the certificate, the NTC shali
22 have the power to impose such conditions relative to the construction, operation,
23 maintenance, or service level of the telecommunications system. The NTC shall have
24 the authority to regulate the construction and operation of its telecommunications
25 systems. The grantee shall not use any frequency in the radio spectrum without
26 authorization from the NTC. Such certificate shall state the areas covered and the date
27 the grantee shall commence the service. The NTC, however, shall not unreasonably
28 withhold or delay the grant of any such authority, permit, or license."

1 **SEC. 5.** Section 6 of Republic Act. No. 4339 is hereby amended to read as
2 follows:

3
4 "Sec. 6. Manner of Operation of Stations or Facilities. The stations or facilities
5 of the grantee shall be constructed and operated in a manner as will, at most, result
6 only in the minimum interference on the wavelengths or frequencies of existing
7 stations or other stations which may be established by law, without in any way
8 diminishing its own right to use its assigned wavelengths or frequencies and the
9 quality of transmission or reception thereon as should maximize rendition of the
10 grantee's services and/or the availability thereof."

11
12 **SEC. 6.** Section 7 of Republic Act No. 4339 is hereby amended to read as
13 follows:

14
15 "Sec. 7. Warranty in Favor of the National and Local Governments. – The
16 grantee shall hold the national, provincial, city, and municipal governments of the
17 Philippines free from all claims, accounts, demands or actions arising out of accidents
18 or injuries, whether to property or to persons, caused by the construction or operation
19 of the stations, transmitters, facilities, and equipment of the grantee."

20
21 **SEC. 7.** Section 8 of Republic Act No. 4339 is hereby amended to read as
22 follows:

23
24 "Sec. 8. "Excavation and Restoration Works. For the purpose of erecting and
25 maintaining poles or other supports for said wires or other conductors for the purpose
26 of laying and maintaining underground wires cables or other conductors, it shall be
27 lawful for the grantee, its successors or assignees, with the prior approval of the
28 Department of Public Works and Highways (DPWH) or the local government unit (LGU)
29 concerned, as may be appropriate, to make excavations or lay conduits in any of the
30 public places, roads, highways, streets, lanes, alleys avenues, sidewalks, or bridges of
31 the province, cities and/or municipalities: Provided, however, That a public place,
32 road, highway street, lane, alley, avenue, sidewalk, or bridge disturbed, altered or

1 changed by reason of erection of poles or other supports or the underground laying
2 of wires, other conductors or conduits, shall be repaired and replaced in workmanlike
3 manner by the said grantee, its successors or assignees, in accordance with the
4 standards set by the DPWH or the LGU concerned. Should the grantee, its successors
5 or assignees, after the ten (10)-day notice from the said authority, fail, refuse, or
6 neglect to repair or replace any part of public place, road highway, street, lane, alley,
7 avenue, sidewalk or bridge disturbed altered or changed by the said grantee, its
8 successors or assignees then the DPWH or the LGU concerned shall have the right to
9 have the same repaired and placed in good order and condition at double expense to
10 be charged against the grantee, its successors or expense to assignees."

11
12 **SEC. 8.** Section 10 of Republic Act No. 4339 is hereby amended to read as
13 follows:

14
15 "Sec. 10. Bond. - The grantee shall file a bond with the NTC in the amount that
16 it shall determine to guarantee compliance with and fulfillment of the conditions under
17 which this franchise is granted. If, after three (3) years from the date of the approval
18 of its permit by the NTC, the grantee shall have fulfilled the conditions, the bond shall
19 be cancelled by the NTC. Otherwise, the bond shall be forfeited in favor of the
20 government and the franchise *ipso facto* revoked."

21
22 **SEC. 9.** A new Section 12 is hereby inserted after Section 11 of Republic Act
23 No. 4339 to read as follows:

24
25 "Sec. 12. Acceptance and Compliance. Acceptance of this franchise shall be
26 given in writing to the Congress of the Philippines, through the Committee on
27 Legislative Franchises of the House of Representatives and the Committee on Public
28 Services of the Senate, within sixty (60) days from the effectivity of this Act. Upon
29 giving such acceptance, the grantee shall exercise the privileges granted under this
30 Act. Non-acceptance shall render the franchise void."

1 **SEC. 10.** A new Section 13 shall now read as follows:

2
3 "Sec. 13. Reportorial Requirement. - The grantee shall submit an annual report
4 to the Congress of the Philippine through the Committee on Legislative Franchises of
5 the House of Representatives and the Committee on Public Services of the Senate, on
6 its compliance with the terms and conditions of the franchise and on its operations on
7 or before April 30 of every year during the term of its franchise. The reportorial
8 compliance certificate issued by Congress shall be required before any application for
9 permit or certificate is accepted by the NTC."

10
11 **SEC 11.** A new Section 14 shall now read as follows:

12
13 "Sec 14. Penalty Clause. Failure of the grantee to submit the requisite annual
14 report to Congress shall be penalized with a fine of Five Hundred Pesos (P500.00) per
15 working day of noncompliance. The fine shall be collected by the NTC from the
16 delinquent franchise grantee separate from the reportorial penalties imposed by the
17 NTC."

18
19 **SEC 12.** A new Section 15 shall now read as follows:

20
21 "Sec 15. Equality Clause. - Any advantage, favor, privilege, exemption, or
22 immunity granted under other existing franchises, or which may hereafter be granted,
23 upon prior review and approval of Congress, shall become part of this franchise and
24 shall be accorded immediately and unconditionally to the herein grantee. Provided,
25 That the foregoing shall neither apply to nor affect the provisions of
26 telecommunications franchises concerning territory covered by the franchise, the life
27 span of the franchise, or the type of service authorized by the franchise."

28
29 **SEC. 13.** A new Section 16 shall now read as follows:

30
31 "Sec. 16. Separability Clause. - If any of the sections or provisions of this Act is
32 held invalid, all other provisions not affected thereby shall remain valid."

1
2 **SEC. 14.** A new Section 17 shall now read as follows:
3

4 "Sec. 17. Repealability and Nonexclusivity Clause - This franchise shall be
5 subject to amendment, alteration, or repeal by the Congress of the Philippines when
6 the public interest so requires and shall not be interpreted as an exclusive grant of the
7 privileges herein provided for."
8

9 **SEC. 15. Effectivity.** – This Act shall take effect fifteen (15) days after its
10 publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,