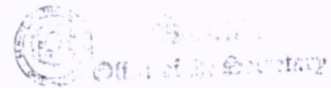


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



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SENATE

COMMITTEE REPORT NO. 507

RECEIVED

Submitted by the Committee on Public Services on **NOV 15 2018**.

Re: House Bill no. 7753 taking into consideration Senate Bill No. 2035

Recommending its approval with amendments, taking into consideration Senate Bill No. 2035

Sponsors: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 7753 introduced by Representatives Robes, Dalipe, Alvarez (F.), Radaza, Tejada, Enverga, Banal, Vargas-Alfonso, Zamora (M.C.), Unabia, Abellanosa, Caminero, Acosta, Bernos, Cortes, Espino, Martinez, Pimental, Unico, Violago, Montoro, Savellano, Villafuerte, Chipeco, Rodriguez (I.), Durano, Aggabao, Maceda, Gatchalian, Relampagos, ROMualdo, Vargas, Revilla, Bravo (M.V.), Ferrer (L.), Belmonte (R.), Batocabe, Velarde, Romero, Madrona, Cua, Turna, Marcoleta, Almario, Bertiz, Chavez, Abayon, Jalosjos, Nieto, Silverio, Lazatin, Primicias-Agabas, Del Mar, Fariñas, Bondoc, Defensor, Mercado, Hofer, Gonzales (A.D.), Noel, Gullas, Ty, Gonzales (A.P.), Matugas, Alonte, De Venecia, Lopez (B.), Ortega (V.N.), Garcia (J.E.), Salo, Belaro, Herrera-Dy, Roa-Puno, Atienza, Garbin, De Vera, Bravo (A.), Abueg, Panganiban, Sarmiento (C.), Salimbangon, Deloso-Montalla, Kho, Fortuno, Ungab, Cuaresma, Cerilles, Suansing (E.), Tambunting, Vergara, Suansing (H.), Sandoval, Malapitan, Sy-Alvarado, Collantes and Alvarez (M.), entitled:

**"AN ACT
EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TOT HE IGLESIA NI CRISTO (CHURCH OF
CHRIST) UNDER REPUBLIC ACT NO. 4339, AS AMENDED BY
REPUBLIC ACT NO. 7225"**

and taking into consideration Senate Bill No. 2035 introduced by Senator Joseph Victor G. Ejercito, entitled:

**"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"**

has considered the same and has the honor to report House Bill No. 7753, taking into consideration Senate Bill No. 2035, back to the Senate with the recommendation that it be approved with the following amendments:


1. On page 6, after line 21, insert new provision which shall read as follows:

**"SEC. 10. COMMITMENT TO PROVIDE AND PROMOTE THE CREATION
OF EMPLOYMENT OPPORTUNITIES. – THE GRANTEE SHALL CREATE
EMPLOYMENT OPPORTUNITIES AND SHALL ALLOW ON-THE-JOB
TRAININGS IN THEIR FRANCHISE OPERATION. PROVIDED, THAT
PRIORITY SHALL BE ACCORDED TO THE RESIDENTS WHERE THEIR
PRINCIPAL OFFICE IS LOCATED. PROVIDED, FURTHER, THAT THE
GRANTEE SHALL FOLLOW THE APPLICABLE LABOR STANDARDS AND
ALLOWANCE ENTITLEMENT UNDER EXISTING LABOR LAWS, RULES**

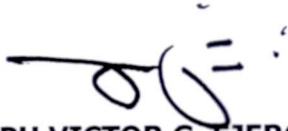
AND REGULATIONS AND SIMILAR ISSUANCES, PROVIDED FINALLY, THAT THE EMPLOYMENT OPPORTUNITIES OR JOBS CREATED SHALL BE REFLECTED IN THE GENERAL INFORMATION SHEET (GIS) TO BE SUBMITTED TO SECURITIES AND EXCHANGE COMMISSION ANNUALLY.”;

2. Renumber the sections accordingly.

RESPECTFULLY SUBMITTED



GRACE POE
Chairperson
Committee on Public Services



JOSEPH VICTOR G. EJERCITO
Vice-Chairperson
Committee on Public Services



FRANCIS "Chiz" G. ESCUDERO
Vice-Chairperson
Committee on Public Services

Members



LOREN B. LEGARDA



PANFILO M. LACSON

RICHARD J. GORDON



JOEL VILLANUEVA



RISA HONTIVEROS



ANTONIO "Sonny" F. TRILLANES IV

PAOLO BENIGNO "Bam" AQUINO IV



AQUILINO "Koko" PIMENTEL III

Ex-Officio Members



RALPH G. RECTO
Senate President Pro-Tempore



JUAN MIGUEL F. ZUBIRI
Majority Floor Leader



FRANKLIN M. DRILON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President

CONGRESS OF THE PHILIPPINES
SEVENTEENTH CONGRESS
Third Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 7753

BY REPRESENTATIVES ROBES, DALIPE, ALVAREZ (F.), RADAZA, TEJADA, ENVERGA, BANAL, VARGAS-ALFONSO, ZAMORA (M.C.), UNABIA, ABELLANOSA, CAMINERO, ACOSTA, BERNOS, CORTES, ESPINO, MARTINEZ, PIMENTEL, UNICO, VIOLAGO, MONTORO, SAVELLANO, VILLAFUERTE, CHIPECO, RODRIGUEZ (I.), DURANO, AGGABAO, MACEDA, GATCHALIAN, RELAMPAGOS, ROMUALDO, VARGAS, REVILLA, BRAVO (M.V.), FERRER (L.), BELMONTE (R.), BATOCABE, VELARDE, ROMERO, MADRONA, CUA, TUGNA, MARCOLETA, ALMARIO, BERTIZ, CHAVEZ, ABAYON, JALOSJOS, NIETO, SILVERIO, LAZATIN, PRIMICIAS-AGABAS, DEL MAR, FARINAS, BONDOC, DEFENSOR, MERCADO, HOFER, GONZALES (A.D.), NOEL, GULLAS, TY, GONZALES (A.P.), MATUGAS, ALONTE, DE VENECIA, LOPEZ (B.), ORTEGA (V.N.), GARCIA (J.E.), SALO, BELARO, HERRERA-DY, ROA-PUNO, ATIENZA, GARBIN, DE VERA, BRAVO (A.), ABUEG, PANGANIBAN, SARMIENTO (C.), SALJMBANGON, DELOS-MONTALLA, KHO, FORTUNO, UNGAB, CUARESMA, CERILLES, SUANSING (E.), TAMBUNTING, VERGARA, SUANSING (H.), SANDOVAL, MALAPITAN, SY-ALVARADO, COLLANTES AND ALVAREZ (M.),
PER COMMITTEE REPORT NO. 745

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO THE IGLESIA NI CRISTO (CHURCH OF CHRIST) UNDER REPUBLIC ACT NO. 4339, AS AMENDED BY REPUBLIC ACT NO. 7225

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

1 SECTION 1. *Nature and Scope of Franchise.* – Subject to the
2 provisions of the Philippine Constitution and applicable laws, rules
3 and regulations, the franchise granted to Iglesia ni Cristo (Church
4 of Christ) under Republic Act No. 4339, as amended by Republic Act
5 No. 7225 and hereunder referred to as the grantee, to construct,
6 establish, install, maintain, lease, purchase, operate and carry on a
7 private telecommunications or electronic communications services
8 throughout the Philippines and between the Philippines and other
9 countries and territories, including outer space as public interest
10 may warrant, for domestic and international telecommunications is
11 hereby extended for twenty-five (25) years from the effectivity of
12 this Act. For this purpose, the grantee is hereby bestowed the right
13 to construct, establish, install, maintain, lease, purchase, and
14 operate the corresponding transmitting and receiving stations,
15 satellites, lines, systems, networks, international gateways, local
16 exchanges, and platforms as it may consider necessary, convenient
17 or reasonable.

18 In this Act, the term "telecommunications" shall include
19 "electronic telecommunications". In addition, as used in this Act:

20 (a) Electronic communications network shall refer to:
21 (1) a transmission system for conveyance by use of electrical,
22 magnetic, or electromagnetic energy, of signals of any description;
23 and (2) any of the following as are used, by the person providing the
24 system and in association with it, for conveyance of the signals: (i)
25 apparatus comprised in the system; (ii) an apparatus used for
26 the switching and routing of the signals; and (iii) software and
27 stored data.

1 (b) Electronic communications service shall refer to services
2 that are principally conveyed by means of an electronic
3 communications network of signals. It includes wired, wireless,
4 fixed, cellular, and/or mobile, or integrated telecommunications,
5 computer, electronic services, including value-added services, or
6 technologies related to such service which are at present available
7 or made available through technological advances or innovations in
8 the future, and fixed and mobile stations.

9 SEC. 2. *Manner of Operation of Stations or Facilities.* - The
10 stations or facilities of the grantee shall be constructed and
11 operated in a manner as will, at most, result only in the minimum
12 interference on the wavelengths or frequencies of existing stations
13 or other stations which may be established by law, without in
14 any way diminishing its own privilege to use its assigned
15 wavelengths or frequencies and the quality of transmission or
16 reception thereon as should maximize rendition of the grantee's
17 services and/or the availability thereof.

18 SEC. 3. *Authority of the National Telecommunications*
19 *Commission.* - The grantee shall secure from the National
20 Telecommunications Commission (NTC) a Certificate of Public
21 Convenience and Necessity and the appropriate permits and
22 licenses for the construction, installation and operation of its
23 telecommunications systems or facilities. In issuing the certificate,
24 the NTC shall have the power to impose such conditions relative to
25 the construction, operation, maintenance, or service level of the
26 telecommunications system. The NTC shall have the authority to
27 regulate the construction and operation of its telecommunications
28 system. The grantee shall not use any frequency in the radio

1 spectrum without authorization from the NTC. Such certificate
2 shall state the areas covered and the date the grantee shall
3 commence the service. The NTC, however, shall not unreasonably
4 withhold or delay the grant of such authority, permit or license.

5 SEC. 4. *Excavation and Restoration Works.* – For the
6 purpose of erecting and maintaining poles or other supports for said
7 wires or other conductors for the purpose of laying and maintaining
8 underground wires, cables or other conductors, it shall be lawful for
9 the grantee, with the prior approval of the Department of Public
10 Works and Highways (DPWH) or the local government unit (LGU)
11 concerned, as may be appropriate, to excavate or lay conduits in any
12 of the public places, roads, highways, streets, lanes, alleys, avenues,
13 sidewalks, or bridges of the provinces, cities, or municipalities:
14 *Provided, however,* That a public place, road, highway, street, lane,
15 alley, avenue, sidewalk, or bridge disturbed, altered or changed by
16 reason of erection of poles or other supports or the underground
17 laying of wires, other conductors or conduits shall be repaired and
18 replaced in workmanlike manner by said grantee, in accordance
19 with the standards set by the DPWH or the LGU concerned. Should
20 the grantee, after the ten (10)-day notice from the said authority,
21 fail, refuse or neglect to repair or replace any part of public place,
22 road, highway, street, lane, alley, avenue, sidewalk, or bridge
23 disturbed, altered or changed by the said grantee, the DPWH or the
24 LGU concerned shall have the right to have the same repaired and
25 placed in good order and condition, to be charged against the
26 grantee at double the amount spent for such repair or replacement.

27 SEC. 5. *Responsibility to the Public.* – The grantee shall
28 conform to the ethics of honest enterprise and not use its stations

1 or facilities for obscene or indecent transmission, or for the
2 dissemination of deliberately false information, or willful
3 misrepresentation, or assist in subversive or treasonable acts.

4 The grantee shall operate and maintain all its stations, lines,
5 cables, systems, and equipment for the transmission and reception
6 of messages, signals, and pulses in a satisfactory manner at all
7 times and, as far as economical and practicable, modify, improve, or
8 change such stations, lines, cables, systems, and equipment to keep
9 abreast with the advances in science and technology.

10 The grantee shall improve and extend its services in areas not
11 yet served, and in hazard- and typhoon-prone areas that shall be
12 determined by the National Disaster Risk Reduction and
13 Management Council in coordination with the NTC.

14 The grantee shall also improve and upgrade its equipment,
15 facilities and services, in order to ensure effective compliance with
16 the objectives of Republic Act No. 10639 or "The Free Mobile
17 Disaster Alerts Act".

18 *SEC. 6. Right of the Government.* – The radio spectrum is a
19 finite resource that is part of the national patrimony and the use
20 thereof is a privilege conferred upon the grantee by the State and
21 may be withdrawn any time after due process.

22 A special right is hereby reserved to the President of the
23 Philippines, in times of war, rebellion, public peril, calamity,
24 emergency, disaster or disturbance of peace and order: to
25 temporarily take over and operate the stations, transmitters,
26 facilities, or equipment of the grantee; to temporarily suspend the
27 operation of any station, transmitter, facility, or equipment in the
28 interest of public safety, security, and public welfare; or to authorize

1 the temporary use and operation thereof by any agency of the
2 government, upon due compensation to the grantee, for the use of
3 said stations, transmitters, facilities, or equipment during the
4 period when these shall be so operated.

5 SEC. 7. *Term of Franchise.* - This franchise shall be
6 extended and in effect for a period of twenty-five (25) years from
7 the date of the effectivity of this Act, unless sooner revoked or
8 cancelled. This franchise shall be deemed *ipso facto* revoked in the
9 event the grantee fails to operate continuously for two (2) years.

10 SEC. 8. *Renewal or Extension of Franchise.* - The grantee
11 shall apply for the renewal or extension of its franchise five (5)
12 years before its expiration date which shall be reckoned fifteen (15)
13 days after the publication of the franchise in the *Official Gazette* or
14 in any newspaper of general circulation, whichever comes earlier.

15 SEC. 9. *Warranty in Favor of the National and Local*
16 *Governments.* - The grantee shall hold the national, provincial,
17 city, and municipal governments of the Philippines free from all
18 claims, liabilities, accounts, demands, or actions arising out of
19 accidents, causing injury to persons or damage to properties, during
20 the construction or operation of the stations, transmitters, facilities,
21 or equipment of the grantee.

22 SEC. 10. *Compliance with Labor Standards.* - The grantee
23 shall comply with the applicable labor standards under existing
24 labor laws, rules and regulations and such other issuances as may
25 be promulgated by the Department of Labor and Employment,
26 taking into consideration the nature and peculiarities of the
27 telecommunications industry.

1 SEC. 11. *Reportorial Requirement.* – The grantee shall
2 submit an annual report to the Congress of the Philippines, through
3 the Committee on Legislative Franchises of the House of
4 Representatives and the Committee on Public Services of the
5 Senate, on its compliance with the terms and conditions of the
6 franchise and on its operations on or before April 30 of every year
7 during the term of its franchise.

8 The annual report shall include an update on the roll-out,
9 development, operation and/or expansion of business; audited
10 financial statements as certified by the Securities and Exchange
11 Commission (SEC); latest General Information Sheet officially
12 submitted to the SEC; certification of the NTC on the status of its
13 permits and operations; and an update on the dispersal of
14 ownership undertaking.

15 The reportorial compliance certificate issued by Congress
16 shall be required before any application for permit or certificate is
17 accepted by the NTC.

18 SEC. 12. *Fine.* – Failure of the grantee to submit the
19 requisite annual report to Congress shall be penalized by a fine of
20 Five hundred pesos (P500.00) per working day of noncompliance.
21 The fine shall be collected by the NTC from the delinquent franchise
22 grantee separate from the reportorial penalties imposed by the NTC
23 and the same shall be remitted to the National Treasury.

24 SEC. 13. *Equality Clause.* – Any advantage, favor, privilege,
25 exemption, or immunity granted under other existing franchises, or
26 which may hereafter be granted, upon prior review and approval of
27 Congress, shall become part of this franchise and shall be accorded
28 immediately and unconditionally to the herein grantee: *Provided,*

1 That the foregoing shall neither apply to nor affect provisions of
2 telecommunications franchises concerning the territory, life span, or
3 type of service authorized by the franchise.

4 SEC. 14. *Repealability and Nonexclusivity Clause.* – This
5 franchise shall be subject to amendment, alteration, or repeal by the
6 Congress of the Philippines when the public interest so requires and
7 shall not be interpreted as an exclusive grant of the privilege herein
8 provided for.

9 SEC. 15. *Separability Clause.* – If any of the sections or
10 provisions of this Act is held invalid, all other provisions not
11 affected thereby shall remain valid.

12 SEC. 16. *Repealing Clause.* – All other laws, orders,
13 issuances, rules and regulations or parts thereof inconsistent with
14 this Act are hereby repealed, amended or modified accordingly.

15 SEC. 17. *Effectivity.* – This Act shall take effect fifteen (15)
16 days after its publication in the *Official Gazette* or in a newspaper of
17 general circulation.

Approved,

O