

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7398



Introduced by **Representative Manuel Jose M. Dalipe**

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

Article II, Section 20 of the Philippine Constitution provides that the State shall recognize the indispensable role of the private sector, encourage private enterprise and provide incentives to needed investments.

The establishment of private telecommunications networks is now an acceptable practice among large organizations for their efficient interconnection over extended geographical areas. The privacy of communication through telecommunications networks and the exclusivity for transmission and exchange of information should be recognized and deserved protection by the State.

The Iglesia Ni Cristo- a home- grown religious organization has expanded its memberships not only nationwide but even worldwide. Their radio stations disseminates uniform bi-weekly preaching of the biblical doctrine in all their regular religious congregations. It also serve to be informative, strengthening positive Filipino values, and supportive of national programs of the government. Hence, there is a need for the use and maintenance of a private telecommunications network to serve their proselytization. Immediate accessibility to pastoral guidance and counseling on a regular basis is necessary for such an organization conscious about direct implementation of religious instructions to its locale officers and members as well.

The renewal and continued operation and maintenance of radio stations for private telecommunications by the Iglesia Ni Cristo for another twenty-five (25) years is the clamor by many.

In view of the foregoing, the approval of this bill is earnestly sought.


MANUEL JOSE M. DALIPE
2nd District, Zamboanga City

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Be it enacted by the Senate and the House of Representatives of the Philippines in the 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, maintain, lease, purchase, operate and carry on a private telecommunication, 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, satellite, lines, systems, networks, international gateways, local exchanges, and platforms as it may consider necessary, convenient, or reasonable."

"In this Act, the term telecommunications' shall include electronic communications'. In addition, the following terms shall have the meanings set forth herein.

"Electronic communications network' shall mean: (a) a transmission system for conveyance, by use of electrical, magnetic, or electro-magnetic energy, by the person providing the system and in association with it, for conveyance of the signals: (1) apparatus comprised in the system; (2)

apparatus used for the switching and routing of the signals; and (3) software and stored data.

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

Section 2. Sections 2 & 3 of Republic Act No. 4339 are hereby amended to read as follows:

“Sec. 2. *Right of Government.* - A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order: to temporarily take over and operate the stations, transmitters, facilities, or equipment of the grantee; to temporarily suspend the operation of any station, transmitter, facility, or equipment in the interest of public safety, security and public welfare; or to authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of the stations, transmitters, facilities, or equipment during the period when these shall be so operated.”

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

Section 3. Section 4 of Republic Act No. 4339 is hereby amended to read as follows:

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

Section 4. Section 5 of Republic Act No. 4339 is hereby amended to read as follows:

“Sec. 5. *Authority of the National Telecommunications Commission (NTC).* - The grantee shall secure from the NTC a Certificate of Public Convenience and Necessity or the appropriate permits and licenses for the construction, installation, and operation of its telecommunications systems/facilities. In issuing the certificate, the NTC shall have the power to impose such conditions relative to the construction, operation, maintenance, or service level of the telecommunications system. The NTC shall have the authority to regulate the construction and operation of its telecommunication systems. The grantee shall not use any frequency in the radio spectrum without authorization from the NTC. Such certificate shall state the areas covered and the date the grantee

shall commence the service. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority, permit, or license.

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

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

Section 6. Section 7 of Republic Act No. 4339 is hereby amended to read as follows:

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

Section 7. Section 8 of Republic Act No. 4339 is hereby amended to read as follows:

Sec. 8. *"Excavation and Restoration Works.* – For the purpose of erecting and maintaining poles or other supports for said wires or other conductors for the purpose of laying and maintaining underground wires, cables or other conductors, it shall be lawful for the grantee, its successors or assignees, with the prior approval of the Department of Public Works and Highways (DPWH) or the local government unit (LGU) concerned, as may be appropriate, to make excavations or lay conduits in any of the public places, roads, highways, streets, lanes, alleys, avenues, sidewalks, or bridges of the province, cities, and/or municipalities: *Provided, however;* That a public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered or changed by reason of erection of poles or other supports or the underground laying of wires, other conductors or conduits, shall be repaired and replaced in workmanlike manner by the said grantee, its successors or assignees, in accordance with the standards set by the DPWH or the LGU concerned. Should the grantee, its successors or assignees, after the ten (10) day notice from the said authority, fail, refuse, or neglect to repair or replace any part of public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered or changed by the said grantee, its successors, or assignees, then the DPWH or the LGU concerned shall have the right to have the same repaired and place in good order and condition at double expense to be charged against the grantee, its successors or assignees."

Section 8. Section 10 of Republic Act No. 4339 is hereby amended to read as follows:

Sec. 10. *"Bond.* – The grantee shall file a bond with the NTC in the amount that it shall determine to guarantee compliance with and fulfillment of the

conditions under which this franchise is granted. If, after three (3) years from the date of the approval of its permit by the NTC, the grantee shall have fulfilled the conditions, the bond shall be cancelled by the NTC. Otherwise, the bond shall be forfeited in favor of the government and the franchise *ipso facto* revoked."

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

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

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

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

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

"Sec. 14. *Penalty Clause.* – Failure of the grantee to submit the requisite annual report to Congress shall be penalized with a fine of five hundred pesos (P500.00) per working day of noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC."

Section 12. A new Section 15 shall now be read as follows:

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

Section 13. A new Section 16 shall now read as follows:

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

Section 14. A new Section 17 shall now read as follows:

“Sec. 17. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.”

Section 15. Effectivity.—This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.