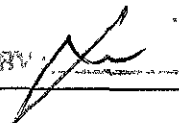


SENATE

JUL 21 1979

P. S. Res. No. 25

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Introduced by Sen. Ralph G. Recto

A RESOLUTION

DIRECTING THE SENATE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED ANOMALIES IN THE NATIONAL TELECOMMUNICATIONS COMMISSION INVOLVING THE ISSUANCE OF PERMITS AND LICENSES, AND REGULATION OF RADIO FREQUENCIES AND BANDWIDTHS TO PRIVATE CONCESSIONAIRES WITH THE END VIEW OF GENERATING GREATER REVENUES AND RESTORING PUBLIC TRUST IN THE GOVERNMENT

WHEREAS, Section 24, Article II of the Constitution states that: "The State recognizes the vital role of communication and information in nation-building;"

WHEREAS, Section 4 (c), Article II of Republic Act 7925 states that: "The radio frequency spectrum is a scarce public resource that shall be administered in the public interest and in accordance with international agreements and conventions to which the Philippines is a party and granted to the best qualified. The government shall allocate the spectrum to service providers who will use it efficiently and effectively to meet public demand for telecommunications service and may avail of new and cost effective technologies in the use of methods for its utilization;"

WHEREAS, Section 5 (a), Article II of Republic Act 7925 states that: "The National Telecommunications Commission (Commission) shall adopt an administrative process which would facilitate the entry of qualified service providers and adopt a pricing policy which would generate sufficient returns to encourage them to provide basic telecommunications services in unserved and underserved areas;"

WHEREAS, Section 15, Article V of Republic Act 7925 states that: "The radio frequency spectrum allocation and assignment shall be subject to periodic review. The use thereof shall be subject to reasonable spectrum user fees. Where demand for specific frequencies exceed availability, the Commission shall hold open tenders for the same and ensure wider access to this limited resource;"

WHEREAS, Section 15 (b) of Executive Order No. 546, dated 23 July 1979, provides that "The Commission shall establish, prescribe and regulate areas of operation of particular operators of public service communications; and determine and prescribe charges or rates pertinent to the operation of such public utility facilities and services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies recognized by the Philippine Government as the proper arbiter of such charges or rates;"

WHEREAS, Section 15 (c) of Executive Order No. 546 also, provides that "The Commission shall grant permits for the use of radio frequencies for wireless telephone and telegraph systems and radio communication systems including amateur radio stations and radio and television broadcasting systems;"

WHEREAS, Section 15 (d) of Executive Order No. 546 also, provides that "The Commission shall sub-allocate series of frequencies of bands allocated by the International Telecommunications Union to the specific services;"

WHEREAS, there have been reports circulating on the alleged anomalies in the regulation of radio frequencies in the Commission wherein the issuance of permits and licenses to private concessionaires were not strictly implemented by the Commission as according to the prescribed regulations set by law;

WHEREAS, the said reports indicate that although the collections from the issuance of permits and licenses generate an estimated P1 Billion annually, collections could have been bigger if the prescribed fees were properly applied;

WHEREAS, such unchecked practice within the Commission has become a source of corruption, to the detriment of the State and the people;

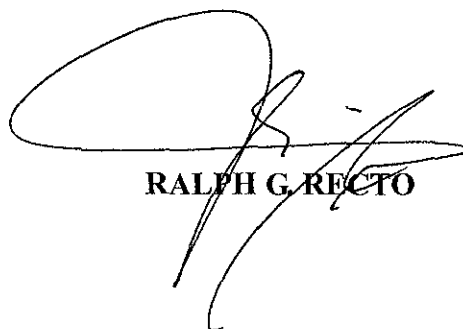
WHEREAS, the State stands to lose millions, if not billions of pesos in revenues from telecommunications concessionaires should any ill practices in this sector continue;

WHEREAS, it is imperative for Congress to determine if such anomalies indeed exist and whether legislation can be introduced to prevent their occurrence;

WHEREAS, in order to root out any form of corruption in the interests of generating greater revenues and restoring public trust to the government, it is necessary to probe the governmental processes involved in the issuance of permits and licenses, as well as the regulation of radio frequencies and bandwidths;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to direct the Committee on Public Services to conduct an inquiry, in aid of legislation, on the alleged anomalies in the National Telecommunications Commission involving the issuance of permits and licenses, and regulation of radio frequencies and bandwidths to private concessionaires with the end view of generating greater revenues and restoring public trust in the government.

Adopted,



RALPH G. RECTO