

MALACANAN PALACE
MANILA

EXECUTIVE ORDER NO. 11

CREATING THE BOARD OF ADMINISTRATORS FOR BANAHAW BROADCASTING CORPORATION (BBC), RADIO PHILIPPINE NETWORK (RPN), AND INTERNATIONAL BROADCASTING CORPORATION (IBC) TELEVISION AND RADIO STATIONS, DEFINING ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES.

WHEREAS, the Chairman of the Presidential Commission on Good Government had requested the temporary sequestration of the facilities, property and equipment of BBC (Channel 2), RPN (Channel 9) and IBC (Channel 13) located in Broadcast City, Capitol Hills, Quezon City, because substantial resources of government financial institutions were utilized in their acquisition and expansion by the owners who remain unidentified and in order to properly maintain the assets and ensure continuous dissemination of true and accurate information to the people pending investigation by the Commission and until the question of their true ownership is determined;

WHEREAS, the Minister of National Defense issued Ministry Order No. A-003 ordering the sequestration of BBC, RPN and IBC television and radio stations, including their properties, funds and other assets (the "seized assets"), and the taking over and assumption of the management, control and operation of the business by a task force to be later constituted;

WHEREAS, on March 2, 1986 the Minister of Information constituted said task force consisting of a head and four members;

WHEREAS, the task force has started implementation of the sequestration order and has recommended that the control and custody of the seized assets and the operation and management of the business be vested in a multi-sectoral board in order to achieve an independent, impartial and efficient administration of the operations.

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order the following:

SECTION 1. Creation. - There is hereby created a Board of Administrators ("the board"), which shall manage and operate the business and affairs of BBC, RPN and IBC. The Board of Administrators shall have custody of their funds and assets subject to the control and supervision of the Presidential Commission on Good Government in the furtherance of its functions and responsibilities under Executive Orders Nos. 1 and 2 respectively. The Board shall, likewise, properly preserve, maintain and operate the assets of the aforementioned companies in accordance with the diligence of a good father of the family and in a manner consistent with the public interest, convenience and necessity. The Board shall be composed of seven (7) members chosen who shall be appointed by the Minister of Information after due consultation with the Presidential Commission on Good Government. All members of the board shall come from the private sector. The chairman of the board shall be elected by the members.

SECTION 2. Policy Guidelines and Objectives. - Subject to the regulatory measures which now or hereafter may generally be imposed by the Government on radio and television, the board shall be an independent body free from supervision or control by the Ministry of Information or any government office or agency as regards network affiliation and practices, programming, sponsorship, network time arrangements, talent control, and all other aspects of radio and television operation and management. The board shall endeavor to achieve widest possible dissemination of ideas and maximize service and program viewpoints and opinion sources with service to the public as its ultimate goal, at all times ensuring that freedom of the press is maintained.

SECTION 3. Functions and Powers. -The board shall function in all respects like a board of directors of a corporation under the Corporation Code. It shall exercise the powers of a board of directors which are considered acts of administration but not acts of strict dominion. It shall also exercise all the powers imposed on trustees under the principles of the general law of trusts, and on officious managers under the law on extra-contractual obligations insofar as the same are applicable to or consistent with

SECTION 4. Compensation. -The members of the board shall receive for each meeting actually attended per diems as may be fixed by the Presidential Commission on Good Government but which in no case shall exceed the maximum per diems to be paid to members of the board of directors of government-owned or controlled corporations.

SECTION 5. Vacancy. - Any vacancy in the board caused by incapacity, resignation, removal, or death shall be filled by the Minister of Information after due consultation with the Presidential Commission on Good Government.

SECTION 6. Reports. - The Comptroller of the companies shall be appointed by the Presidential Commission on Good Government. He shall submit to the Presidential Commission on Good Government periodical reports of the status of the seized assets and results of its operations as may be determined by the Presidential Commission on Good Government. Copies of said reports shall be sent to the President.

SECTION 7. Tenure. - The term of existence of the board shall be co-terminus with the investigation of the seized assets by the Presidential Commission on Good Government and until final disposition of the seized assets in accordance with the findings of the Commission. The members of the board shall hold office at the pleasure of the President.

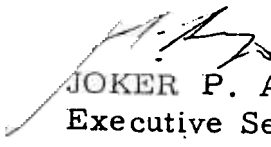
SECTION 8. Disposition of Seized Assets. -Without prejudice to the findings of the Commission, the Minister of Information is hereby directed to make studies and recommend to the President such measures and steps as may be necessary to achieve diversification of ownership of the stations and promote healthy competition in the broadcasting and telecasting industry. To properly enable him to carry out this duty, the Minister of Information is hereby authorized to appoint a committee or seek expertise assistance to make such studies and recommendations.

SECTION 9. Effectivity. - This Executive Order shall take effect immediately.

Done in the City of Manila, this 8th day of April
in the year of Our Lord, nineteen hundred and eighty-six.

Corazon B. Aquino

By the President:


JOKER P. ARROYO
Executive Secretary