



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

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SENATE

COMMITTEE REPORT NO. 460

Submitted by the Committee on Public Services on FEB 01 2016

RE : H. B. No. 6315

Recommending its approval without amendment.

Sponsor : Senator Osmeña III

MR. PRESIDENT:


The Senate Committee on Public Services to which was referred H. B. No. 6315, introduced by Representatives Violago and Teodoro, entitled:

"AN ACT GRANTING THE
PILIPINAS RADIO WAVES COPR. A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND
MAINTAIN RADIO AND/OR TELEVISION BROADCASTING
STATIONS THROUGHOUT THE PHILIPPINES."

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H. B. No. 6315 be approved without amendment.

Respectfully submitted:

RAMON BONG REVILLA JR.
Chairperson
Committee on Public Services


SERGIO R. OSMEÑA III
Acting Chairperson
Committee on Public Services

MEMBERS:



SONNY ANGARA

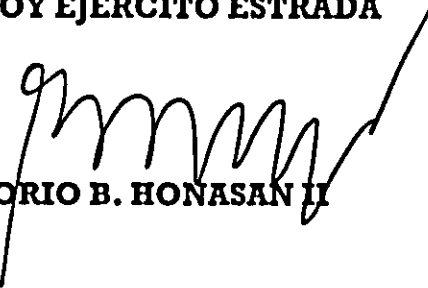


PIA S. CAYETANO

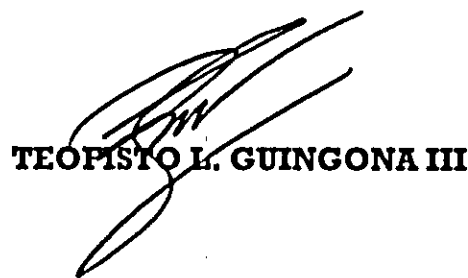


JINGGOY EJERCITO ESTRADA

JOSEPH VICTOR G. EJERCITO



GREGORIO B. HONASAN II



TEOPISTO L. GUINGONA III

GRACE POE

ANTONIO "SONNY" F. TRILLANES IV



CYNTHIA A. VILLAR

EX-OFFICIO MEMBERS:

RALPH G. RECTO
President Pro-Tempore



JUAN PONCE ENRILE
Minority Floor Leader

ALAN PETER S. CAYETANO
Majority Floor Leader

FRANKLIN M. DRILON
Senate President
Pasay City



HOUSE OF REPRESENTATIVES

II. No. 6315

BY REPRESENTATIVE VIOLAGO AND TEODORO

**AN ACT GRANTING THE PILIPINAS RADIO WAVES CORP.
A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE AND MAINTAIN RADIO AND/OR TELEVISION
BROADCASTING STATIONS THROUGHOUT THE PHILIPPINES**

*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 1987 Philippine Constitution and applicable laws, rules
3 and regulations, there is hereby granted to Pilipinas Radio Waves Corp.,
4 hereunder referred to as the grantee, its successors or assignees, a franchise to
5 construct, install, establish, operate and maintain for commercial purposes and
6 in the public interest, radio and/or television broadcasting stations throughout
7 the Philippines, with its central base of operations located at San Juan City
8 where frequencies and/or channels are still available for radio and/or television
9 broadcasting, including digital television system, through microwave, satellite
10 or whatever means, including the use of new technologies in television and
11 radio systems, with the corresponding technological auxiliaries and facilities,
12 special broadcast and other program and distribution services and relay
13 stations.

1 **SEC. 2. *Manner of Operation of Stations or Facilities.*** – The stations
2 or facilities of the grantee shall be constructed and operated in a manner as
3 will, at most, result only in the minimum interference on the wavelengths or
4 frequencies of existing stations or other stations which may be established by
5 law, without in any way diminishing its own right to use its assigned
6 wavelengths or frequencies and the quality of transmission or reception
7 thereon as should maximize rendition of the grantee's services and/or the
8 availability thereof.

9 **SEC. 3. *Prior Approval of the National Telecommunications***
10 ***Commission (NTC).*** – The grantee shall secure from the NTC the
11 appropriate permits and licenses for the construction and operation of its
12 stations and facilities and shall not use any frequency in the radio/television
13 spectrum without authorization from the NTC. The NTC, however, shall not
14 unreasonably withhold or delay the grant of any such authority.

15 **SEC. 4. *Responsibility to the Public.*** – The grantee shall provide
16 adequate public service time to enable the government, through the said
17 broadcasting stations or facilities, to reach the population on important public
18 issues; provide at all times sound and balanced programming; assist in the
19 functions of public information and education; conform to the ethics of honest
20 enterprise; and not use its stations or facilities for the broadcasting of obscene
21 and indecent language, speech, act or scene, or for the dissemination of
22 deliberately false information or willful misrepresentation, to the detriment of
23 the public interest, or to incite, encourage, or assist in subversive or
24 treasonable acts.

25 **SEC. 5. *Right of Government.*** – A special right is hereby reserved to
26 the President of the Philippines, in times of war, rebellion, public peril,
27 calamity, emergency, disaster, or disturbance of peace and order: to
28 temporarily take over and operate the stations or facilities of the grantee; to
29 temporarily suspend the operation of any station or facility in the interest of

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

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

8 **SEC. 6. Term of Franchise.** – This franchise shall be in effect for a
9 period of twenty-five (25) years, unless sooner revoked or cancelled. This
10 franchise shall be deemed *ipso facto* revoked in the event the grantee fails to
11 comply with any of the following conditions:

12 (a) Commence operations within one (1) year from the approval of its
13 operating permit by the NTC;

14 (b) Commence operations within three (3) years from the effectivity of
15 this Act; and

16 (c) Operate continuously for two (2) years.

17 **SEC. 7. Acceptance and Compliance.** – Acceptance of this franchise
18 shall be given in writing to the Congress of the Philippines, through the
19 Committee on Legislative Franchises of the House of Representatives and the
20 Committee on Public Services of the Senate, within sixty (60) days from the
21 effectivity of this Act. Upon giving such acceptance, the grantee shall exercise
22 the privileges granted under this Act. Nonacceptance shall render the
23 franchise void.

24 **SEC. 8. Bond.** – The grantee shall file a bond with the NTC, in the
25 amount that the NTC shall determine, to guarantee compliance with and
26 fulfillment of the conditions under which this franchise is granted. If, after
27 three (3) years from the date of the approval of its permit by the Commission,
28 the grantee shall have fulfilled the same, the bond shall be cancelled by the

1 Commission. Otherwise, the bond shall be forfeited in favor of the government
2 and the franchise *ipso facto* revoked.

3 SEC. 9. *Self-regulation by and Undertaking of the Grantee.* - The
4 grantee shall not require any previous censorship of any speech, play, act or
5 scene, or other matter to be broadcast from its stations: *Provided*, That the
6 grantee, during any broadcast, shall cut off from the air the speech, play, act or
7 scene, or other matter being broadcast if the tendency thereof is to propose
8 and/or incite treason, rebellion, or sedition; or the language used therein or the
9 theme thereof is indecent or immoral: *Provided, further*, That willful failure to
10 do so shall constitute a valid cause for the cancellation of this franchise.

11 SEC. 10. *Warranty in Favor of the National and Local Governments.* -
12 The grantee shall hold the national, provincial, city, and municipal
13 governments of the Philippines free from all claims, accounts, demands, or
14 actions arising out of accidents or injuries, whether to property or to persons,
15 caused by the construction or operation of the stations of the grantee.

16 SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of*
17 *Franchise.* - The grantee shall not sell, lease, transfer, grant the usufruct of,
18 nor assign this franchise or the rights and privileges acquired thereunder to any
19 person, firm, company, corporation or other commercial or legal entity, nor
20 merge with any other corporation or entity, nor shall transfer the controlling
21 interest of the grantee, whether as a whole or in part, and whether
22 simultaneously or contemporaneously, to any such person, firm, company,
23 corporation, or entity without the prior approval of the Congress of the
24 Philippines: *Provided*, That Congress shall be informed of any sale, lease,
25 transfer, grant of usufruct, or assignment of franchise or the rights and
26 privileges acquired thereunder, or of the merger or transfer of the controlling
27 interest of the grantee, within sixty (60) days after the completion of said
28 transaction: *Provided, further*, That failure to report to Congress such change
29 of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*,

1 That any person or entity to which this franchise is sold, transferred, or
2 assigned, shall be subject to the same conditions, terms, restrictions, and
3 limitations of this Act.

4 SEC. 12. *Dispersal of Ownership.* - In accordance with the
5 constitutional provision to encourage public participation in public utilities, the
6 grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher
7 percentage that may hereafter be provided by law of its outstanding capital
8 stock in any securities exchange in the Philippines within five (5) years from
9 the commencement of its operations: *Provided*, That in cases where public
10 offer of shares is not applicable, establishment of cooperatives and other
11 methods of encouraging public participation by citizens and corporations
12 operating public utilities must be implemented. Noncompliance therewith
13 shall render the franchise *ipso facto* revoked.

14 SEC. 13. *General Broadcast Policy Law.* - The grantee shall comply
15 with and be subject to the provisions of a general broadcast policy law which
16 Congress may hereafter enact.

17 SEC. 14. *Reportorial Requirement.* - The grantee shall submit an
18 annual report to the Congress of the Philippines, through the Committee on
19 Legislative Franchises of the House of Representatives and the Committee on
20 Public Services of the Senate, on its compliance with the terms and conditions
21 of the franchise and on its operations on or before April 30 of every year
22 during the term of its franchise. The reportorial compliance certificate issued
23 by Congress shall be required before any application for permit or certificate is
24 accepted by the NTC.

25 SEC. 15. *Penalty Clause.* - Failure of the grantee to submit the
26 requisite annual report to Congress shall be penalized by a fine of five hundred
27 pesos (P500.00) per working day of noncompliance. The fine shall be
28 collected by the NTC from the delinquent franchise grantee separate from the
29 reportorial penalties imposed by the NTC.

1 **SEC. 16. Equality Clause.** – Any advantage, favor, privilege,
2 exemption, or immunity granted under existing franchises, or which may
3 hereafter be granted for radio and/or television broadcasting, upon prior
4 review and approval of Congress, shall become part of this franchise and shall
5 be accorded immediately and unconditionally to the herein grantee: *Provided,*
6 That the foregoing shall neither apply to nor affect the provisions of
7 broadcasting franchises concerning territory covered by the franchise, the life
8 span of the franchise, or the type of service authorized by the franchise.

9 **SEC. 17. Separability Clause.** – If any of the sections or provisions of
10 this Act is held invalid, all other provisions not affected thereby shall remain
11 valid.

12 **SEC. 18. Repealability and Nonexclusivity Clause.** – This franchise
13 shall be subject to amendment, alteration, or repeal by the Congress of the
14 Philippines when the public interest so requires and shall not be interpreted as
15 an exclusive grant of the privileges herein provided for.

16 **SEC. 19. Effectivity.** – This Act shall take effect fifteen (15) days
17 after its publication in the *Official Gazette* or in a newspaper of general
18 circulation.

Approved,