



Senate  
Office of the Secretary

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

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SENATE

COMMITTEE REPORT NO. 461

Submitted by the Committee on Public Services on FEB 0 1 2016

RE : H. B. No. 6313

Recommending its approval without amendment.

Sponsor : Senator Osmeña III

MR. PRESIDENT:


The Senate Committee on Public Services to which was referred H. B. No. 6313, introduced by Representatives Gonzales and Teodoro, entitled:

**"AN ACT GRANTING THE MAKING NETWORK, INC. 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. 6313 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

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**SONNY ANGARA**



**PIA S. CAYETANO**

**JINGGOY EJERCITO ESTRADA**



**JOSEPH VICTOR G. EJERCITO**



**GREGORIO B. HONASAN II**



**TEOFISTO L. GUINGONA III**

**GRACE POE**

**ANTONIO "SONNY" F. TRILLANES IV**



**CYNTHIA A. VILLAR**

**EX-OFFICIO MEMBERS:**

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*President Pro-Tempore*



**JUAN PONCE ENRILE**  
*Minority Floor Leader*

**ALAN PETER S. CAYETANO**  
*Majority Floor Leader*

**FRANKLIN M. DRILON**  
*Senate President*  
*Pasay City*

CONGRESS OF THE PHILIPPINES  
SIXTEENTH CONGRESS  
*Third Regular Session*

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## HOUSE OF REPRESENTATIVES

H. No. 6313

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BY REPRESENTATIVES GONZALES AND TEODORO

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**AN ACT GRANTING THE MAKINIG NETWORK, INC. 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 and  
3 regulations, there is hereby granted to Makinig Network, Inc., hereunder  
4 referred to as the grantee, its successors or assignees, a franchise to construct,  
5 install, establish, operate and maintain for commercial purposes and in the  
6 public interest, radio and/or television broadcasting stations throughout the  
7 Philippines, with its central base of operations located at Ortigas Center, San  
8 Antonio, Pasig City where frequencies and/or channels are still available for  
9 radio and/or television broadcasting, including digital television system,  
10 through microwave, satellite or whatever means, including the use of new  
11 technologies in television and radio systems, with the corresponding

1 technological auxiliaries and facilities, special broadcast and other program  
2 and distribution services and relay stations.

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

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

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

27       **SEC. 5. *Right of Government.*** — A special right is hereby reserved to  
28 the President of the Philippines, in times of war, rebellion, public peril,

1 calamity, emergency, disaster or disturbance of peace and order; to temporarily  
2 take over and operate the stations or facilities of the grantee; to temporarily  
3 suspend the operation of any station or facility in the interest of public safety,  
4 security and public welfare; or to authorize the temporary use and operation  
5 thereof by any agency of the government, upon due compensation to the  
6 grantee, for the use of said stations or facilities during the period when these  
7 shall be so operated.

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

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

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

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

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

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

1           **SEC. 8. Bond.** — The grantee shall file a bond with the NTC, in the  
2 amount that the NTC shall determine, to guarantee compliance with and  
3 fulfillment of the conditions under which this franchise is granted. If, after  
4 three (3) years from the date of the approval of its permit by the Commission,  
5 the grantee shall have fulfilled the same, the bond shall be cancelled by the  
6 Commission. Otherwise, the bond shall be forfeited in favor of the government  
7 and the franchise *ipso facto* revoked.

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

16           **SEC. 10. Warranty in Favor of National and Local Governments.**  
17 — The grantee shall hold the national, provincial, city and municipal  
18 governments of the Philippines free from all claims, accounts, demands, or  
19 actions arising out of accidents or injuries, whether to property or to persons,  
20 caused by the construction or operation of the stations of the grantee.

21           **SEC. 11. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of**  
22 **Franchise.** — The grantee shall not sell, lease, transfer, grant the usufruct of  
23 nor assign this franchise or the rights and privileges acquired thereunder to any  
24 person, firm, company, corporation or other commercial or legal entity, nor  
25 merge with any other corporation or entity, nor shall transfer the controlling  
26 interest of the grantee, whether as a whole or in parts and whether  
27 simultaneously or contemporaneously, to any such person, firm, company,  
28 corporation or entity without the prior approval of the Congress of the

1 Philippines: *Provided*, That Congress shall be informed of any sale, lease,  
2 transfer, grant of usufruct, or assignment of franchise or the rights and  
3 privileges acquired thereunder, or of the merger or transfer of the controlling  
4 interest of the grantee, within sixty (60) days after the completion of said  
5 transaction: *Provided, further*, That failure to report to Congress such change  
6 of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*,  
7 That any person or entity to which this franchise is sold, transferred or  
8 assigned, shall be subject to the same conditions, terms, restrictions, and  
9 limitations of this Act.

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

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

23 **SEC. 14. Reportorial Requirement.** -- The grantee shall submit an  
24 annual report to the Congress of the Philippines, through the Committee on  
25 Legislative Franchises of the House of Representatives and the Committee on  
26 Public Services of the Senate, on its compliance with the terms and conditions  
27 of the franchise and on its operations on or before April 30 of every year  
28 during the term of its franchise. The reportorial compliance certificate issued

1 by Congress shall be required before any application for permit or certificate is  
2 accepted by the NTC.

3 **SEC. 15. *Penalty Clause.*** — Failure of the grantee to submit the  
4 requisite annual report to Congress shall be penalized by a fine of five hundred  
5 pesos (P500.00) per working day of noncompliance. The fine shall be collected  
6 by the NTC from the delinquent franchise grantee separate from the reportorial  
7 penalties imposed by the NTC.

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

16 **SEC. 17. *Separability Clause.*** — If any of the sections or provisions of  
17 this Act is held invalid, all other provisions not affected thereby shall remain  
18 valid.

19 **SEC. 18. *Repealability and Nonexclusivity Clause.*** — This franchise  
20 shall be subject to amendment, alteration, or repeal by the Congress of the  
21 Philippines when the public interest so requires and shall not be interpreted as  
22 an exclusive grant of the privileges herein provided for.

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

Approved,