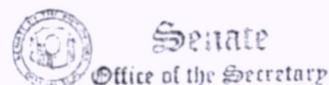


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



20 MAR -3 P4 :40

**SENATE**

**COMMITTEE REPORT NO. 62**

RECEIVED BY: \_\_\_\_\_

Submitted by the Committee on Public Services on **MAR - 3 2020**.

Re: House Bill no. 4581

Recommending the approval of HBN 4581 with amendment.

Sponsor: Senator Grace Poe

**MR. PRESIDENT:**

The Committee on Public Services to which was referred House Bill No. 4581, introduced by Representatives Cesar Jr. "Jawo" L. Jimenez, Franz Alvarez, Joey Sarte Salceda and Carlito S. S. Marquez, entitled:

**"AN ACT**

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GOLDEN BROADCAST PROFESSIONAL, INC. UNDER REPUBLIC ACT NO. 8025, ENTITLED AN ACT GRANTING THE GOLDEN BROADCAST PROFESSIONAL, INC., A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE A STATION FOR FM RADIO AND TELEVISION BROADCASTING IN THE ISLAND OF MINDANAO, AND EXPANDING ITS COVERAGE TO THE ENTIRE 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. 4581 be approved with the following amendment:

1. On page 4, delete lines 14 to 18; and renumber the subsequent sections accordingly.

RESPECTFULLY SUBMITTED



**GRACE POE**

Chairperson

Committee on Public Services



**PANFILO M. LACSON**

Vice-Chairperson

Committee on Public Services



**RAMON "Bong" REVILLA JR.**

Vice-Chairperson

Committee on Public Services



**EMMANUEL "Manny" D. PACQUIAO**

Vice-Chairperson

Committee on Public Services



**WIN GATCHALIAN**

Vice-Chairperson

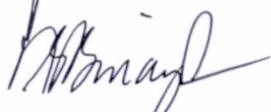
Committee on Public Services

Members



**CHRISTOPHER BONG GO**

**RICHARD J. GORDON**



**MARIA LOURDES NANCY S. BINAY**

**JOEL VILLANUEVA**



**FRANCIS "Toi" N. TOLENTINO**



**MANUEL "Lito" M. LAPID**

**FRANCIS "Kiko" N. PANGILINAN**



**RISA HONTIVEROS**

*will  
intpellate*

Ex-Officio Members

**RALPH G. RECTO**

Senate President Pro-Tempore



**JUAN MIGUEL F. ZUBIRI**  
Majority Floor Leader



**FRANKLIN M. DRILON**  
Minority Floor Leader

**HON. VICENTE C. SOTTO III**

Senate President



## HOUSE OF REPRESENTATIVES

H. No. 4581

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BY REPRESENTATIVES JIMENEZ, ALVAREZ (F.), SALCEDA AND  
MARQUEZ, PER COMMITTEE REPORT NO. 11

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS  
THE FRANCHISE GRANTED TO GOLDEN BROADCAST  
PROFESSIONAL, INC. UNDER REPUBLIC ACT NO. 8025,  
ENTITLED "AN ACT GRANTING THE GOLDEN BROADCAST  
PROFESSIONAL, INC., A FRANCHISE TO CONSTRUCT,  
MAINTAIN AND OPERATE A STATION FOR FM RADIO  
AND TELEVISION BROADCASTING IN THE ISLAND OF  
MINDANAO", AND EXPANDING ITS COVERAGE TO THE  
ENTIRE 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 Constitution and applicable laws, rules and  
3 regulations, the franchise granted to Golden Broadcast Professional,  
4 Inc., hereunder referred to as the grantee, its successors or  
5 assignees, under Republic Act No. 8025, to construct, install,  
6 establish, operate, and maintain for commercial purposes and in the  
7 public interest, radio and/or television broadcasting stations,  
8 including digital television system, through microwave, satellite or  
9 whatever means as well as the use of any new technology in  
10 television and radio systems, with the corresponding technological  
11 auxiliaries and facilities, special broadcast and other program and  
12 distribution services and relay stations in the Philippines, is hereby

1 renewed for another twenty-five (25) years from the effectivity of  
2 this Act.

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

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

20       The grantee shall not dispose or lease its facilities except to  
21 entities with radio or television broadcasting franchise: *Provided,*  
22 That the grantee shall inform and secure written authorization to  
23 proceed from the NTC, and report the transaction to the NTC  
24 within sixty (60) days after its completion: *Provided, further,* That  
25 the NTC shall determine the corresponding sanction for any  
26 violation of this provision.

27       SEC. 4. *Responsibility to the Public.* – The grantee shall  
28 provide, free of charge, adequate public service time which is  
29 reasonable and sufficient to enable the government, through the

1 broadcasting stations or facilities of the grantee, to reach the  
2 pertinent populations or portions thereof, on important public issues  
3 and relay important public announcements and warnings  
4 concerning public emergencies and calamities, as necessity, urgency  
5 or law may require; provide at all times sound and balanced  
6 programming; promote public participation; assist in the functions  
7 of public information and education; conform to the ethics of honest  
8 enterprise; promote audience sensibility and empowerment  
9 including closed captioning; and not use its stations or facilities for  
10 the broadcasting of obscene or indecent language, speech, act or  
11 scene; or for the dissemination of deliberately false information or  
12 willful misrepresentation, to the detriment of public interest; or to  
13 incite, encourage, or assist in subversive or treasonable acts.

14 Public service time referred herein shall be equivalent to a  
15 maximum aggregate of ten percent (10%) of the paid commercials or  
16 advertisements which shall be allocated based on need to the  
17 Executive and Legislative branches, the Judiciary, Constitutional  
18 Commissions, and international humanitarian organizations duly  
19 recognized by statutes: *Provided*, That the NTC shall increase the  
20 public service time in case of extreme emergency or calamity. The  
21 NTC shall issue rules and regulations for this purpose, the  
22 effectivity of which shall commence upon applicability with other  
23 similarly situated broadcast network franchise holders.

24 SEC. 5. *Right of the Government.* – The radio spectrum is a  
25 finite resource that is part of the national patrimony and the use  
26 thereof is a privilege conferred upon the grantee by the State and  
27 may be withdrawn any time after due process.

28 A special right is hereby reserved to the President of the  
29 Philippines, in times of war, rebellion, public peril, calamity,

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

9       SEC. 6. *Terms of Franchise.* – This franchise shall be in  
10 effect for a period of twenty-five (25) years from the effectivity of  
11 this Act, unless sooner revoked or cancelled. This franchise shall be  
12 deemed *ipso facto* revoked in the event the grantee fails to operate  
13 continuously for two (2) years.

14       SEC. 7. *Renewal or Extension of Franchise.* – The grantee  
15 shall apply for the renewal or extension of its franchise five (5)  
16 years before its expiration, reckoned from fifteen (15) days after the  
17 publication of the franchise in the *Official Gazette* or in a newspaper  
18 of general circulation.

19       SEC. 8. *Self-regulation by and Undertaking of the Grantee.* –  
20 The grantee shall not require any previous censorship of any  
21 speech, play, act or scene, or other matter to be broadcast from its  
22 stations, but if any such speech, play, act or scene, or other matter  
23 should constitute a violation of the law or infringement of a private  
24 right, the grantee shall be free from any liability, civil or criminal,  
25 for such speech, play, act or scene, or other matter: *Provided*, That  
26 the grantee, during any broadcast, shall cut off the airing of speech,  
27 play, act or scene, or other matter being broadcast if the tendency  
28 thereof is to propose and/or incite treason, rebellion or sedition; or  
29 the language used therein or the theme thereof is indecent or

1 immoral: *Provided, further,* That willful failure to do so shall  
2 constitute a valid cause for the cancellation of this franchise.

3       SEC. 9. *Warranty in Favor of the National and Local*  
4 *Governments.* – The grantee shall hold the national, provincial,  
5 city, and municipal governments of the Philippines free from all  
6 claims, liabilities, demands, or actions arising out of accidents  
7 causing injury to persons or damage to properties, during the  
8 construction or operation of the stations of the grantee.

9       SEC. 10. *Commitment to Provide and Promote the Creation of*  
10 *Employment Opportunities.* – The grantee shall create employment  
11 opportunities and shall allow on-the-job trainings in their franchise  
12 operation: *Provided,* That priority shall be accorded to the residents  
13 of the place where their principal office is located: *Provided,*  
14 *further,* That the grantee shall follow the applicable labor standards  
15 and allowance entitlement under existing labor laws, rules and  
16 regulations and similar issuances: *Provided, finally,* That the  
17 employment opportunities or jobs created shall be reflected in the  
18 General Information Sheet (GIS) to be submitted to the Securities  
19 and Exchange Commission (SEC) annually.

20       SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or*  
21 *Assignment of Franchise.* – The grantee shall not sell, lease,  
22 transfer, grant the usufruct of, nor assign this franchise or the  
23 rights and privileges acquired thereunder to any person, firm,  
24 company, corporation, or other commercial or legal entity, nor  
25 merge with any other corporation or entity, nor the controlling  
26 interest of the grantee be transferred, simultaneously or  
27 contemporaneously, to any person, firm, company, corporation, or  
28 entity without the prior approval of the Congress of the Philippines.  
29 Congress shall be informed of any sale, lease, transfer, grant of

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

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

21       SEC. 13. *Reportorial Requirement.* – The grantee shall  
22 submit an annual report to the Congress of the Philippines, through  
23 the Committee on Legislative Franchises of the House of  
24 Representatives and the Committee on Public Services of the  
25 Senate, on its compliance with the terms and conditions of the  
26 franchise and on its operations on or before April 30 of every year  
27 during the term of its franchise.

28       The annual report shall include an update on the roll-out,  
29 development, operation and/or expansion of business; audited

1 financial statements; latest GIS officially submitted to the SEC, if  
2 applicable; certification of the NTC on the status of its permits and  
3 operations; and an update on the dispersal of ownership  
4 undertaking, if applicable.

5 The reportorial compliance certificate issued by Congress  
6 shall be required before any application for permit or certificate is  
7 accepted by the NTC.

8 SEC. 14. *Fine.* – Failure of the grantee to submit the  
9 requisite annual report to Congress shall be penalized by a fine of  
10 Five hundred pesos (P500.00) per working day of noncompliance.  
11 The fine shall be collected by the NTC from the delinquent franchise  
12 grantee separate from the reportorial penalties imposed by the NTC  
13 and the same shall be remitted to the Bureau of the Treasury.

14 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege,  
15 exemption, or immunity granted under existing franchises, or which  
16 may hereafter be granted for radio and/or television broadcasting,  
17 upon prior review and approval of Congress, shall become part of  
18 this franchise and shall be accorded immediately and  
19 unconditionally to the herein grantee: *Provided,* That the foregoing  
20 shall neither apply to nor affect the provisions of broadcasting  
21 franchises concerning territorial coverage, the term, or the type of  
22 service authorized by the franchise.

23 SEC. 16. *Repealability and Nonexclusivity Clause.* – This  
24 franchise shall be subject to amendment, alteration, or repeal by the  
25 Congress of the Philippines when the public interest so requires and  
26 shall not be interpreted as an exclusive grant of the privileges  
27 herein provided for.

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

4           SEC. 18. *Repealing Clause.* – All laws, decrees, orders,  
5 resolutions, instructions, rules and regulations, and other issuances  
6 or parts thereof which are inconsistent with the provisions of this  
7 Act are hereby repealed, amended, or modified accordingly.

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

          Approved,

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