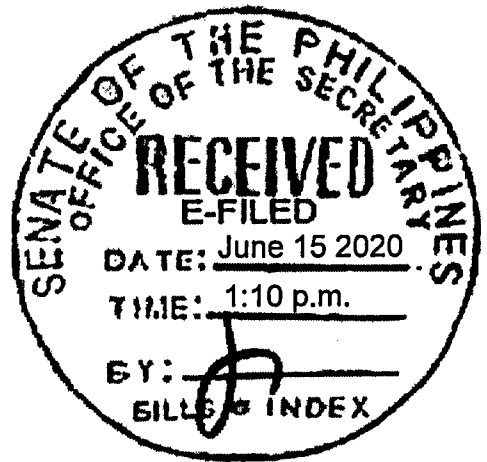


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE
S. No. 1597

Introduced by SENATOR RAMON BONG REVILLA, JR.

AN ACT
AMENDING THE FRANCHISE GRANTED TO PHILIPPINE COLLECTIVE MEDIA CORPORATION UNDER REPUBLIC ACT NO. 9773, ENTITLED "AN ACT GRANTING THE PHILIPPINE COLLECTIVE MEDIA CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN REGION VIII (EASTERN VISAYAS)"

EXPLANATORY NOTE

Media broadcast in the Philippines has long been a great contributor to the shaping of the nation's culture and heritage. The programs we watch or listen to everyday becomes a part of our way of life and definitely influences the way we think, act or believe.

Republic Act No. 9773, granted the Philippine Collective Media Corporation a franchise to construct, install, establish, operate and maintain radio and television broadcasting stations in Eastern Visayas. This proposed measure seeks to expand the range of the said franchise, among other things. This seeks to allow them to operate not only in Region VIII, but in the entire country. Furthermore, it strengthens the provision on the grantee's responsibility to the public by intensifying the public service time, prohibition of dissemination of deliberately false information, and ensuring the compliance to RA 8370, otherwise known as the Children's Television Act of 1997. The proposed measure also requires the grantee to create employment opportunities to benefit residents of the place where any of its offices is located. Finally, the reportorial

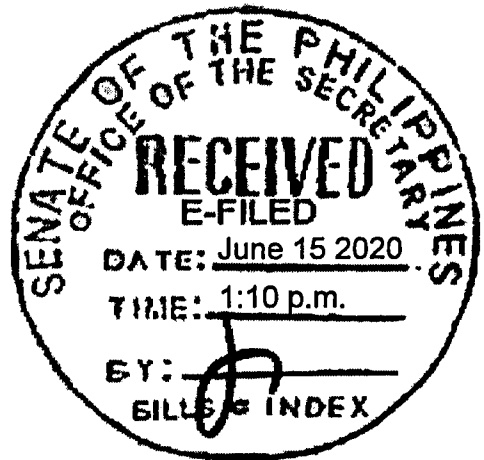
requirement to Congress is strengthened so that oversight functions of Congress may be exercised to avoid any possible violations of the franchise as granted by the Legislative Branch. It imposes a fine for non-compliance to this requirement.

More than economic considerations, this bill is a step towards equitable media broadcasting. It allows more players in the playing field, and at the same time, it gives opportunities for regional development.

In view of the foregoing, immediate consideration of this bill is earnestly sought.


RAMON BONG REVILLA, JR.

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1.** Section 1 of Republic Act No. 9773 is hereby amended to read as
2 follows:

3 "SECTION. 1. *Nature and Scope of Franchise.* — Subject to
4 the provisions of the Constitution and applicable laws, rules and
5 regulations, there is hereby granted to Philippine Collective Media
6 Corporation, hereunder referred to as the grantee, its successor-
7 or assignees, a franchise to construct, install, establish, operate, and
8 maintain for commercial purposes and in the public interest, radio
9 and/or television broadcasting stations in [~~Region VIII (Eastern~~
10 ~~Visayas)] **THE PHILIPPINES**, where frequencies and/or channels are
11 still available for radio and/or television broadcasting, **INCLUDING**
12 **DIGITAL TELEVISION SYSTEM**, through microwave, satellite or
13 whatever means, **AS WELL AS** the use of any new technologY[ies] in~~

1 **TELEVISION AND** radio [~~and television broadcasting~~] **SYSTEMS,**
2 with the corresponding technological auxiliaries and facilities, special
3 broadcast and other program and distribution services and relay
4 stations.”

5
6 **SEC. 2.** Section 3 of Republic Act No. 9773 is hereby amended to read as
7 follows:

8 “*SEC. 3. Prior Approval of the National Telecommunications*
9 *Commission.* – The grantee shall secure from the National
10 Telecommunications Commission (NTC) the appropriate permits and
11 licenses for the construction and operation of its stations **OR** [~~and~~]
12 facilities and shall not use any frequency in the
13 radio/television spectrum without **AUTHORIZATION** [~~having been~~
14 ~~authorized from~~] **BY** the **NTC** [~~Commission~~]. The **NTC** [~~Commission~~],
15 however, shall not unreasonably withhold or delay the grant of any
16 such authority.

17
18 **THE GRANTEE SHALL NOT DISPOSE OR LEASE ITS**
19 **FACILITIES EXCEPT TO ENTITIES WITH A RADIO OR**
20 **TELEVISION BROADCASTING FRANCHISE: *PROVIDED,* THAT**
21 **THE GRANTEE SHALL INFORM AND SECURE WRITTEN**
22 **AUTHORIZATION FROM THE NTC TO PROCEED WITH SUCH**
23 **DISPOSAL OR LEASE, AND REPORT THE TRANSACTION TO**
24 **THE NTC WITHIN SIXTY (60) DAYS AFTER ITS COMPLETION:**
25 ***PROVIDED, FURTHER,* THAT THE NTC SHALL DETERMINE**
26 **THE CORRESPONDING SANCTION FOR ANY VIOLATION OF**
27 **THIS PROVISION.**

28
29 **THE NTC SHALL HAVE AUTHORITY TO REVOKE OR**
30 **SUSPEND, AFTER DUE PROCESS, THE PERMITS OR LICENSES**
31 **OF THE GRANTEE FOR ANY VIOLATION OF THE PROVISIONS**
32 **OF THE FRANCHISE, AND MAY RECOMMEND TO CONGRESS**

1 **THE REVOCATION OF THE FRANCHISE FOR ANY VIOLATION**
2 **OF THE PROVISIONS THEREOF.**

3
4 SEC. 3. Section 4 of Republic Act No. 9773 is hereby amended to read as
5 follows:

6 “SEC 4. *Responsibility to the Public.* — The grantee shall
7 provide, **FREE OF CHARGE**, adequate public service time **WHICH**
8 **IS REASONABLE AND SUFFICIENT** to enable the government,
9 through the [said] **GRANTEE’S** broadcasting stations or facilities, to
10 reach the **PERTINENT** populationS **OR PORTIONS THEREOF**, on
11 important public issues, **AND RELAY IMPORTANT PUBLIC**
12 **ANNOUNCEMENTS AND WARNINGS CONCERNING PUBLIC**
13 **EMERGENCIES AND CALAMITIES, AS NECESSITY, URGENCY**
14 **OR THE LAW MAY REQUIRE**; provide at all times sound and
15 balanced programming; **PROMOTE PUBLIC PARTICIPATION**; assist
16 in the functions of public information and education; conform to the
17 ethics of honest enterprise; **PROMOTE AUDIENCE SENSIBILITY**
18 **AND EMPOWERMENT INCLUDING CLOSED CAPTIONING**; and
19 not use its stations [and] **OR** facilities for the broadcasting of obscene
20 [and] **OR** indecent language, speech, act or scene; or for the
21 dissemination of deliberately false information or willful
22 misrepresentation, to the detriment of the public interest[.]; or to incite,
23 encourage or assist in subversive or treasonable acts.

24
25 **“PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE**
26 **EQUIVALENT TO A MAXIMUM AGGREGATE OF TEN (10%)**
27 **PERCENT OF THE PAID COMMERCIALS OR ADVERTISEMENTS**
28 **WHICH SHALL BE ALLOCATED BASED ON NEED TO THE**
29 **EXECUTIVE AND LEGISLATIVE BRANCHES, THE JUDICIARY,**
30 **CONSTITUTIONAL COMMISSIONS, AND INTERNATIONAL**
31 **HUMANITARIAN ORGANIZATIONS DULY RECOGNIZED BY**
32 **STATUTES: PROVIDED, THAT THE NTC SHALL INCREASE THE**
33 **PUBLIC SERVICE TIME IN CASE OF EXTREME EMERGENCY**

1 OR CALAMITY. THE NTC SHALL ISSUE RULES AND
2 REGULATIONS FOR THIS PURPOSE, THE EFFECTIVITY OF
3 WHICH SHALL COMMENCE UPON APPLICABILITY WITH OTHER
4 SIMILARLY SITUATED BROADCAST NETWORK
5 FRANCHISE HOLDERS.”

6
7 PURSUANT TO REPUBLIC ACT NO. 8370, OTHERWISE KNOWN
8 AS THE “CHILDREN’S TELEVISION ACT OF 1997”, THE
9 GRANTEE SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT
10 (15%) OF THE DAILY TOTAL AIR TIME OF EACH
11 BROADCASTING NETWORK TO CHILD-FRIENDLY SHOWS
12 WITHIN ITS REGULAR PROGRAMMING.

13
14 Sec. 4. A new Section 15 is hereby inserted to read as follows:

15 **“SEC. 15. COMMITMENT TO PROVIDE AND PROMOTE THE**
16 **CREATION OF EMPLOYMENT OPPORTUNITIES. – THE**
17 **GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITES**
18 **AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR**
19 **FRANCHISE OPERATION: PROVIDED, THAT PRIORITY SHALL**
20 **BE ACCORDED TO THE RESIDENTS IN AREAS WHERE ANY**
21 **OF ITS OFFICES IS LOCATED: PROVIDED, FURTHER, THAT**
22 **THE GRANTEE SHALL COMPLY WITH THE APPLICABLE**
23 **LABOR STANDARDS AND ALLOWANCE ENTITLEMENT**
24 **UNDER EXISTING LABOR LAWS, RULES AND REGULATIONS**
25 **AND SIMILAR ISSUANCES: PROVIDED, FINALLY, THAT THE**
26 **EMPLOYMENT OPPORTUNITIES OR JOBS CREATED SHALL**
27 **BE REFLECTED IN THE GENERAL INFORMATION SHEET TO**
28 **BE SUBMITTED TO THE SECURITIES AND EXCHANGE**
29 **COMMISSION (SEC) ANNUALLY.”**

30
31 Sec. 5. Section 15 of Republic Act No. 9773 is hereby renumbered as Section
32 16, and amended to read as follows:
33

1 "SEC. 1[5]6. *Reportorial Requirement.* — The grantee shall
2 submit an annual report to the Congress of the Philippines,
3 **THROUGH THE COMMITTEE ON LEGISLATIVE FRANCHISES**
4 **OF THE HOUSE OF REPRESENTATIVES AND THE**
5 **COMMITTEE ON PUBLIC SERVICES OF THE SENATE,** on
6 its compliance with the terms and conditions of the franchise
7 and on ~~[its operations within sixty (60) days from the end]~~ **OR**
8 **BEFORE APRIL 30** of every year **DURING THE TERM OF ITS**
9 **FRANCHISE.**

10
11 "THE ANNUAL REPORT SHALL INCLUDE AN UPDATE ON
12 **THE ROLL-OUT, DEVELOPMENT, OPERATION, OR**
13 **EXPANSION OF BUSINESS; AUDITED FINANCIAL**
14 **STATEMENTS; LATEST GENERAL INFORMATION SHEET**
15 **OFFICIALLY SUBMITTED TO THE SEC (IF APPLICABLE);**
16 **CERTIFICATION OF THE NTC ON THE STATUS OF ITS**
17 **PERMITS AND OPERATIONS; AND AN UPDATE ON THE**
18 **DISPERSAL OF ITS OWNERSHIP UNDERTAKING, IF**
19 **APPLICABLE.**

20
21 "THE REPORTORIAL COMPLIANCE CERTIFICATE ISSUED
22 **BY CONGRESS SHALL BE REQUIRED BEFORE AN**
23 **APPLICATION FOR PERMIT, CERTIFICATE, OR ANY**
24 **EQUIVALENT THEREOF, IS ACCEPTED BY THE NTC."**

25
26 Sec. 6. A new Section 17 is hereby inserted to read as follows:

27 "SEC. 17. *FINE.* — **FAILURE OF THE GRANTEE TO SUBMIT**
28 **THE REQUISITE ANNUAL REPORT TO CONGRESS SHALL BE**
29 **PENALIZED BY A FINE OF FIVE HUNDRED PESOS (P500.00) PER**
30 **WORKING DAY OF NONCOMPLIANCE. THE FINE SHALL BE**
31 **COLLECTED BY THE NTC FROM THE DELINQUENT FRANCHISE**
32 **GRANTEE SEPARATE FROM THE REPORTORIAL PENALTIES**
33 **IMPOSED BY THE NTC AND THE SAME SHALL BE REMITTED TO**
34 **THE BUREAU OF TREASURY."**

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Sec. 7. *Repealability and Nonexclusivity Clauses.* – This franchise shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

Sec. 8. *Separability Clause.* If any provision or part hereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

Sec. 9. *Repealing Clause.* – All laws, presidential decrees or issuances, executive orders, letter of instructions, administrative order, rule or regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

Sec. 10. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved.