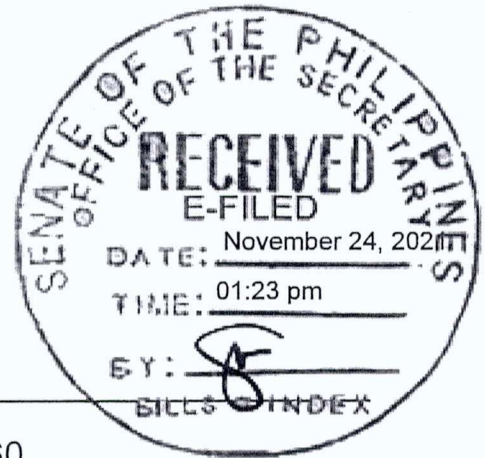


**EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)**

SENATE



COMMITTEE REPORT NO. 360

Submitted by the Committee on Public Services on November 24, 2021

Re: **House Bill No. 8973**

Recommending its approval with amendments.

Sponsor: **Senator Grace Poe**

MR. PRESIDENT:

The Committee on Public Services, to which was referred **House Bill No. 8973**, introduced by **Representatives Garbin, Alvarez (F.) and Maceda** entitled:

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO NATION BROADCASTING CORPORATION OF THE PHILIPPINES UNDER REPUBLIC NO. 8623 ENTITLED "AN ACT GRANTING THE NATION BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"

has considered the same and has the honor to report back to the Senate with the recommendation that it be approved with the following amendments:

1. On page 3, lines 10 to 13, delete the entire Section 7 on the "Renewal or Extension of Franchise".

Re-number the succeeding Sections accordingly.

2. On the same page, starting on line 36, delete the second proviso that begins with the word "Provided" and ends with the word "workforce" on line 39.

On the same line 39, replace the word "finally" with the word "**FURTHER**".

3. On the same page, starting on line 45, up to page 4, line 2, delete the second sentence that starts with the phrase "In addition".
4. On page 4, line 22, replace the word "common" with "**OUTSTANDING CAPITAL**".

Respectfully submitted,


SEN. GRACE POE
Chairperson

Vice-Chairpersons:


SEN. RAMON BONG REVILLA JR.


SEN. PANFILO M. LACSON



SEN. EMMANUEL "MANNY" D. PACQUIAO

SEN. WIN GATCHALIAN

Members:


SEN. MARIA LOURDES NANCY S. BINAY


SEN. CHRISTOPHER BONG GO


SEN. FRANCIS "TOL" N. TOLENTINO

SEN. JOEL VILLANUEVA



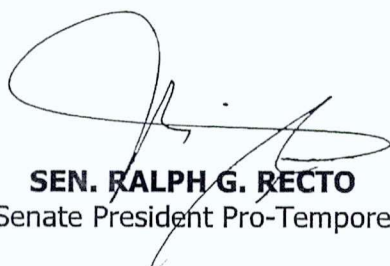
SEN. MANUEL "LITO" M. LAPID

SEN. RICHARD J. GORDON

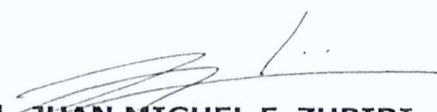
SEN. FRANCIS "KIKO" N. PANGILINAN

SEN. RISA HONTIVEROS


Ex-Officio Members:



SEN. RALPH G. RECTO
Senate President Pro-Tempore



SEN. JUAN MIGUEL F. ZUBIRI
Majority Leader



SEN. FRANKLIN M. DRILON
Minority Leader

HON. VICENTE C. SOTTO III
Senate President



HOUSE OF REPRESENTATIVES

H. No. 8973

BY REPRESENTATIVES GARBIN, ALVAREZ (F.) AND MACEDA, PER COMMITTEE REPORT No. 846

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO NATION BROADCASTING CORPORATION OF THE PHILIPPINES UNDER REPUBLIC ACT NO. 8623, ENTITLED "AN ACT GRANTING THE NATION BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN 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 provisions of
2 the Constitution and applicable laws, rules and regulations, the franchise granted to
3 Nation Broadcasting Corporation of the Philippines, hereunder referred to as the
4 grantee, its successor or assignees, under Republic Act No. 8623, to construct, install,
5 establish, operate, and maintain for commercial purposes and in the public interest,
6 radio and television broadcasting stations in the Philippines, where frequencies and
7 channels are still available for radio and television broadcasting, including digital
8 television system, through microwave, satellite or whatever means, as well as the use
9 of any new technology in radio and television systems, with the corresponding
10 technological auxiliaries and facilities, special broadcast and other program and
11 distribution services and relay stations, is hereby renewed for another twenty-five (25)
12 years.

13
14 **SEC. 2. Manner of Operation of Stations or Facilities.** – The stations or
15 facilities of the grantee shall be constructed and operated in a manner as will, at most,
16 result only in the minimum interference on the wavelengths or frequencies of existing
17 stations or other stations which may be established by law, without in any way
18 diminishing its own privilege to use its assigned wavelengths or frequencies and the
19 quality of transmission or reception thereon as should maximize rendition of the
20 grantee's services and availability thereof.

21
22 **SEC. 3. Prior Approval of the National Telecommunications Commission.**–
23 The grantee shall secure from the National Telecommunications Commission (NTC)

1 the appropriate permits and licenses for the construction and operation of its stations
2 or facilities and shall not use any frequency in the radio spectrum without authorization
3 from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant
4 of any such authority.

5
6 In case of any violation of the provisions of this franchise, the NTC shall have
7 the authority to revoke or suspend, after due process, the permits or licenses it issued
8 pursuant to the franchise. The NTC may recommend to Congress the revocation of
9 the franchise for any violation of the provisions of this franchise.

10
11 **SEC. 4. Responsibility to the Public.**— The grantee shall provide, free of
12 charge, adequate public service time which is reasonable and sufficient to enable the
13 government, through the broadcasting stations or facilities of the grantee, to reach the
14 pertinent populations or portions thereof, on important public issues and relay
15 important public announcements and warnings concerning public emergencies and
16 calamities, as necessity, urgency, or law may require; provide at all times sound and
17 balanced programming; promote public participation; assist in the functions of public
18 information and education; conform to the ethics of honest enterprise; promote
19 audience sensibility and empowerment including closed captioning; and not use its
20 stations or facilities for the broadcasting of obscene or indecent language, speech, act,
21 or scene, the dissemination of deliberately false information or willful
22 misrepresentation, to the detriment of public interest, or to incite, encourage, or assist
23 in subversive or treasonable acts.

24
25 Public service time referred herein shall be equivalent to a maximum aggregate
26 of ten percent (10%) of paid commercials or advertisements which shall be allocated
27 based on need to the Executive and Legislative branches, the Judiciary, Constitutional
28 Commissions, and international humanitarian organizations duly recognized by
29 statutes: Provided, That the NTC shall increase the public service time in case of
30 extreme emergency or calamity. The NTC shall issue rules and regulations for this
31 purpose, the effectivity of which shall commence upon applicability with other similarly
32 situated broadcast network franchise holders.

33
34 Pursuant to Republic Act No. 8370, otherwise known as the "Children's
35 Television Act of 1997", the grantee shall allot a minimum of fifteen percent (15%) of
36 the daily total air time of each broadcasting network or station to child-friendly shows
37 within its regular programming.

38
39 **SEC. 5. Right of the Government.** —The radio spectrum is a finite resource
40 that is part of the national patrimony, and the use thereof is a privilege conferred upon
41 the grantee by the State that may be withdrawn any time after due process.

42
43 A special right is hereby reserved to the President of the Philippines, in times
44 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace
45 and order, to temporarily take over and operate the stations or facilities of the grantee;
46 to temporarily suspend the operation of any station or facility in the interest of public

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

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

10 **SEC. 7. Renewal or Extension of Franchise.** – The grantee shall apply for the
11 renewal or extension of its franchise three (3) years before its expiration which shall
12 be reckoned from fifteen (15) days after the publication of the franchise in the *Official*
13 *Gazette* or in a newspaper of general circulation.
14

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

26 **SEC. 9. Warranty in Favor of the National and Local Governments.** –The
27 grantee shall hold the national, provincial, city, and municipal governments of the
28 Philippines free from all claims, liabilities, demands, or actions arising out of accidents
29 causing injury to persons or damage to properties, during the construction or operation
30 of the stations of the grantee.
31

32 **SEC. 10. Commitment to Provide and Promote the Creation of**
33 **Employment Opportunities.** – The grantee shall create employment opportunities
34 and accept on-the-job trainees in the franchise operations: *Provided*, That priority shall
35 be accorded to the residents of the place where the principal office of the grantee is
36 located: *Provided further*, That the grantee shall ensure that at least sixty percent
37 (60%) of its employees are regular employees and in no case shall the percentage of
38 contractual, job order, or casual employees, talents, and independent contractors
39 combined, exceed forty percent (40%) of its total workforce: *Provided, finally*, That the
40 grantee shall comply with the applicable labor standards and allowance entitlement
41 under existing labor laws, rules and regulations and similar issuances.
42

43 The employment opportunities or jobs created shall be reflected in the General
44 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
45 (SEC) annually. In addition, the grantee shall include in its annual report to Congress
46 the number of trainees and workers whose employment status are made regular, and

1 append the appropriate certificate from the Department of Labor and Employment
2 attesting that it has complied with the employment requirement under this Section.

3
4 **SEC. 11. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of**
5 **Franchise.** – The grantee shall not sell, lease, transfer, grant the usufruct of, nor
6 assign this franchise or the rights and privileges acquired thereunder to any person,
7 firm, company, corporation, or other commercial or legal entity, nor merge with any
8 other corporation or entity, nor shall the controlling interest of the grantee be
9 transferred, simultaneously or contemporaneously, to any person, firm, company,
10 corporation, or entity without the prior approval of Congress. The grantee shall inform
11 Congress, through the Office of the Speaker of the House of Representatives and
12 Office of the Senate President, of any sale, lease, transfer, grant of usufruct, or
13 assignment of franchise or the rights and privileges acquired thereunder, or of the
14 merger or transfer of the controlling interest of the grantee, within sixty (60) days after
15 the completion of the said transaction. Failure to report to Congress such change of
16 ownership shall render the franchise ipso facto revoked. Any person or entity to which
17 this franchise is sold, transferred, or assigned shall be subject to the same conditions,
18 terms, restrictions, and limitations of this Act.

19
20 **SEC. 12. Dispersal of Ownership.** – In accordance with the constitutional
21 provision to encourage public participation in public utilities, the grantee shall offer to
22 Filipino citizens at least thirty percent (30%) of its common stocks, or a higher
23 percentage that may hereafter be provided by law, in any securities exchange in the
24 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases
25 where public offer of shares is not applicable, other methods of encouraging public
26 participation by citizens and corporations operating public utilities must be
27 implemented. Noncompliance therewith shall render the franchise ipso facto revoked.

28
29 **SEC. 13. Reportorial Requirement.** – The grantee shall submit an annual
30 report on its compliance with the terms and conditions of the franchise and on its
31 operations to the Congress of the Philippines, through the Committee on Legislative
32 Franchises of the House of Representatives and the Committee on Public Services of
33 the Senate, on or before April 30 of every year during the term of its franchise.

34
35 The annual report shall include an update on the commencement of activities,
36 development, operation, and expansion of business; audited financial statements;
37 latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the
38 status of its permits and operations; and an update on the dispersal of ownership
39 undertaking, if applicable.

40
41 The reportorial compliance certificate issued by Congress shall be required
42 before any application for permit or certificate is accepted by the NTC.

43
44 **SEC. 14. Fine.** – Failure of the grantee to submit the requisite annual report to
45 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working
46 day of noncompliance to the NTC. The fine shall be collected separately from the

1 reportorial penalties imposed by the NTC, and it shall be remitted to the Bureau of the
2 Treasury.

3
4 **SEC. 15. Equality Clause.** – Any advantage, favor, privilege, exemption, or
5 immunity granted under existing franchises, or which may hereafter be granted for
6 radio and television broadcasting, upon prior review and approval of Congress, shall
7 become part of this franchise and shall be accorded immediately and unconditionally
8 to the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect the
9 provisions of broadcasting franchises concerning territorial coverage, the term, or the
10 type of service authorized by the franchise.

11
12 **SEC. 16. Repealability and Nonexclusivity Clause.** – This franchise shall be
13 subject to amendment, alteration, or repeal by Congress when the public interest so
14 requires and shall not be interpreted as an exclusive grant of the privileges herein
15 provided for.

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

19
20 **SEC. 18. Repealing Clause.** – All laws, decrees, orders, resolutions,
21 instructions, rules and regulations, and other issuances or parts thereof which are
22 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
23 accordingly.

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

27
28 Approved,