

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

SENATE

S. No. 3316

ON

(In substitution of Senate Bill Nos. 2985 and 3070)

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Prepared by the Committees on Public Information and Mass Media, Government Corporations and Public Enterprises, and Finance, with Senators Legarda, Guingona III, Drilon, Recto and Honasan as authors thereof.

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**AN ACT**  
**AMENDING REPUBLIC ACT NO. 7306, OTHERWISE KNOWN AS**  
**THE "CHARTER OF THE PEOPLE'S TELEVISION NETWORK, INCORPORATED"**

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

**TITLE I. - GENERAL PROVISIONS**

1       **SECTION 1.** *Short Title.* - This Act shall be known as an "Act Revitalizing the  
2 People's Television Network, Incorporated".

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4       **SEC. 2.** Section 2 of Republic Act No. 7306 is hereby amended to read as  
5 follows:

6               "SECTION 2. *Declaration of Policies.* - In consonance with the  
7 Constitutional recognition of the vital role of communication and information in  
8 nation-building, and the important aspect played by the broadcasting industry, it  
9 is hereby declared as the policy of the State to:

10              a. Fully develop communication structures suitable to the needs and  
11 aspirations of the nation and in accordance with a policy that respects the  
12 freedom of speech and of the press;

13              b. Give priority to education, science and technology, arts, culture, and  
14 sports to foster patriotism and nationalism, accelerate social progress, and  
15 promote total human liberation and development;

16              c. Develop the broadcasting industry as a medium for the development,  
17 promotion and advancement of Filipino nationalism, culture and values that serve  
18 as an instrument in the struggle for Filipino sovereignty, identity, national unity  
19 and integration;

1 d. Harness the resources of the government and the private sector  
2 towards a close, continuous and balanced cooperation in order to take  
3 advantage of technological advances in the broadcasting industry;

4 e. Maintain a broadcast industry system that serves as a vital link for  
5 participative democracy and effective government information dissemination  
6 through developmental communication, free from any political or partisan  
7 influence and held accountable directly to the people;

8 f. Encourage the development and broadcast of balanced programs which  
9 feature, among others, educational, wholesome entertainment, cultural, public  
10 affairs and sports; [and]

11 g. [Detach government television from advertising and commercial interest  
12 as far as practicable so as not to unduly compete with the private television  
13 sector and ensure that government television shall provide quality alternative  
14 programs for the benefit and moral upliftment of the citizenry.] **ENSURE THAT**  
15 **THE GOVERNMENT TELEVISION SHALL NOT UNDULY COMPETE WITH**  
16 **THE PRIVATE TELEVISION SECTOR FOR ADVERTISING AND**  
17 **COMMERCIAL INTEREST AS FAR AS PRACTICABLE; AND**

18 **H. PROVIDE QUALITY ALTERNATIVE PROGRAMS FOR THE**  
19 **BENEFIT AND MORAL UPLIFTMENT OF THE CITIZENRY.”**

20  
21 **TITLE II. - CREATION AND DOMICILE**  
22

23 **SEC. 3.** Section 5 of Republic Act No. 7306 is hereby amended to read as  
24 follows:

25 “SECTION 5. *Domicile.* - The Network shall have its principal office and domicile  
26 in the Metropolitan Manila area. It may also establish offices, branches and/ or stations  
27 in any part of the Philippines as its Board of Directors may see fit.

28 **THE PRESIDENT, UPON THE RECOMMENDATION OF THE DEPARTMENT**  
29 **OF ENVIRONMENT AND NATURAL RESOURCES AND ITS AGENCIES**  
30 **PARTICULARLY THE LAND MANAGEMENT BUREAU AND THE NATIONAL**  
31 **MAPPING AND RESOURCE INFORMATION AUTHORITY, SHALL IDENTIFY AND**  
32 **APPROPRIATE ALIENABLE AND DISPOSABLE LAND FOR THE NETWORK TO**  
33 **ESTABLISH AND BUILD ITS MAIN BROADCAST CENTER AND MAJOR**  
34 **PROVINCIAL STATIONS, FOR POSSIBLE EXPANSION.”**

1 TITLE IV. - POWERS AND FUNCTIONS

2  
3 SEC. 4. Subsection (e) of Section 8 of Republic Act No. 7306 is hereby amended  
4 to read as follows:

5 "SECTION 8. *Powers of the Network.* - The Network shall have the  
6 following powers:

- 7 a) to sue or be sued in its corporate name;
- 8 b) to have continuous succession in its corporate name;
- 9 c) to adopt and use a corporate seal;
- 10 d) to adopt by-laws not contrary to law, morals, or public policy, and  
11 to amend or repeal the same in accordance with the provisions of  
12 existing laws;
- 13 e) to **ACQUIRE**, purchase, receive, take or grant, hold, convey,  
14 sell, lease, pledge, mortgage and otherwise deal with such real  
15 and personal property;
- 16 f) to establish, purchase, install, construct, use and maintain  
17 national, regional, provincial community stations and facilities for  
18 television broadcasting throughout and in any part of the country;
- 19 g) to enter into joint ventures or partnerships with other  
20 broadcasting authorities and stations or international agencies or  
21 private organizations for the purpose of promoting its broadcasting  
22 services;
- 23 h) to raise, borrow or obtain funds, from any source, private or  
24 government, foreign or domestic and to enter into any financial or  
25 credit arrangements in order to support and carry out its objectives  
26 and purposes, subject to the pertinent laws governing public debt  
27 and expenditure;
- 28 i) to receive donations and grants from any source whether local or  
29 foreign and avail of official development assistance and  
30 concessional loans provided by foreign governments, foundations  
31 or financial institutions;
- 32 j) to enter into, make, perform and carry out contracts of any kind  
33 and description in furtherance of the corporate purpose with any  
34 person, firm, association or corporation;
- 35 k) to accept corporate institutional support for developmental  
36 programs and to determine the conditions subject to which the said  
37 programs may be accepted for television transmission; and
- 38 l) to exercise the general powers outlined in the Corporation Code

1 of the Philippines, as well as such other incidental powers as may  
2 be necessary to carry on its activities.”  
3

4 **TITLE V. - CORPORATE STRUCTURE**  
5

6 **SEC. 5.** Section 10 of Republic Act No. 7306 is hereby amended to read as  
7 follows:

8 “SECTION 10. *The Board of Directors.* - The corporate powers of the  
9 Network shall be exercised, all its business conducted and all its property  
10 controlled and held by the Board of Directors. It shall be composed of five (5)  
11 members who shall be appointed by the President of the Philippines. The Board  
12 shall be made up of the following:

13  
14 a. [two (2) members from the Government sector;] **CHAIRMAN;**

15 **B. ONE (1) MEMBER FROM THE GOVERNMENT SECTOR;**

16 c. [b] two (2) members from the private sector, one (1) of whom shall  
17 have at least ten (10) years of experience in the broadcast industry; and

18 d. [c.] one (1) member from the educational sector.  
19

20 **SEC. 6.** Insert a new Section 10-A which shall read:

21 **SECTION 10-A. *The Advisory Council.* - WITHIN SIXTY (60) DAYS**  
22 **FROM THE EFFECTIVITY OF THIS ACT, THE BOARD OF DIRECTORS**  
23 **SHALL OPEN A CALL FOR NOMINATIONS FOR MEMBERSHIP TO THE**  
24 **ADVISORY COUNCIL. THE BOARD SHALL SUBMIT TO THE SECRETARY**  
25 **OF THE PRESIDENTIAL COMMUNICATIONS OPERATIONS OFFICE (PCOO)**  
26 **THE LIST OF ITS RECOMMENDED NOMINEES FOR CONSIDERATION**  
27 **AND/OR APPOINTMENT AS MEMBERS THEREOF.**

28 **THE MEMBERS OF THE ADVISORY COUNCIL SHALL BE**  
29 **COMPOSED OF SEVEN (7) SECTORAL MEMBERS WITH AT LEAST FIVE (5)**  
30 **YEARS OF EXPERIENCE IN THEIR RESPECTIVE FIELDS OF EXPERTISE.**

31 **THE MEMBERS OF THE ADVISORY COUNCIL MAY BE CHOSEN**  
32 **FROM AMONG NOMINEES OF ASSOCIATIONS AND ORGANIZATIONS**  
33 **REPRESENTING VARIOUS STAKEHOLDERS FROM DIFFERENT**  
34 **INDUSTRIES, SUCH AS BUT NOT LIMITED TO CINEMA, CULTURE AND**  
35 **ARTS, PRINT AND BROADCAST, AND THEY SHALL SERVE WITH A FIXED**  
36 **TERM OF ONE (1) YEAR.**

37 **THE ADVISORY COUNCIL SHALL PROPOSE AND RECOMMEND**  
38 **POLICIES RELATING TO THE NETWORK'S OPERATIONS, PROGRAMMING,**

1 BROADCASTING, TECHNICAL AND CREATIVES DEVELOPMENT,  
2 PRODUCTION AND MANAGEMENT, WHICH SHALL BE SUBJECT TO THE  
3 APPROVAL OF THE BOARD OF DIRECTORS.

4 THE MEMBERS OF THE ADVISORY COUNCIL SHALL ELECT FROM  
5 AMONG THEMSELVES A CHAIRMAN.

6  
7 **SEC. 7.** Section 12 of Republic Act No. 7306 is hereby amended to read as  
8 follows:

9 "SECTION 12. *Term of the Members of Board.* - [The initial appointees of  
10 the President of the Philippines shall have the following terms:

11 a. Three (3) directors, one from each sector, for two (2) years, and

12 b. The other two (2) directors, one (1) each from the government and  
13 private sector, for four (4) years.

14 Subsequent appointees shall serve a term of four (4) years without  
15 reappointment. Appointment to any vacancy in the Board shall be for the  
16 unexpired portion of the term of the predecessor.]

17 **THE TERM OF OFFICE OF EACH DIRECTOR SHALL BE FOR ONE (1)  
18 YEAR SUBJECT TO REAPPOINTMENT BY THE PRESIDENT.**

19 **THE MEMBERS SHALL ELECT AMONG THEMSELVES ONE WHO  
20 WILL SERVE AS CHAIRMAN OF THE BOARD."**

21  
22 **SEC. 8.** Section 13 of Republic Act No. 7306 is hereby amended to read as  
23 follows:

24 "SECTION 13. *Functions and Duties of the Board of Directors.* - The  
25 general functions and duties of the Board of Directors shall be as follows:

26 a. to carry out the provisions of this Act;

27 b. to exercise the corporate powers, and conduct all business of the  
28 Network;

29 c. to decide matters of policy; [and]

30 d. to submit to the President of the Philippines and the Congress a  
31 comprehensive annual report on the operation of the Network within the  
32 first sixty (60) days of the fiscal year;[,] AND

33 **E. TO MEET AT LEAST TWICE A MONTH TO DISCUSS  
34 MATTERS OF POLICY IN ORDER TO EFFECTIVELY CARRY OUT THE  
35 PROVISIONS OF THIS ACT.**

36  
37 **SEC. 9.** Section 14 of Republic Act No. 7306 is hereby amended to read as  
38 follows:

1                   "SECTION 14. *The Network General Manager.* - **THE MEMBERS**  
2 **OF THE BOARD SHALL ELECT FROM AMONG THEMSELVES A NETWORK**  
3 **GENERAL MANAGER** [The Network General Manager shall be elected by the  
4 Board, of which he need not be a member. In the latter case, he shall serve as  
5 ex-officio member of the Board.] He shall also be the Chief Operating Officer of  
6 the Network, who shall be responsible for the proper administration and  
7 management of the Network in accordance with the policies laid down by the  
8 Board.

9                   If the Network General Manager is absent, or is incapacitated by reason of  
10 illness or for any other cause, is temporarily unable to perform his duties, the  
11 Board of Directors may designate an officer-in-charge to act in his place and  
12 stead during such absence from duty."

#### 13 14                   **TITLE VI. - PROGRAM STANDARDS**

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16                   **SEC. 10.** Section 16 of Republic Act No. 7306 is hereby amended to read as  
17 follows:

18                   "SECTION 16. *General Program Standards.* - The Board of Directors is  
19 mandated to set up a Code of Standards, inclusive of the following aspects:

- 20                   a. Presentations of News;
- 21                   b. Public Affairs Programs and Commentaries;
- 22                   c. Public Service Programs;
- 23                   d. Educational Programs;
- 24                   e. Children's Programs;
- 25                   f. Agriculture and Livelihood Programs;
- 26                   g. Women and Youth Issues;
- 27                   h. Locally-produced and foreign-produced programs[.];

28                   **I. TRADE, SERVICE AND MANUFACTURING INDUSTRY PROGRAMS;**

29                   **AND**

30                   **J. PROGRAMS THAT INSPIRE NATIONALISM."**

31  
32                   **SEC. 11.** Section 17 of Republic Act No. 7306 is hereby amended to read as  
33 follows:

34                   SECTION 17. *USE OF BLOCKTIMERS.* - The use of blocktimers shall be  
35 allowed but limited to education, [and] sports, **QUALITY ENTERTAINMENT**  
36 **programs [only], AND SUCH PROGRAMS WHICH PROMOTE NATIONAL**  
37 **INTEREST, SUBJECT TO QUALITY STANDARDS SET BY THE BOARD OF**

1           **DIRECTORS.** The network shall assume solidary liability with each of the  
2 individual producers, for the content of all programs shown by blocktimers.”

3  
4                                   **TITLE VII. – FINANCIAL PROVISIONS**

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6           **SEC. 12.** Section 18 of Republic Act No. 7306 is hereby amended to read as  
7 follows:

8                   “*SECTION 18. CAPITALIZATION.* - The authorized capital stock of the  
9 network shall be [One] **SIX** Billion Pesos [(P1,000,000,000.00)] divided into [one]  
10 **SIX** Million [(1,000,000)] **(6,000,000)** shares with par value of One Thousand  
11 Pesos (P1,000.00) per share which shall be subscribed in full by the government.

12                   [The initial paid-up capital shall be One Hundred Million pesos  
13 (P100,000,000.00) which shall be released from funds of the National Treasury  
14 upon the effectivity of this Act. The sums of One Hundred Million Pesos  
15 (P100,000,000.00) and Three Hundred Million Pesos (P300,000,000.00) are  
16 authorized to be appropriated as paid-up capital in the General Appropriations  
17 Act of the second and third years following the date of effectivity of this Act,  
18 respectively.]

19                   [The unpaid balance of the authorized capital stock shall be appropriated  
20 as and when deemed necessary by Congress in the subsequent years.]

21  
22                   **THE ADDITIONAL PAID-UP CAPITAL SHALL BE FIVE BILLION**  
23 **PESOS (P5,000,000,000.00).**

24                   **TWO BILLION PESOS (P2,000,000,000.00) SHALL BE TAKEN FROM**  
25 **THE PROCEEDS OF THE PRIVATIZATION OF RADIO PHILIPPINES**  
26 **NETWORK RPN 9 AND INTERCONTINENTAL BROADCASTING**  
27 **CORPORATION IBC 13.**

28                   **ANOTHER TWO BILLION PESOS (P2,000,000,000.00) SHALL BE**  
29 **TAKEN FROM THE INCREMENTAL INCREASES OF THE SPECTRUM**  
30 **USER'S FEE (SUF) OF THE NATIONAL TELECOMMUNICATIONS**  
31 **COMMISSION (NTC).**

32                   **THE REMAINING ONE BILLION PESOS (P1,000,000,000.00) SHALL**  
33 **COME FROM THE GENERAL APPROPRIATIONS ACT (GAA).”**

34  
35           **SEC. 13.** Section 19 of Republic Act No. 7306 is hereby amended to read as  
36 follows:

37                   “*SECTION 19. REVENUE GENERATION.* -**THE NETWORK SHALL BE**  
38 **ALLOWED TO GENERATE FUNDS FROM ADVERTISING AND AIRTIME**

1       **SALES IN ACCORDANCE WITH THE POLICIES AND RATES SET BY THE**  
2       **BOARD OF DIRECTORS.** [ provided, that in the three (3) year period after the  
3       effectivity of this Act and every three (3) years thereafter, advertising sales shall  
4       not exceed seventy-five percent (75%), fifty percent (50%), and twenty-five  
5       percent (25%), respectively, of the average advertising sales of individual  
6       commercial stations; Provided, further, that no commercial advertising shall be  
7       allowed nine (9) years after the effectivity of this Act: provided, finally, that  
8       institutional advertising and blocktime sales shall not be covered by this  
9       limitations.]       **SUBJECT TO EXISTING LAWS, ALL FEES OR OTHER**  
10       **REVENUES COLLECTED OR RECEIVED BY THE NETWORK SHALL BE**  
11       **RETAINED BY IT AND UTILIZED SOLELY FOR ITS OPERATIONS AND**  
12       **CAPITAL EXPENDITURES.**

13  
14       **SEC. 14.** Insert a new Section 19-A which shall read:

15       **SECTION 19-A. EXEMPTION FROM REPUBLIC ACT NO. 7656. - THE**  
16       **NETWORK SHALL BE EXEMPT FROM REMITTING FIFTY PERCENT (50%) OF ITS**  
17       **ANNUAL NET EARNINGS AS PROVIDED BY RA NO. 7656, SUBJECT TO THE**  
18       **APPROVAL OF THE DEPARTMENT OF FINANCE, AND PROVIDED, THAT THE**  
19       **ANNUAL NET EARNINGS BE USED SOLELY FOR ITS OPERATIONS AND**  
20       **CAPITAL EXPENDITURES.**

21  
22                   **TITLE IX. - EMPLOYEES OF THE NETWORK**

23  
24       **SEC. 15.** Section 22 of Republic Act No. 7306 is hereby amended to read as  
25       follows:

26                “SECTION 22. *Civil Service Law Coverage for Employees.* - The hiring,  
27       appointment, employment, promotion, disciplinary control, and other terms and  
28       conditions of the service of all employees of the Network, and such other matters  
29       affecting its employees shall be consistent with the provisions of the Civil Service  
30       Law, rules and regulations: **PROVIDED, HOWEVER, THAT POSITIONS**  
31       **CONSIDERED AS CREATIVE AND ARTISTIC IN NATURE SHALL BE**  
32       **EXEMPTED FROM THE QUALIFICATION STANDARDS AND CIVIL SERVICE**  
33       **ELIGIBILITY REQUIREMENTS.**

34  
35       **SEC. 16. REORGANIZATION OF THE NETWORK. - NINETY (90) DAYS FROM**  
36       **THE APPROVAL OF THIS ACT, THE BOARD OF DIRECTORS IS HEREBY**  
37       **EMPOWERED TO REORGANIZE THE NETWORK TO MAKE IT MORE EFFECTIVE**  
38       **AND INNOVATIVE. FOR THIS PURPOSE, THE BOARD MAY ABOLISH OR**



1 CREATE OFFICES, TRANSFER FUNCTIONS, EQUIPMENT, PROPERTIES,  
2 RECORDS, AND PERSONNEL, AND INSTITUTE COST-CUTTING AND OTHER  
3 RELATED MEASURES TO CARRY OUT THE SAID OBJECTIVES, SUBJECT TO  
4 THE PROVISIONS OF REPUBLIC ACT NO. 10149 (GOCC GOVERNANCE ACT OF  
5 2011) AND REPUBLIC ACT NO. 6656 (GOVERNMENT REORGANIZATION LAW);  
6 PROVIDED, THAT ANY OFFICIAL OR EMPLOYEE OF THE NETWORK WHO MAY  
7 BE AFFECTED BY REASON OF THE REORGANIZATION AUTHORIZED HEREIN  
8 SHALL BE ENTITLED TO SUCH BENEFITS AS PROVIDED UNDER EXISTING  
9 LAWS.

10  
11 **SEC. 17. SEPARATION AND RETIREMENT BENEFITS** - IN THE EVENT AN  
12 EMPLOYEE IS SEPARATED FROM THE NETWORK BY REASON OF  
13 REORGANIZATION, ABOLITION, OR CREATION OF OFFICES, OR INSTITUTION  
14 OF COST-CUTTING AND OTHER SIMILAR MEASURES, THE EMPLOYEE SHALL  
15 BE ENTITLED TO A SEPARATION BENEFIT EQUIVALENT TO ONE (1) MONTH  
16 SALARY FOR EVERY YEAR OF SERVICE IN THE GOVERNMENT; PROVIDED,  
17 THAT THE SEPARATED OR DISPLACED EMPLOYEE HAS RENDERED AT LEAST  
18 ONE (1) YEAR OF SERVICE AT THE TIME OF THE EFFECTIVITY OF THIS ACT.

19  
20 **TITLE X. - MISCELLANEOUS PROVISIONS**

21  
22 **SEC. 18. IMPLEMENTING RULES AND REGULATIONS.** -WITHIN NINETY  
23 (90) DAYS FROM THE EFFECTIVITY OF THIS ACT, THE PRESIDENTIAL  
24 COMMUNICATIONS OPERATIONS OFFICE (PCOO) SHALL DRAFT THE  
25 IMPLEMENTING RULES AND REGULATIONS OF THIS ACT IN CONSULTATION  
26 WITH THE VARIOUS STAKEHOLDERS FROM GOVERNMENT AND PRIVATE  
27 SECTORS.

28 **SEC. 19. Amendments.** - The provisions of this Act shall be subject to  
29 amendments, alteration or repeal by the Congress of the Philippines, when public  
30 interest so requires.

31 **SEC. 20. Separability Clause.** - If any provision or part of this Act is declared  
32 invalid or unconstitutional, the remainder shall not be affected thereby and shall  
33 continue to be in full force and effect.

34  
35 **SEC. 21. Repealing Clause.** - All laws, decrees, executive orders, administrative  
36 orders, rules and regulations, and other issuances or parts thereof inconsistent herewith  
37 are hereby repealed, amended or modified accordingly.

1           **SEC. 22. Effectivity.** - This Act shall take effect fifteen (15) days after its  
2 publication in two (2) national newspapers of general circulation.  
3 **Approved,**