



## HOUSE OF REPRESENTATIVES

H. No. 6703

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BY REPRESENTATIVES GOMEZ, CUA, HERRERA-DY, PALATINO, BATAOIL,  
KHO (A.), DEL MAR, FABIAN, EVARDONE, TINIO, CLIMACO, GULLAS,  
CERAFICA AND TEODORO, PER COMMITTEE REPORT NO. 2472

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AN ACT AMENDING REPUBLIC ACT NO. 7306, ENTITLED "AN ACT  
PROVIDING FOR THE ESTABLISHMENT OF THE PEOPLE'S  
TELEVISION NETWORK, INCORPORATED, DEFINING ITS  
POWERS AND FUNCTIONS, PROVIDING FOR ITS SOURCES OF  
FUNDING AND FOR OTHER PURPOSES"

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

1           SECTION 1. *Title.* – This Act shall be known as the "People's  
2   Television Network Charter of 2012."

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

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

10                   "(a) x x x

1           “(b) x x x

2           “(c) x x x

3           “(d) x x x

4           “(e) x x x

5           “(f) x x x

6           “(g) [Detach government television from advertising and  
7 commercial interest as far as practicable so as not to unduly  
8 compete with the private television sector and ensure that  
9 government television shall provide quality alternative programs  
10 for the benefit and moral upliftment of the citizenry.] **PROVIDE**  
11 **QUALITY ALTERNATIVE PROGRAMS FOR THE BENEFIT AND**  
12 **MORAL UPLIFTMENT OF THE CITIZENRY.”**

13           SEC. 3. Section 5 of Republic Act No. 7306 is hereby amended to  
14 read as follows:

15           “SEC. 5. *Domicile.* – The Network shall have its principal  
16 office and domicile in the Metropolitan Manila area. It may also  
17 establish offices, branches and/or stations in any part of the  
18 Philippines as its Board of Directors may see fit.

19           “THE GOVERNMENT OF THE PHILIPPINES, THROUGH THE  
20 LAND MANAGEMENT BUREAU OF THE DEPARTMENT OF  
21 ENVIRONMENT AND NATURAL RESOURCES, SHALL IDENTIFY  
22 APPROPRIATE ALIENABLE AND DISPOSABLE LANDS FOR THE  
23 NETWORK TO BUILD ITS MAIN BROADCAST CENTER AND  
24 MAJOR PROVINCIAL STATIONS.”

1           SEC. 4. Subsections (e) and (h) of Section 8 of Republic Act No.  
2 7306 is hereby amended to read as follows:

3           “SEC. 8. *Powers of the Network.* – The Network shall  
4 have the following powers:

5           “(a) x x x

6           “(b) x x x

7           “(c) x x x

8           “(d) x x x

9           “(e) to ACQUIRE, purchase, receive, take or grant, hold,  
10 convey, sell, lease, pledge, mortgage and otherwise deal with  
11 such real and personal property;

12          “(f) x x x

13          “(g) x x x

14          “(h) to raise, borrow or obtain funds, from any source,  
15 private or government, foreign or domestic and to enter into any  
16 financial or credit arrangements in order to support or carry out  
17 its objectives and purposes, subject to the APPROVAL OF THE  
18 MONETARY BOARD OF THE BANGKO SENTRAL NG PILIPINAS  
19 UPON THE RECOMMENDATION OF THE DEPARTMENT OF  
20 FINANCE AND TO OTHER pertinent laws governing public debt  
21 and expenditure;

22          “(i) x x x

23          “(j) x x x

24          “(k) x x x

25          “(l) x x x.”

1           SEC. 5. Subsection (e) of Section 9 of Republic Act No. 7306 is  
2 hereby amended to read as follows:

3           “SEC. 9. *Functions of the Network.* – The Network shall  
4 have the following functions:

5           “(a) x x x

6           “(b) x x x

7           “(c) x x x

8           “(d) x x x

9           “(e) to provide subsidized air time to legitimate people’s  
10 organizations and **NONGOVERNMENT ORGANIZATIONS (NGOs)**  
11 in the promotion of their programs and projects;

12           “(f) x x x

13           “(g) x x x ”

14           SEC. 6. Section 10 of Republic Act No. 7306 is hereby amended to  
15 read as follows:

16           “SEC. 10. *The Board of Directors.* – The corporate  
17 powers of the Network shall be exercised, all its business  
18 conducted and all its property controlled and held by the board  
19 of directors. It shall be composed of five (5) members who shall  
20 be appointed by the President of the Philippines **FROM A**  
21 **SHORTLIST PREPARED BY THE GOVERNANCE COMMISSION**  
22 **FOR GOVERNMENT-OWNED OR -CONTROLLED**  
23 **CORPORATIONS (GCG).** The Board shall be made up of the  
24 following:

25           “(a) [two (2) members from the government sector] **THE**  
26 **CHAIRPERSON;**

27           “(b) **THE CHIEF EXECUTIVE OFFICER (CEO);**

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

4           “(D) one (1) member from the education sector.”

5       SEC. 7. Insert a new Section 10-A which shall read:

6           “SEC. 10-A. *THE ADVISORY COUNCIL.* – SIXTY (60)  
7 DAYS FROM THEIR APPOINTMENT, THE BOARD OF DIRECTORS  
8 SHALL PREPARE A LIST OF ITS RECOMMENDED NOMINEES FOR  
9 THE MEMBERS OF THE ADVISORY COUNCIL AND WHICH SHALL  
10 BE SUBMITTED TO THE SECRETARY OF THE PRESIDENTIAL  
11 COMMUNICATIONS OPERATIONS OFFICE (PCOO) FOR  
12 CONSIDERATION AND APPROVAL. THE NOMINEES FOR THE  
13 ADVISORY COUNCIL SHALL BE CHOSEN FROM ASSOCIATIONS  
14 AND ORGANIZATIONS REPRESENTING VARIOUS  
15 STAKEHOLDERS FROM DIFFERENT INDUSTRIES SUCH AS, BUT  
16 NOT LIMITED TO, CINEMA, CULTURE AND ARTS, PRINT AND  
17 BROADCAST. THEY SHALL SERVE A FIXED TERM OF ONE (1)  
18 YEAR.

19           “THE ADVISORY COUNCIL SHALL BE COMPOSED OF  
20 SEVEN (7) MEMBERS WITH AT LEAST FIVE (5) YEARS OF WIDE  
21 EXPERIENCE AND EXPERTISE IN THEIR RESPECTIVE FIELDS OF  
22 WORK. THE ADVISORY COUNCIL SHALL PROPOSE AND  
23 RECOMMEND POLICIES RELATING TO THE NETWORK'S  
24 OPERATIONS, PROGRAMMING, BROADCASTING, TECHNICAL  
25 AND CREATIVE PRODUCTION AND MANAGEMENT, WHICH  
26 SHALL BE SUBJECT TO THE APPROVAL OF THE BOARD OF  
27 DIRECTORS.

28           “THE MEMBERS OF THE ADVISORY COUNCIL SHALL  
29 ELECT FROM AMONG THEMSELVES A CHAIRPERSON. THE

1           **CHAIRPERSON OF THE BOARD OF DIRECTORS SHALL SIT AS AN**  
2           **EX OFFICIO MEMBER OF THE ADVISORY COUNCIL.**

3           **"THE MEMBERS OF THE ADVISORY COUNCIL SHALL**  
4           **RENDER VOLUNTARY SERVICE TO THE NETWORK. NO**  
5           **MEMBER SHALL BE PAID ANY HONORARIA, ALLOWANCES AND**  
6           **OTHER PERSONNEL BENEFITS."**

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

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

12           "(a) Three (3) directors, one from each sector, for two (2)  
13           years; and

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

16           "Subsequent appointees shall serve a term of four (4)  
17           years, without reappointment.] **THE TERM OF OFFICE OF EACH**  
18           **APPOINTIVE DIRECTOR SHALL BE ONE (1) YEAR, UNLESS**  
19           **SOONER REMOVED FOR CAUSE.** Appointment to any vacancy in  
20           the board shall be for the unexpired portion of the term of the  
21           predecessor.

22           "The members shall elect **FROM** among themselves one  
23           who will serve as [chairman] **CHAIRPERSON** of the board. The  
24           board shall meet at least twice a month to discuss matters of  
25           policy in order to effectively carry out the provisions of this  
26           Act."

1           SEC. 9. Section 14 of Republic Act No. 7306 is hereby amended to  
2 read as follows:

3           “SEC. 14. *The Network General Manager.* – The  
4 Network general manager shall be elected ANNUALLY by the  
5 board, of which he need not be a member. In the latter case, he  
6 shall serve as an *ex officio* member of the Board. He shall also  
7 be the chief operating officer of the Network, who shall be  
8 responsible for the proper administration and management of the  
9 Network in accordance with the policies laid down by the board.  
10 THE GENERAL MANAGER SHALL BE SUBJECT TO THE  
11 DISCIPLINARY POWERS OF THE BOARD AND MAY BE REMOVED  
12 BY THE BOARD FOR CAUSE.”

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

15          “SEC. 17. *Use of Blocktimers.* – The use of blocktimers  
16 shall be allowed but limited to education, [and] sports,  
17 TOURISM, QUALITY ENTERTAINMENT PROGRAMS AND SUCH  
18 programs [only] WHICH PROMOTE PUBLIC INTEREST, SUBJECT  
19 TO QUALITY STANDARDS SET BY THE BOARD OF DIRECTORS.  
20 The Network shall assume solidary liability with each of the  
21 individual producers, for the content of all programs shown by  
22 blocktimers.”

23          SEC. 11. Section 18 of Republic Act No. 7306 is hereby amended  
24 to read as follows:

25          “SEC. 18. *Capitalization.* – The authorized capital stock  
26 of the Network shall be [One] SIX billion pesos  
27 [(P1,000,000,000.00)] (P6,000,000,000.00) divided into [one]

1           SIX million [(1,000,000)] (6,000,000) shares with the par value  
2           of One thousand pesos (P1,000.00) per share, which shall be  
3           subscribed in full by the government.

4           “[The initial paid-up capital shall be One hundred million  
5           pesos (P100,000,000.00) which shall be released from funds of  
6           the National Treasury upon the effectivity of this Act. The sums  
7           of One hundred million pesos (P100,000,000.00) and the Three  
8           hundred million pesos (P300,000,000.00) are authorized to be  
9           appropriated as paid-up capital in the General Appropriations  
10          Act of the second and third years following the date of  
11          effectivity of this Act, respectively.]

12          “OF THE ADDITIONAL PAID-UP CAPITAL OF FIVE BILLION  
13          PESOS (P5,000,000,000.00), TWO BILLION PESOS  
14          (P2,000,000,000.00) SHALL BE TAKEN FROM THE PROCEEDS  
15          OF THE PRIVATIZATION OF RADIO PHILIPPINES NETWORK  
16          (RPN 9) AND INTERCONTINENTAL BROADCASTING  
17          CORPORATION (IBC 13). THE REMAINING THREE BILLION  
18          PESOS (P3,000,000,000.00) SHALL BE APPROPRIATED UNDER  
19          THE ANNUAL GENERAL APPROPRIATIONS ACT.

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

23          SEC. 12. Section 19 of Republic Act No. 7306 is hereby amended  
24          to read as follows:

25          “SEC. 19. *Revenue Generation.* – The Network shall  
26          be allowed to generate funds from advertising and air time sales  
27          in accordance with the policies and rates set by the board of

1 directors[: *Provided*, That in the three (3) year period after the  
 2 effectivity of this Act and every three (3) years thereafter,  
 3 advertising sales shall not exceed seventy-five percent (75%),  
 4 fifty percent (50%), and twenty-five percent (25%), respectively  
 5 of the average advertising sales of individual commercial  
 6 stations: *Provided, further*, That no commercial advertising shall  
 7 be allowed nine (9) years after the effectivity of this Act:  
 8 *Provided, finally*, That institutional advertising and blocktime  
 9 sales shall not be covered by this limitation.] **SUBJECT TO**  
 10 **EXISTING LAWS.** All fees or other revenues collected or  
 11 received by the Network shall be retained by it and utilized  
 12 solely for its operations **AND CAPITAL EXPENDITURE**  
 13 **PROGRAM.”**

14 SEC. 13. Section 23 of Republic Act No. 7306 is hereby amended  
 15 to read as follows:

16 “SEC. 23. *Salary Scale for Officials and Employees.* –  
 17 [The rates of compensation and classes of positions in the  
 18 Network shall not be covered by Republic Act No. 6758 and the  
 19 Compensation and Position Classification Board (CPCB).]  
 20 **PURSUANT TO THE PROVISIONS OF REPUBLIC ACT NO. 10149,**  
 21 **THE GCG SHALL DEVELOP A COMPENSATION AND POSITION**  
 22 **CLASSIFICATION SYSTEM WHICH SHALL APPLY TO ALL**  
 23 **OFFICERS AND EMPLOYEES OF THE NETWORK SUBJECT TO**  
 24 **THE APPROVAL OF THE PRESIDENT OF THE PHILIPPINES.”**

25 SEC. 14. Redesignate Section 25 to Section 26, and Section 26 to  
 26 Section 27 and the other sections accordingly and insert new Sections 25  
 27 and 26. The new Sections 25 and 26 shall read as follows:

1                   “SEC. 25. *REORGANIZATION OF THE NETWORK.*” –

2                   NINETY (90) DAYS AFTER THE APPROVAL OF THIS ACT, THE  
3                   BOARD OF DIRECTORS IS HEREBY EMPOWERED TO  
4                   REORGANIZE THE NETWORK TO MAKE IT MORE EFFECTIVE  
5                   AND INNOVATIVE. FOR THIS PURPOSE, THE BOARD MAY  
6                   ABOLISH OR CREATE OFFICES, TRANSFER FUNCTIONS,  
7                   EQUIPMENT, PROPERTIES, RECORDS AND PERSONNEL,  
8                   INSTITUTE COST-CUTTING AND OTHER RELATED MEASURES TO  
9                   CARRY OUT THE SAID OBJECTIVES, SUBJECT TO THE  
10                  PROVISIONS OF REPUBLIC ACT NO. 10149, OTHERWISE  
11                  KNOWN AS THE “GOCC GOVERNANCE ACT OF 2011”:  
12                  *PROVIDED*, THAT ANY OFFICIAL OR EMPLOYEE OF THE  
13                  NETWORK WHO MAY BE AFFECTED BY REASON OF THE  
14                  REORGANIZATION SHALL HAVE THE OPTION TO RETIRE UNDER  
15                  EXISTING RETIREMENT LAWS OR AVAIL OF THE BENEFITS  
16                  PROVIDED UNDER THE PERTINENT PROVISIONS OF EXECUTIVE  
17                  ORDER NO. 366, SERIES OF 2004.”

18                  “SEC. 26. *IMPLEMENTING RULES AND REGULATIONS.* –

19                  WITHIN NINETY (90) DAYS FROM THE EFFECTIVITY OF THIS  
20                  ACT, THE PRESIDENTIAL COMMUNICATIONS OPERATIONS  
21                  OFFICE (PCOO) SHALL DRAFT THE IMPLEMENTING RULES  
22                  AND REGULATIONS (IRR) OF THIS ACT, IN CONSULTATION  
23                  WITH THE VARIOUS STAKEHOLDERS, GOVERNMENT AND  
24                  NONGOVERNMENT SECTORS.”

25                  SEC. 15. *Separability Clause.* – If any provision or part of this Act  
26                  is declared invalid or unconstitutional, the remainder shall not be affected  
27                  thereby and shall continue to be in full force and effect.

28                  SEC. 16. *Repealing Clause.* – All laws, decrees, executive orders,  
29                  administrative orders, rules and regulations and other issuances or parts

1 thereof inconsistent herewith are hereby repealed, amended or modified  
2 accordingly.

3       SEC. 17. *Effectivity Clause.* – This Act shall take effect fifteen (15)  
4 days after its publication in two (2) national newspapers of general  
5 circulation.

Approved,

**O**