


SENATE  
OFFICE OF THE SECRETARY

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

'04 JUN 30 P10:04

SENATE

RECEIVED BY: 

S.B. No. 961

**Introduced by Senator Jinggoy Ejercito Estrada**

The overwhelming presence of media in all aspects of our lives can no longer be underestimated. Its pervasiveness has propelled media-exposed personalities into positions of power, has helped shaped the political agenda of both the government and its people, and has influenced the thoughts and actions of the public far greater than the combined forces of educational institutions, the church, and even our very homes.

However, despite the increasing acceptance of broadcast media-whether radio or television – a powerful tool with enormous potentialities to aid economic, social, cultural and educational development, policies still have to be put in place and implemented in order to maximize their full potential, and to create an environment suitable for an effective and responsive broadcasting system in our country.


With the present economic crisis, there is even a more urgent need to utilize new and innovative approaches in the use of broadcasting for national development in order to help alleviate the perennial problems of lack of schools, qualified teachers, textbooks and learning materials, and the full, realistic implementation of the ideal "Education for All". At present, broadcasting's potency, persuasiveness and potential vast audience have not yet been harnessed, developed and exploited in promoting distance learning and continuing education programs for adults and out-of-school youths, neither in popularizing and propagating artistic expressions in hastening cultural development.

As such, this proposed measure calls for the serious consideration of the establishment of a **public broadcasting system/service** as an alternative to the over-alternative commercial system in the Philippines. A system that will be truly responsive to the diversified needs and interests of the people, with a concept

of programming that caters to the broadcast interest of all segments of the public, to the minorities as well as the majority and the marginalized. An independent system that creates and maintains some distance between its founders and its programming, with decentralized and self-sustaining local stations which decide suitable programs for their communities. A noncommercial service that is not motivated by profit but one mainly concerned with providing the best, high quality programs to meet and serve the public broadcasting system with the sole purpose of serving the public, helping shape attitudes and mold opinions, inspiring action and contributing to the enhancement of national unity and development.

Such a system, if adopted, can definitely help the government in its democratization efforts in bringing about political, social and economic stability in the country. Most progressive countries operate public broadcasting systems along side private/commercial systems, thereby providing for amore balanced service. There is no reason why the Philippines should not take the opportunity to start operating and indigenious system. Doing so would be a fulfillment of the government's moral obligation and social responsibility of helping direct the development of mass media along the lines of service and responsibility.

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

  
JINGGOY EJERCITO ESTRADA  
Senator


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AN ACT  
ESTABLISHING THE PHILIPPINE REPUBLIC BROADCASTING SYSTEM, AND  
FOR OTHER PURPOSES

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

CHAPTER 1  
GENERAL PROVISIONS

SECTION 1. **Title.** This Act shall be known as the "Philippine Public  
Broadcasting System Act of 2004"

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

- a. Seek for the full development of Filipino capabilities, the emergence of  
communication structures suitable to the needs and aspirations of the  
nation and the balanced flow of information into, out of, and across  
the country, in accordance with a policy that respects the freedom of  
speech and of the press.
- b. Make available to the people an efficient and nationwide broadcasting  
service with adequate facilities to serve the people's needs.
- c. Develop the broadcasting industry as a medium for the development,  
promotion and advancement of Filipino nationalism, culture and values  
that serve as an instrument in the struggle for Filipino sovereignty,  
identity, national and integration.

- d. Harness, in the most effective and least burdensome manner, the resources of the government and the private sector toward a close, continuous and balanced cooperation in order to take advantage of technological advances in the broadcasting industry.
- e. Maintain a broadcasting system that shall serve as a vital link for democratic participation and effect the government's objective of information dissemination through developmental communication which is free from any political or partisan influence and held accountable directly to the people.
- f. Encourage the production and broadcast of programs of a high general standard in all respects particularly regarding their content and quality; and the proper balance of educational, entertainment, news, cultural, public affairs and sports program, discussing wide range of subject matter.

### **SECTION 3. Creation of the Philippine Public Broadcasting System.**

There is hereby created the Philippine Public Broadcasting System, hereinafter referred to as the PPBS, an attached agency to the Office of the President, and shall be governed by the provisions of this Act. The PPBS is hereby mandated to exercise fiscal and administrative autonomy in the pursuit of its objectives and purposes. The principal office of the PPBS shall be located within the Metropolitan Manila area.

**SECTION 4. Statement of Objectives and Purposes.** The PPBS shall provide television and radio broadcasting services for the dissemination of information, education, and entertainment to the general public and the development of critical thinking among citizenry. It shall serve as an independent and autonomous vehicle of government in order to bring it closer to the people and enhance the awareness of the general public on the programs, policies, and direction of the government

To this end, it shall work towards a rational allocation of its broadcast resource in order to develop, disseminate and preserve Filipino culture by fostering a sense of national integrity and pride.

**SECTION 5. Duties of the PPBS.** It shall be the duty of the PPBS:

- a. To ensure that it will exercise the highest standard of independence and autonomy in handling issues and views expressed in all broadcast stations.

- b. To ensure that the programs broadcast shall contain and maintain a high standard of excellence in their content and quality, including the proper balance of education, entertainment, news, public affairs and sports programs, with a wide range of subject matter.
- c. To ensure that nothing is included in the programs broadcast by the PPBS which shall: (1) offend against morals, good taste, or decency; (2) offend any racial/ethnic group or may promote ill between different public groups; (3) offend the followers of any religious faiths, sects, or orders; and/or (4) may outrage public feelings in general.
- d. To include and encourage the participation of the widest number of Filipino talents or artist from all sectors of society ensuring the widest dissemination of Filipino cultural artistic works.

## CHAPTER II POWERS AND STRUCTURE

**SECTION 6. Powers of the PPBS.** In order to accomplish the foregoing purposes and duties, the PPBS shall be vested with the following powers:

- a. To establish, install, use, and maintain national, regional, provincial and community- stations for television and radio broadcasting throughout and any part of the country.
- b. To provide, equip, and maintain studios and other premises for television and radio production and broadcasting purposes;
- c. To accept advertising materials for television and radio broadcasting upon payment of such charges as may be determined from time to time by the PPBS, and to determine the conditions subject to which the said advertisements may be accepted for transmission;
- d. To enter into joint ventures or partnerships with other broadcasting authorities and stations or international agencies or private organizations for the purpose of promoting its broadcasting services;
- e. To utilize all its properties in such manner as it may deem and proper including the raising of loans by mortgaging such property;
- f. To receive gifts, subsidies, donations and contributions from corporations, trusts, foundations, associations and other private sources and from any government agency or corporation;
- g. To raise, borrow or obtain funds, from any source, private or government, foreign or domestic, and to enter into any financial or

credit arrangements in order to support or carry out objectives and purposes, subject to the pertinent laws governing debt and expenditure.

- h. To enter into, make, perform and carry out contracts of every kind and description in furtherance of its purposes with any person, firm, association or corporations;
- i. To acquire, hold, mortgage and alienate personal and real property in the Philippines;
- j. To purchase, hold, mortgage, pledge or otherwise dispose of its assets or any bond, security of other corporations or associations, and while the owner of said stock, to exercise all the rights of ownership, including the rights of ownership, including the right to vote thereon; and
- k. To exercise such other powers as may be necessary to carry-out the purposes for which the PPBS was established or which from time to time may be declared by the Board of Directors to be necessary, useful, incidental or auxiliary to accomplish such purposes.

#### **SECTION 7. The Board of Directors.**

- a. The affairs and business of the as created under this Act shall be directed by a Board of Directors to be composed of seven members.
- b. All members of the Board shall be appointed by the President of The Republic of the Philippines, chosen from among the nominees of associations and organizations representing various sectors in the broadcasting industry, and shall serve on a full-time basis, with a fixed term of six years without reappointment. Each member shall be taken from the private sector, of proven and unquestionable probity, integrity, honesty and reputation, and preferably with at least five (5) years experience in broadcasting media or its related fields.
- c. The following sectors shall be assured of representation in the Board of Directors:
  - (1) the Academe;
  - (2) labor, as involved in the Broadcasting Industry; and
  - (3) the viewer and consumer sector.
- d. The initial appointees of the President of the Republic of the Philippines shall have the following terms;

- (1) The Chairman of the Board, and one (1) director for six years;
- (2) Two (2) directors for four (4) years;
- (3) Two (2) directors for two (2) years;
- (4) The Network General Manager for three (3) years;

All the subsequent appointees shall have the term of six (6) years. However, the employees' representative shall have a term of only one (1) year.

- e. All members of the Board shall not hold any other elective or appointive government position. If a member shall be appointed to another government office or runs for any elective position, he shall be deemed to have vacated membership to the Board. Neither may each Director, in any way, directly or indirectly, be connected with any other broadcasting corporation. These prohibitions shall apply to all directors, except the director representing the employees of the Corporation.
- f. The Board shall meet at least once a month to discuss matters of policy in order to effectively carry out provisions of this act.
- g. The Board of Directors shall, likewise, submit a comprehensive annual report to the President of the Republic of the Philippines and to both Houses of Congress on the operations of the PPBS, which shall include the annual financial statement, within sixty(60) days of the fiscal year.

**SECTION 8. Functions and Duties of the Board of Directors.** The general functions and duties of the Board of Directors shall be as follows:

- a. To carry out the provisions of this Act;
- b. The Board shall appoint and fix the salaries of all executive officers, inclusive of the Board, and other officials and employees as may be necessary for the management and internal administration of the Corporation, except that the appointing power may be delegated by the Board to the management of the corporation;
- c. The Board shall establish the Television and Radio Division and such other divisions and or departments in the corporation as may be necessary for the accomplishment of its corporate purpose;

- d. The Board shall prescribe the compensation payable to its personnel employed and no person so employed shall be paid otherwise than in accordance with such rates. The Board shall see to it that such rate of compensation is competitive with the salaries of persons employed in the private sector engaged in the same kind of business.
- e. The PPBS shall be subject to all applicable auditing procedures and rules of the Commission on Audit; Provided that, the Board of Directors shall appoint a Comptroller for purposes of pre-auditing.

**SECTION 9. The Network General Manager.** The Network General Manager shall be nominated and elected by the Board of Directors. He shall be the Chief Executive Officer of the Corporation and shall be responsible for the proper administration and management of the PPBS in accordance with the policies laid down by the Board. He shall have a term of office of three (3) years .

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

**Section 10. Powers and Functions of the General Manager.** Subject to the control and supervision of the Board, the Network General Manager shall have the following powers and functions:

- a. Submit policy recommendations and propose measures necessary to carry out the objectives and functions of the PPBS for the considerations of the Board;
- b. Recommend to the Board for approval an organizational structure and plantilla for personnel of the PPBS, in accordance with existing laws, rules and regulations;
- c. Execute, administer and implement policies and measures approved by the Board;
- d. Submit to the Board an annual budget and such supplemental budgets as may be necessary for its consideration and approval;
- e. Represent the PPBS, make dealings with other persons, entities, agencies and institutions, whether public or private, domestic or foreign, subject to the limitations and conditions herein provided;



- f. Appoint, subject to the confirmation by the Board, discipline or remove for cause officers and personnel of the PPBS, in accordance with the Civil Service Law, rules and regulations.
- g. Perform such other functions and duties which are purely managerial or routinary by nature, and those which may be assigned to him by the Board or other competent authority.

**SECTION 11. Deputy General Managers.** There shall be a Deputy General Manager for Television and a Deputy Manager for Radio who shall be appointed by the Board of directors, upon the recommendation of the Network General Manager. They shall be persons known and respected in their respected fields of expertise.

### **CHAPTER III PROGRAMS STANDARDS**

**SECTION 12. General Program Standards.** An Ad-Hoc Consultative Body shall be created by the Board of Directors and shall be mandated to set up a Code of Standards applicable for the PPBS. The Consultative Body shall be composed of two members coming from the artistic sector, two representatives from the management of the PPBS, two representatives from the rank and file, two representatives from the consumer sector, two individuals of good standing in the community and of proven moral integrity, and a member of the Board of Directors, to be designated by the Board, who shall be Chairman of said body and have no voting right, except in case ties. Said body shall formulate subject to the approval of the Board of Directors, and within ninety (90) days from its constitution, the Code of Standards, inclusive of the following aspects:

- a) Presentation of News
- b) Educational Programs
- c) Agriculture and Livelihood Programs
- d) Promotion of Women and Youth Issues
- e) Children's Program
- f) Promotion of Filipino Talents, and
- g) Public Affairs Programs, Services and Announcements.

The Code shall apply for three years and shall automatically be renewable upon expiration by the constitution of the new Consultative Body following the above procedures.

**SECTION 13. Paid Announcements.** All broadcasts on any broadcast station belonging to PPBS for which monetary or any valuable consideration is directly or indirectly given, paid-for, provided or charge by the station shall the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by the person requesting the broadcast. Nothing in this section shall preclude the PPBS from requiring that an appropriate announcement be made at the broadcast in the case of any political program or that which involves the discussion of any controversial issue, for which any film, record, transcription, talent, script, or other material service of any kind has been furnished, with or without the payment of a nominal charge as an inducement to the broadcast of such program.

**SECTION 14. Locally-produced Programs.** The PPBS shall encourage the local production of programs shown in broadcasting stations. In this regard, a majority of all shows are to be locally produced specifically for the purpose. For the purpose of this section, "locally produced" shall mean majority of the performers are to be Filipinos and the materials used for production are to be acquired locally.

**SECTION 15. Foreign-Produced Programs.** All foreign produced programs Shown by the PPBS are to be subject to the Code of Standards as formulated by the Consultative Body. The PPBS shall assume responsibility for the contents of such programs shown in the station.

**SECTION 16. Use of Block-Timers.** The PPBS shall assume joint and several responsibility with each of the authorized producers, for the content of all programs shown by blocktimers. In this regard, blocktimers are to mean producers who purchase and make use of airtime from broadcasting stations.

**SECTION 17. Time Standards for Non-Program Materials.** The Consultative Body shall likewise formulate policies and guidelines for time standards for non-program materials.

#### **CHAPTER IV**

#### **RADIO AND TELEVISION NETWORKING**

**SECTION 18. National Radio and Television Stations.** There shall be established separate National Radio and Television Stations to be situated within

the Metro Manila Area. They shall serve as the sole national vehicle for the PPBS to fulfill its purposes and objectives as mandated of this Act. It shall also serve as the base station for the different regional and provincial radio and television stations.

**SECTION 19. Regional Radio and Television Stations.** There shall be established separate regional Radio and Television stations, to be situated within the regional center as determined by the PPBS. They shall serve as the sole regional vehicle for the PPBS to fulfill its purposes and objectives as mandated in this Act. For the purposes of this section, the National Radio and Television Stations shall serve as the Regional Radio and Television Stations of the Metropolitan Manila Area.

**SECTION 20. Provincial Radio Stations.** There shall be established a Provincial Radio Station, to be situated within the provincial capital area. It shall serve as the sole provincial vehicle for the PPBS to fulfill its purposes and objectives as mandated in this Act.

**SECTION 21. Rationalization of Existing Broadcasting Stations.** Upon approval of this Act, the PPBS shall rationalize and reorganize existing government-owned or controlled broadcasting stations to fulfill the mandate of this Act.

## **CHAPTER V**

### **INCENTIVES TO THE BROADCASTING INDUSTRY**

**SECTION 22. Production of Government Programs.** All departments, agencies, or instrumentalities of the national government, including government-owned or controlled corporations with or without original charters, shall appropriate an amount not exceeding two (2%) percent of its total budget for the production of educational, civic and community service programs by the PPBS which will promote the thrusts and objectives of the said government body. This shall be subject to the following guidelines:

- (a) That the broadcast shall be limited to the educational, civic, or community service programs for particular town, community or province;
- (b) That broadcasts made shall not promote the individual welfare or Personality belonging to the said government body.

- (c) That the government body shall submit to the Commission on Audit an itemized explanation of the expenses made for the production of said program.

**SECTION 23. Production Grants.** The PPBS shall set aside ten percent (10%) of its annual budget for the grants to be given to programs produced by any local broadcasting company, firm or corporation that have shown over-all artistic excellence and projected true Filipino values. Towards this end, a Committee of Five composed of two respected members of the Artistic community, the General Manager of the PPBS, a representative from the academe shall decide on the standards and the recipients of said grants.

**SECTION 24. Donations.** Gifts and donation to the Philippine Public Broadcasting System which are intended to improve the technical quality of broadcast programs shall be exempted from any tax, import duty or post: Provided that, the PPBS shall distribute at least thirty-five percent (35%) of the total yearly gifts or donations to deserving private broadcasting stations rendering public or community service, as determined by the Committee created in the previous section; Provided further that, any imposition made by any individual or agency shall be allowed only once every two years; Provided finally, that the PPBS shall issue the necessary rules and guidelines in consultation with all concerned parties.

## **CHAPTER VI GENERAL PROVISIONS**

**SECTION 25. Transfer of Functions and Assets.** All the powers, functions, assets, capital, accounts, contracts, and facilities under the People's Television (PTV) 4, and the various radio stations under the auspices of the Bureau of Broadcasts are hereby transferred to the PPBS.

The PPBS shall exercise all the necessary powers and duties in accordance with the provisions of this Act, and shall administer, dispose of, handle and execute said funds, properties, capital, assets, accounts, contracts and/or agreements in the manner the PPBS shall determine in the interest of the funds concerned, and the PPBS shall assume all liabilities of the above-mentioned agencies as such, or as trustees, as the case may be. The Agencies concerned shall stand abolished on the date the PPBS shall begin its operations.

**SECTION 26. APPROPRIATIONS.** A parcel of alienable public land located within Metro Manila with an area sufficient to cover required areas for studios and a transmitting antenna is hereby transferred in ownership to the PPBS.

An initial appropriation of Two Hundred Million Pesos (P200,000,000) shall be released from funds in the National Treasury not otherwise appropriated as initial funding of the PPBS; Provided that, the sum of Five Hundred Million Pesos (P500,000,000.00) shall be allocated from the National Budget of the year following the approval of this Act as revolving trust fund for the maintenance and operation of the PPBS: Provided further, that the current fiscal appropriation for the Bureau of Broadcast Services absorbed by the Public Broadcasting System in accordance with Section 33 herein shall be maintained, until the PPBS set up hereunder becomes operational and has raised tip funds necessary for operational purposes of the System. All fees and other revenues collected or received by the PPBS shall be retained by it to finance its annual budget requirements.

**SECTION 27. Government Accounts.** The PPBS address primarily the need of all government-owned and -controlled corporations and other agencies which need advertising services. Said Broadcasting System shall have the right to refuse to accept such accounts, and only then will the said Government Corporation be able to place their advertising requirements with private entities.

**SECTION 28. Additional Sources of Funding.** Funding for the PPBS shall also be derived from the following :

- a) revenue derived from tax on all television sets sold in the Philippines to be computed at fifty pesos (P50.00) for monochromatic television sets, and Two hundred pesos (P200.00) for colored television sets.
- b) Revenue derived from a tax on all radio sets sold in the Philippines to be computed at Ten (P10.00) for transistor radios, Thirty Pesos (P30.00) for cassette players, and One Hundred Pesos (P100.00) for standard stereo systems.

**SECTION 29. Record of Transactions.** The PPBS shall keep proper accounts and records of all its transactions and affairs, and shall do all things necessary to ensure that all payments made out of its moneys are correctly made and properly authorized, and that adequate control is maintained over the

assets of, or in the custody of the PPBS and over the expenditures incurred by the PPBS. The PPBS shall be subject to audit by the Commission on Audit.

**SECTION 30. Tax Exemptions.** All the importation of equipment and materials in pursuing the objectives of this Act, whether purchased from or donated by any foreign government and/or private entity shall be free from the payment of any and all forms of taxes, license fees, and customs duties that may be levied upon them. Such equipment shall include, but not limited to, cameras, TV monitors and records, radio and TV transmitters, electronic tubes, editing machines, and the like.

**SECTION 31. Staffing Pattern.** The PPBS, through the Network General Manager or his authorized representative, may make such rules not inconsistent with the provisions of this Charter, concerning the hiring, appointment, employment, promotion, disciplinary control, and other terms and conditions of the service of all employed by the PPBS, and other such matters affecting its employees.

**SECTION 32. Salary Scale.** The PPBS shall prescribe the rates of remuneration payable to the various classes of personnel employed by it, and no person so employed shall be paid otherwise than in accordance with such rates. The PPBS shall see to it that such rates or remuneration shall be competitive with the salaries of persons employed in the private sector engaged in the same kind of business.

**SECTION 33. Exemption from Government Staffing Pattern.** The salaries and position classification of the officers, and employees of the PPBS shall not be subject to the rules and regulations emanating from the Office of the Compensation and Position Classification, owing to the special nature of the broadcasting industry.

**SECTION 34. Separability Clause.** If any provision or part of this Act is declared invalid or unconstitutional, the remainder shall not be affected thereby and shall continue to be in full force and effect.

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

SECTION 36. **Effectivity Clause.** This Act shall take effect within fifteen (15) days from the date of publication in two newspapers of general circulation.

Approved.