


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

'15 SEP 23 A9:47

RECEIVED BY: 

SENATE

COMMITTEE REPORT NO. 261

Submitted by the Committee on Public Services on SEP 23 2015

RE : H. B. No. 5226

Recommending its approval without amendment.

Sponsor : Senator Osmeña, III

MR. PRESIDENT:


The Senate Committee on Public Services to which was referred **H. B. No. 5226**, introduced by Representatives Belmonte, Gonzales, Teodoro, *et al.*, entitled:

**“AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO CHRISTIAN ERA
BROADCASTING SERVICE INTERNATIONAL,
INCORPORATED AS PROVIDED UNDER REPUBLIC ACT
NO. 7618.”**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached **H. B. No. 5226** be approved without amendment.

Respectfully submitted:


RAMON BONG REVILLA, JR.
Chairman
Committee on Public Services


SERGIO R. OSMEÑA, III
Acting Chairperson
Committee on Public Services

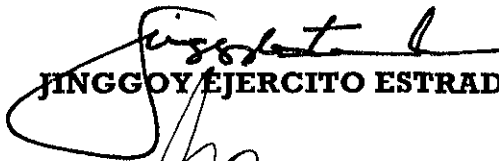
MEMBERS:



SONNY M. ANGARA



PIA S. CAYETANO



JINGGOY EJERCITO ESTRADA



JOSEPH VICTOR G. EJERCITO



GREGORIO B. HONASAN III



LOREN B. LEGARDA



GRACE POE

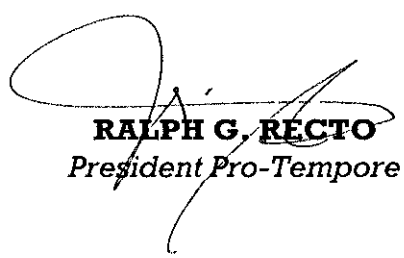


ANTONIO F. TRILLANES, IV



CYNTHIA A. VILLAR

EX- OFFICIO MEMBERS:



RALPH G. RECTO
President Pro-Tempore

JUAN PONCE ENRILE
Minority Floor Leader

ALAN PETER S. CAYETANO
Majority Floor Leader

FRANKLIN M. DRILON
Senate President
Pasay City



HOUSE OF REPRESENTATIVES

H. No. 5226

BY REPRESENTATIVES BELMONTE (F.), GONZALES, TEODORO, AGGABAO, ABAYON, BELLO (S.), BELMONTE (J.), CAMINERO, DELA CRUZ, HOFER, LAGDAMEO (A.), LAGDAMEO (M.), MENDOZA (M.), PICHAY, REYES, RIDON, ROBES, SALVACION, RAMIREZ-SATO, SEMA, TAMBUNTING, UNABIA AND VIOLAGO

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO CHRISTIAN ERA BROADCASTING SERVICE INTERNATIONAL, INCORPORATED AS PROVIDED UNDER REPUBLIC ACT NO. 7618

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
2 provisions of the 1987 Philippine Constitution and applicable laws, rules, and
3 regulations, the franchise granted to Christian Era Broadcasting Service
4 International, Incorporated, hereunder referred to as the grantee, and/or its
5 successors and assigns to construct, install, establish, operate and maintain for
6 religious, noncommercial and nonprofit purposes and in the public interest,
7 radio and/or television broadcasting stations in the Philippines, where
8 frequencies and/or channels are still available or are assigned for radio and/or
9 television broadcasting, including digital, television and/or radio systems,
10 through microwave, satellite, or the use of any new technologies in television
11 and radio systems, with the corresponding technological auxiliaries and/or
12 facilities, special broadcast, and other program and distribution services
13 and relay stations, is hereby renewed for another twenty-five (25) years from
14 July 1, 2017.

1 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations
2 or facilities of the grantee shall be constructed and operated in a manner as
3 will, at most, result only in the minimum interference on the wavelengths or
4 frequencies of existing stations or other stations which may be established by
5 law, without in any way diminishing its own right to use its selected
6 wavelengths or frequencies and the quality of transmission or reception thereon
7 as should maximize rendition of the grantee's services and/or availability
8 thereof.

9 SEC. 3. *Prior Approval of the National Telecommunications*
10 *Commission.* – The grantee shall secure from the National
11 Telecommunications Commission (NTC) the appropriate permits and licenses
12 for the operation of its stations and facilities and shall not use any frequency in
13 the radio/television spectrum without authorization from the NTC. The NTC,
14 however, shall not unreasonably withhold or delay the grant of any such
15 authority.

16 SEC. 4. *Responsibility to the Public.* – The grantee shall provide
17 adequate public service time to enable the government, through the said
18 broadcasting stations or facilities, to reach the population on important public
19 issues; provide at all times sound and balanced programming; assist in the
20 functions of public information and education; conform to the ethics of honest
21 enterprise; and not use its stations and facilities for the broadcasting of obscene
22 and indecent language, speech, act or scene; or for the dissemination of
23 deliberately false information or willful misrepresentation, to the detriment of
24 the public interest, or to incite, encourage, or assist in subversive or
25 treasonable acts.

26 SEC. 5. *Right of Government.* – A special right is hereby reserved to
27 the President of the Philippines, in times of war, rebellion, public peril,
28 calamity, emergency, disaster or disturbance of peace and order, to temporarily

1 take over and operate the stations or facilities of the grantee, to temporarily
2 suspend the operation of any station or facility in the interest of public safety,
3 security and public welfare, or to authorize the temporary use and operation
4 thereof by any agency of the government, upon due compensation to the
5 grantee, for the use of said stations or facilities during the period when they
6 shall be so operated.

7 The radio spectrum is a finite resource that is part of the national
8 patrimony and the use thereof is a privilege conferred upon the grantee by the
9 State and may be withdrawn anytime after due process.

10 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a
11 period of twenty-five (25) years, beginning on July 1, 2017, unless sooner
12 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the
13 grantee fails to operate continuously for two (2) years.

14 SEC. 7. *Acceptance and Compliance.* – Acceptance of this franchise
15 shall be given in writing to the Congress of the Philippines, through the
16 Committee on Legislative Franchises of the House of Representatives and the
17 Committee on Public Services of the Senate within sixty (60) days from the
18 effectivity of this Act. Upon giving such acceptance, the grantee shall exercise
19 the privileges granted under this Act. Nonacceptance shall render the franchise
20 void.

21 SEC. 8. *Self-regulation by and Undertaking of Grantee.* – The grantee
22 shall not require any previous censorship of any speech, play, act or scene, or
23 other matter to be broadcast from its stations: *Provided,* That the grantee,
24 during any broadcast, shall cut off from the air the speech, play, act or scene,
25 or other matter being broadcast if the tendency thereof is to propose and/or
26 incite treason, rebellion or sedition; or the language used therein or the theme
27 thereof is indecent or immoral: *Provided, further,* That willful failure to do so
28 shall constitute a valid cause for the cancellation of this franchise.

1 SEC. 9. *Warranty in Favor of National and Local Governments.* —

2 The grantee shall hold the national, provincial, city and municipal governments
3 of the Philippines harmless from all claims, accounts, demands or actions
4 arising out of accidents or injuries, whether to property or to persons, caused
5 by the construction or operation of the stations of the grantee.

6 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*

7 — The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this
8 franchise or the rights and privileges acquired thereunder to any person, firm,
9 company, corporation or other commercial or legal entity, nor merge with any
10 other corporation or entity, nor shall the controlling interest of the grantee be
11 transferred, whether as a whole or in parts and whether simultaneously or
12 contemporaneously, to any such person, firm, company, corporation or entity
13 without the prior approval of the Congress of the Philippines: *Provided*, That
14 Congress shall be informed of any lease, transfer, granting the usufruct of, sale
15 or assignment of franchise or the rights or privileges acquired within sixty (60)
16 days after the completion of said transaction: *Provided, further*, That failure to
17 report to Congress such change of ownership shall render the franchise *ipso*
18 *facto* revoked: *Provided, finally*, That any person or entity to which this
19 franchise is sold, transferred or assigned shall be subject to the same
20 conditions, terms, restrictions and limitations of this Act.

21 SEC. 11. *General Broadcast Policy Law.* — The grantee shall comply
22 with and be subject to the provisions of a general broadcast policy law, which
23 Congress may hereafter enact.

24 SEC. 12. *Parity Clause.* — Any advantage, favor, privilege, exemption,
25 or immunity granted under existing franchise, or which may hereafter be
26 granted for radio and/or television broadcasting, upon prior review and
27 approval of Congress, shall become part of this franchise and shall be accorded
28 immediately and unconditionally to the herein grantee: *Provided, however*,

1 That the foregoing shall neither apply to nor affect the provisions of
2 broadcasting franchises concerning territory covered by the franchise, the life
3 span of the franchise or the type of service authorized by the franchise:
4 *Provided, further,* That the foregoing shall not apply to sale, lease, transfer,
5 grant of usufruct or assignment of legislative franchise with prior
6 Congressional approval.

7 SEC. 13. *Reportorial Requirement.* – The grantee shall submit an
8 annual report to the Congress of the Philippines, through the Committee
9 on Legislative Franchises of the House of Representatives and the Committee
10 on Public Services of the Senate, on its compliance with the terms and
11 conditions of the franchise and on its operations on or before April 30 of the
12 succeeding year.

13 SEC. 14. *Penalty Clause.* – Any grantee who fails to submit the
14 annual report to Congress will be fined five hundred pesos (P500.00) per
15 working day of noncompliance. Said fine will be collected by the NTC from
16 said delinquent franchise grantee separate from the reportorial penalties
17 imposed by the NTC. The collected funds shall accrue to the monitoring fund
18 of the NTC in line with its supervisory and regulatory functions. The
19 reportorial compliance certificate issued by Congress shall be required before
20 any application for permit or certificate is accepted by the NTC.

21 SEC. 15. *Separability Clause.* – If any of the sections or provisions of
22 this Act is held invalid, all other provisions not affected thereby shall remain
23 valid.

24 SEC. 16. *Repealability and Nonexclusivity Clause.* – This franchise
25 shall be subject to amendment, alteration, or repeal by the Congress of the
26 Philippines when the public interest so requires and shall not be interpreted as
27 an exclusive grant of the privileges herein provided for.

1 SEC. 17. *Publication.* – This Act shall be published, through the
2 initiative of the grantee, fifteen (15) days after this Act is signed by the
3 President of the Philippines or has lapsed into law.

4 SEC. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after
5 its publication in at least two (2) newspapers of general circulation in the
6 Philippines.

Approved,

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