



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

'16 JAN 26 AIO:14

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 430

Submitted by the Committee on Public Services on JAN 26 2016

RE : H. B. No. 5859

Recommending its approval with amendments.

Sponsor : Senator Osmeña III

MR. PRESIDENT:


The Senate Committee on Public Services to which was referred H. B. No. 5859, introduced by Representatives Madrona and Teodoro, entitled:


**"AN ACT  
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO PEOPLE'S BROADCASTING  
SERVICE, INC. UNDER REPUBLIC ACT NO. 7477, AS  
AMENDED BY REPUBLIC ACT NO. 9213."**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H. B. No. 5859 be approved with amendments, to wit:

1. On page 6 line 17, after the conjunctive "in" and before the word "newspaper" delete the words "the official gazette or in a" and insert the words "AT LEAST TWO (2)", and
2. On the same page 6 and line 17, add the letter "S" to the word "newspaper".

Respectfully submitted:

  
RAMON BONG REVILLA JR.  
Chairperson  
Committee on Public Services

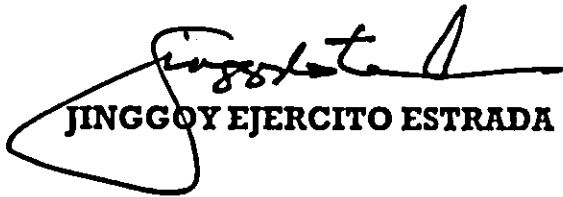
  
SERGIO R. OSMEÑA III  
Acting Chairperson  
Committee on Public Services

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*Minority Floor Leader*

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*Majority Floor Leader*

**FRANKLIN M. DRILON**  
*Senate President*  
*Pasay City*

CONGRESS OF THE PHILIPPINES  
SIXTEENTH CONGRESS  
Third Regular Session

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HOUSE OF REPRESENTATIVES

H. No. 5859

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BY REPRESENTATIVES MADRONA AND TUDORO, PER COMMITTEE REPORT  
No. 773

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS  
THE FRANCHISE GRANTED TO PEOPLE'S BROADCASTING  
SERVICE, INC. UNDER REPUBLIC ACT NO. 7477, AS  
AMENDED BY REPUBLIC ACT NO. 9213

*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 People's Broadcasting Service, Inc.,  
4 hereunder referred to as the grantee, its successors or assignees, under  
5 Republic Act No. 7477, entitled "An Act Granting the People's Broadcasting  
6 Service, Inc., a Franchise to Construct, Install, Operate and Maintain for  
7 Commercial Purposes Radio Broadcasting and Television Stations in the  
8 Philippines, and for Other Purposes", as amended by Republic Act No. 9213,  
9 to construct, install, establish, operate and maintain for commercial purposes  
10 and in the public interest, radio and/or television broadcasting stations, where  
11 frequencies and/or channels are still available for radio and/or television  
12 broadcasting, including digital television system, through microwave, satellite

1 or whatever means, including the use of new technologies in television and  
2 radio systems, with the corresponding technological auxiliaries and facilities,  
3 special broadcast and other program and distribution services and relay  
4 stations in the Philippines, is hereby renewed for another twenty-five (25)  
5 years from the approval of this Act.

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

14 *SEC. 3. Prior Approval of the National Telecommunications*  
15 *Commission.* - The grantee shall secure from the National  
16 Telecommunications Commission (NTC) the appropriate permits and licenses  
17 for the construction and operation of its stations and facilities and shall not use  
18 any frequency in the radio/television spectrum without authorization from the  
19 NTC. The NTC, however, shall not unreasonably withhold or delay the grant  
20 of such authority.

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

1 the public interest, or to incite, encourage, or assist in subversive or  
2 treasonable acts.

3       **SEC. 5. Right of Government.** - A special right is hereby reserved  
4 to the President of the Philippines, in times of war, rebellion, public  
5 peril, calamity, emergency, disaster or disturbance of peace and order: to  
6 temporarily take over and operate the stations or facilities of the grantee; to  
7 temporarily suspend the operation of any station or facility in the interest of  
8 public safety, security and public welfare; or to authorize the temporary use  
9 and operation thereof by any agency of the government, upon due  
10 compensation to the grantee, for the use of the stations or facilities during the  
11 period when these shall be so operated.

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

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

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

26       **SEC. 8. Self-regulation by and Undertaking of the Grantee.** - The  
27 grantee shall not require any previous censorship of any speech, play, act or  
28 scene, or other matter to be broadcast from its stations: *Provided*, That the

1 grantee, during any broadcast, shall cut off from the air the speech, play, act or  
2 scene, or other matter being broadcast if the tendency thereof is to propose  
3 and/or incite treason, rebellion or sedition; or the language used therein or the  
4 theme thereof is indecent or immoral: *Provided, further,* That willful failure to  
5 do so shall constitute a valid cause for the cancellation of this franchise.

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

7 The grantee shall hold the national, provincial, city and municipal governments  
8 of the Philippines free from all claims, accounts, demands, or actions arising  
9 out of accidents or injuries, whether to property or to persons, caused by the  
10 construction or operation of the stations of the grantee.

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

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

1        **SEC. 11. Dispersal of Ownership.** - In accordance with the  
2 constitutional provision to encourage public participation in public utilities, the  
3 grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher  
4 percentage that may hereafter be provided by law of its outstanding capital  
5 stock in any securities exchange in the Philippines within five (5) years from  
6 the commencement of its operations: *Provided*, That in cases where public  
7 offer of shares is not applicable, establishment of cooperatives and other  
8 methods of encouraging public participation by citizens and corporations  
9 operating public utilities must be implemented. Noncompliance therewith shall  
10 render the franchise *ipso facto* revoked.

11        **SEC. 12. General Broadcast Policy Law.** - The grantee shall comply  
12 with and be subject to the provisions of a general broadcast policy law which  
13 Congress may hereafter enact.

14        **SEC. 13. Reportorial Requirement.** - The grantee shall submit an  
15 annual report to the Congress of the Philippines, through the Committee on  
16 Legislative Franchises of the House of Representatives and the Committee on  
17 Public Services of the Senate, on its compliance with the terms and conditions  
18 of the franchise and on its operations on or before April 30 of every year  
19 during the term of its franchise. The reportorial compliance certificate issued  
20 by Congress shall be required before any application for permit or certificate is  
21 accepted by the NTC.

22        **SEC. 14. Penalty Clause.** - Failure of the grantee to submit the  
23 requisite annual report to Congress shall be penalized by a fine in the amount  
24 of five hundred pesos (P500.00) per working day of noncompliance. The fine  
25 shall be collected by the NTC from the delinquent franchise grantee separate  
26 from the reportorial penalties imposed by the NTC.