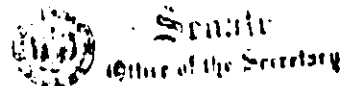


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



15 NOV 25 P12:18

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 297

Submitted by the Committee on Public Services on

NOV 25 2015

RE : H. B. No. 5592

Recommending its approval with amendment.

Sponsor : Senator Osmeña, III

MR. PRESIDENT:

The Senate Committee on Public Services to which was referred H. B. No. 5592, introduced by Representatives Cruz-Gonzales and Teodoro, entitled:


**"AN ACT
RENEWING THE FRANCHISE GRANTED TO FAR EAST
BROADCASTING COMPANY (PHILIPPINES), INC. UNDER
REPUBLIC ACT NO. 8115, ENTITLED "AN ACT GRANTING
THE FAR EAST BROADCASTING COMPANY
(PHILIPPINES), INC., A FRANCHISE TO CONSTRUCT,
MAINTAIN AND OPERATE NON-COMMERCIAL RADIO
BROADCASTING STATIONS IN THE PHILIPPINES."**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H. B. No. 5592 be approved with amendment, to wit:

1. On page 3 line 14, after the word "years" delete the words "from the effectivity of this Act," and insert the phrase "THAT SHALL TAKE EFFECT UPON THE EXPIRATION OF THE TERM GRANTED UNDER SECTION 6 OF REPUBLIC ACT NO. 8115", with Senator Osmeña as sponsor thereof.

Respectfully submitted:


RAMON BONG REVILLA, JR.
Chairperson


SERGIO R. OSMEÑA, III
Acting Chairperson

MEMBERS:



SONNY M. ANGARA

PIA S. CAYETANO



JINGGOY EJERCITO ESTRADA



JOSEPH VICTOR G. EJERCITO

GREGORIO B. HONASAN, II

TEOFISTO "TG" L. GUINGONA III



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. 5592

BY REPRESENTATIVES CRUZ-GONZALES AND TEODORO, PER COMMITTEE
REPORT NO. 627

AN ACT RENEWING THE FRANCHISE GRANTED TO FAR EAST
BROADCASTING COMPANY (PHILIPPINES), INC. UNDER
REPUBLIC ACT NO. 8115, ENTITLED "AN ACT GRANTING THE
FAR EAST BROADCASTING COMPANY (PHILIPPINES), INC., A
FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE
NON-COMMERCIAL RADIO BROADCASTING STATIONS IN
THE PHILIPPINES

*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 the Far East Broadcasting Company
4 (Philippines), Inc., under Republic Act No. 8115, entitled "An Act Granting
5 the Far East Broadcasting Company (Philippines), Inc., a Franchise to
6 Construct, Maintain and Operate Non-commercial Radio Broadcasting Stations
7 in the Philippines", hereunder referred to as the grantee, its successors or
8 assignees, to construct, install, establish, operate and maintain for
9 non-commercial purposes and in the public interest, radio and/or television

1 broadcasting stations in the Philippines, is hereby renewed for another twenty-
2 five (25) years from the effectivity of this Act.

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

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

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

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

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

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

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

24 SEC. 8. *Self-regulation by and Undertaking of Grantee.* - The grantee
25 shall not require any previous censorship of any speech, play, act or scene, or
26 other matter to be broadcast from its stations: *Provided*, That the grantee,
27 during any broadcast, shall cut off from the air the speech, play, act or scene,
28 or other matter being broadcast if the tendency thereof is to propose and/or

1 incite treason, rebellion or sedition; or the language used therein or the theme
2 thereof is indecent or immoral: *Provided, further,* That willful failure to do so
3 shall constitute a valid cause for the cancellation of this franchise.

4 . . . SEC. 9. *Warranty in Favor of National and Local Governments.* . -

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

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

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

25 . . . SEC. 11. *Dispersal of Ownership.* . - In accordance with the

26 constitutional provision to encourage public participation in public utilities, the
27 grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher
28 percentage that may hereafter be provided by law of its outstanding capital

1 stock in any securities exchange in the Philippines within five (5) years from
2 the commencement of its operations: *Provided*, That in cases where public
3 offer of shares is not applicable, establishment of cooperatives and other
4 methods of encouraging public participation by citizens and corporations
5 operating public utilities must be implemented. Noncompliance therewith shall
6 render the franchise *ipso facto* revoked.

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

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

18 SEC. 14. *Penalty Clause*. - Failure to submit the annual report to
19 Congress shall be penalized with a fine of five hundred pesos (P500.00) per
20 working day of noncompliance. The fine will be collected by the NTC from
21 said delinquent franchise grantee separate from the reportorial penalties
22 imposed by the NTC. The collected funds shall accrue to the monitoring fund
23 of the NTC in line with its supervisory and regulatory functions.

24 SEC. 15. *Equality Clause*. - Any advantage, favor, privilege,
25 exemption, or immunity granted under existing franchises, or which may
26 hereafter be granted for radio and/or television broadcasting, upon prior review
27 and approval of Congress, shall become part of this franchise and shall be
28 accorded immediately and unconditionally to the herein grantee: *Provided*,

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

6 SEC. 16. *Separability Clause.* - If any of the sections or provisions of
7 this Act is held invalid, all other provisions not affected thereby shall remain
8 valid.

9 SEC. 17. *Repealability and Nonexclusivity Clause.* - This franchise
10 shall be subject to amendment, alteration, or repeal by the Congress of the
11 Philippines when the public interest so requires and shall not be interpreted as
12 an exclusive grant of the privileges herein provided for.

13 SEC. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after
14 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,