

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



15 NOV 25 P12:22

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 301

Submitted by the Committee on Public Services on NOV 25 2015

RE : H. B. No. 5582

Recommending its approval with amendment.

Sponsor : Senator Osmeña, III

MR. PRESIDENT:

The Senate Committee on Public Services to which was referred H. B. No. 5582, introduced by Representatives Reyes, Teodoro, Robes, *et al.*, entitled:

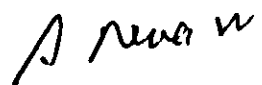
**"AN ACT  
RENEWING THE FRANCHISE GRANTED TO RADIO  
VERITAS-GLOBAL BROADCASTING SYSTEM,  
INCORPORATED TO CONSTRUCT, INSTALL, OPERATE  
AND MAINTAIN FOR RELIGIOUS, EDUCATIONAL,  
CULTURAL AND COMMERCIAL PURPOSES RADIO AND  
TELEVISION BROADCASTING STATIONS IN THE  
PHILIPPINES, AND FOR OTHER PURPOSES, UNDER  
REPUBLIC ACT NUMBERED SEVENTY-FIVE HUNDRED  
AND SEVENTY-NINE TO ANOTHER TWENTY-FIVE (25)  
YEARS."**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H. B. No. 5582 be approved with amendment, to wit:

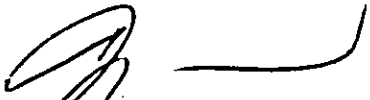
1. On page 3 line 14, after the word "years" delete the words "from the effectivity of this Act," and insert the phrase "THAT SHALL TAKE EFFECT UPON THE EXPIRATION OF THE TERM GRANTED UNDER SECTION 6 OF REPUBLIC ACT NO. 7579", with Senator Osmeña as sponsor thereof.

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

II. No. 5582

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BY REPRESENTATIVES REYES, TEODORO, ROBES, AGGABAO, CAMINERO,  
BELLO (S.), RIDON, HOFER, LAODAMBO (M.), VIOLAOC, MENDOZA  
(M.), UNABIA, BELMONT (J.), RAMIREZ-SATO, ZAMORA (R.),  
OLIVAREZ, CALIXTO-RUIIANO, TAMBUNTING, LEONARDIA, ALIPINO,  
BANAL, SEMA AND RODRIGUEZ (R.), PER COMMITTEE REPORT NO. 622

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AN ACT RENEWING THE FRANCHISE GRANTED TO  
RADIO VERITAS-GLOBAL BROADCASTING SYSTEM,  
INCORPORATED TO CONSTRUCT, INSTALL, OPERATE  
AND MAINTAIN FOR RELIGIOUS, EDUCATIONAL,  
CULTURAL AND COMMERCIAL PURPOSES RADIO AND  
TELEVISION BROADCASTING STATIONS IN THE  
PHILIPPINES, AND FOR OTHER PURPOSES, UNDER  
REPUBLIC ACT NUMBERED SEVENTY-FIVE HUNDRED  
AND SEVENTY-NINE TO ANOTHER TWENTY-FIVE (25)  
YEARS

*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 Radio Veritas-Global Broadcasting
- 4 System, Incorporated, under Republic Act No. 7579, entitled "An Act Granting
- 5 the Radio Veritas-Global Broadcasting System, Incorporated, a Franchise to
- 6 Construct, Install, Operate and Maintain for Religious, Educational, Cultural
- 7 and Commercial Purposes Radio and Television Broadcasting Stations in the
- 8 Philippines, and for Other Purposes", and hereunder referred to as the grantee,

1 is hereby renewed for another twenty-five (25) years from the effectivity of this  
2 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/television spectrum without authorization from the  
16 NTC. The NTC, however, shall not unreasonably withhold or delay the grant  
17 of any such 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  
2 to the President of the Philippines, in times of war, rebellion, public  
3 peril, calamity, emergency, disaster or disturbance of peace and order:  
4 to temporarily take over and operate the stations or facilities of the grantee; to  
5 temporarily suspend the operation of any station or facility in the interest of  
6 public safety, security and public welfare; or to authorize the temporary use  
7 and operation thereof by any agency of the government, upon due  
8 compensation to the grantee, for the use of said stations or facilities during the  
9 period when they 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 franchise  
18 shall be given in writing to the Congress of the Philippines, through the  
19 Committee on Legislative Franchises of the House of Representatives and the  
20 Committee on Public Services of the Senate within sixty (60) days from the  
21 effectivity of this Act. Upon giving such acceptance, the grantee shall exercise  
22 the privileges granted under this Act. Nonacceptance shall render the franchise  
23 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 provoke 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, granting the usufruct of, sale  
18 or assignment of franchise or the rights or privileges acquired thereunder, or of  
19 the merger, or transfer of 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  
6 shall 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 effectivity of this Act. 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 of the grantee to submit the  
19 requisite annual report to Congress shall be penalized by a fine in the amount  
20 of five hundred pesos (P500.00) per working day of noncompliance. The fine  
21 shall be collected by the NTC from the delinquent franchise grantee separate  
22 from the reportorial penalties imposed by the NTC. The collected funds shall  
23 accrue to the monitoring fund of the NTC in line with its supervisory and  
24 regulatory functions.

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

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

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

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

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

Approved,

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