

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



16 JAN 19 P1:13

SENATE

RECEIVED BY: W

COMMITTEE REPORT NO. 355

Submitted by the Committee on Public Services on JAN 19 2016

RE : H. B. No. 5583

Recommending its approval with amendments.

Sponsor : Senator Osmeña III

MR. PRESIDENT:

The Senate Committee on Public Services to which was referred H. B. No. 5583, introduced by Representatives Madrona, teodoro, kho, et. al., entitled:


**"AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO MASBATE COMMUNITY
BROADCASTING CO. INC. UNDER REPUBLIC ACT NO.
7510, ENTITLED "AN ACT GRANTING THE MASBATE
COMMUNITY BROADCASTING CO., INC. A FRANCHISE
TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN
RADIO AND TELEVISION BROADCASTING STATIONS IN
THE ISLANDS OF MASBATE AND ROMBLON AND THE
WHOLE OF THE VISAYAS, AND FOR OTHER PURPOSES."**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H. B. No. 5583 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

MEMBERS:

SONNY M. ANGARA


PIA S. CAYETANO


JINGGOY EJERCITO ESTRADA

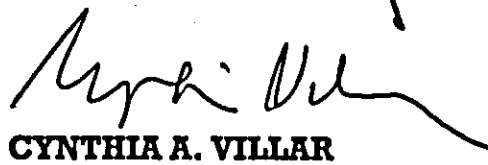

JOSEPH VICTOR G. EJERCITO

GREGORIO B. HONASAN II


TEOFISTO L. GUINGONA III

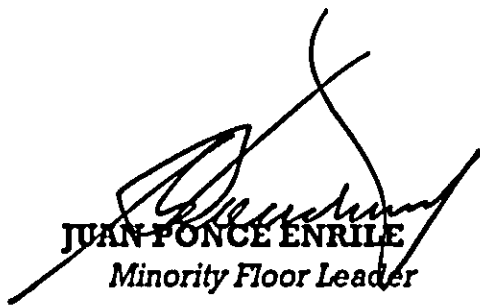

GRACE POE


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

CONGRESS OF THE PHILIPPINES
SIXTEENTH CONGRESS
Third Regular Session

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HOUSE OF REPRESENTATIVES

H. No. 5583

BY REPRESENTATIVES MADRONA, TEODORO, KHO, BRAVO AND LANETE

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO MASBATE COMMUNITY BROADCASTING CO., INC. UNDER REPUBLIC ACT NO. 7510, ENTITLED "AN ACT GRANTING THE MASBATE COMMUNITY BROADCASTING CO., INC., A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE ISLANDS OF MASBATE AND ROMBLON AND THE WHOLE OF THE VISAYAS, AND FOR OTHER PURPOSES"

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 Masbate Community Broadcasting Co.,
4 Inc. under Republic Act No. 7510, and hereunder referred to as the grantee, its
5 successors or assignees, to construct, install, establish, operate, and maintain
6 for commercial purposes and in the public interest, radio and/or television
7 broadcasting stations in the Islands of Masbate and Romblon and the whole of
8 the Visayas, where frequencies and/or channels are still available for radio
9 and/or television broadcasting, including digital television system, through

1 microwave, satellite or whatever means, including the use of new technologies
2 in television and radio systems, with the corresponding technological
3 auxiliaries and facilities, special broadcast and other program and distribution
4 services and relay stations, is hereby renewed for another twenty-five (25)
5 years from the effectivity 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 (NTC).* - The grantee shall secure from the NTC, the appropriate
16 permits and licenses for the construction and operation of its stations and
17 facilities and shall not use any frequency in the radio/television spectrum
18 without authorization from the NTC. The NTC, however, shall not
19 unreasonably withhold or delay the grant of any such authority.

20 SEC. 4. *Responsibility to the Public.* - The grantee shall provide
21 adequate public service time to enable the government, through the
22 broadcasting stations or facilities, to reach the population on important public
23 issues; provide at all times sound and balanced programming; assist in the
24 functions of public information and education; conform to the ethics of honest
25 enterprise, and not use its stations and facilities for the broadcasting of obscene
26 and indecent language, speech, act or scene, or for the dissemination of
27 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 to
4 the President of the Philippines, in times of war, rebellion, public peril,
5 calamity, emergency, disaster or disturbance of peace and order: to temporarily
6 take over and operate the stations or facilities of the grantee; to temporarily
7 suspend the operation of any station or facility in the interest of public safety,
8 security and public welfare; or to authorize the temporary use and operation
9 thereof by any agency of the government, upon due compensation to the
10 grantee, for the use of the stations or facilities during the period when these
11 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 the National and Local Governments.***

7 - The grantee shall hold the national, provincial, city, and municipal
8 governments of the Philippines free from all claims, accounts, demands, or
9 actions arising out of accidents or injuries, whether to property or to persons,
10 caused by the 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 sell, lease, transfer, grant the usufruct of 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 sale, lease, transfer, grant of usufruct, or
20 assignment of franchise or the rights and privileges acquired thereunder, or of
21 the merger, or transfer of the controlling interest of the grantee, within sixty
22 (60) days after the completion of said transaction: *Provided, further,* That
23 failure to report to Congress such change of ownership shall render the
24 franchise *ipso facto* revoked: *Provided, finally,* That any person or entity to
25 which this franchise is sold, transferred or assigned shall be subject to the same
26 conditions, terms, restrictions, and limitations of this Act.

27 **SEC. 11. *Dispersal of Ownership.*** - In accordance with the
28 constitutional provision to encourage public participation in public utilities, the

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

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

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

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

27 **SEC. 15. Equality Clause.** - Any advantage, favor, privilege,
28 exemption, or immunity granted under existing franchises, or which may

1 hereafter be granted for radio and/or television broadcasting, upon prior review
2 and approval of Congress, shall become part of this franchise and shall be
3 accorded immediately and unconditionally to the herein grantee: *Provided,*
4 That the foregoing shall neither apply to nor affect the provisions of
5 broadcasting franchises concerning territory covered by the franchise, the life
6 span of the franchise, or the type of service authorized by the franchise:
7 *Provided, further,* That the foregoing shall not apply to sale, lease, transfer, or
8 grant of usufruct of legislative franchise with prior congressional approval.

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

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

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

Approved,