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

RECEIVED BY: 

SENATE

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COMMITTEE REPORT NO. 450

Submitted by the Committee on Public Services on FEB 01 2016

RE : H. B. No. 6011

Recommending its approval without amendment.

Sponsor : Senator Osmeña III

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MR. PRESIDENT:


The Senate Committee on Public Services to which was referred H. B. No. 6011, introduced by Representatives Robes, Teodoro and *et.al.*, entitled:

"AN ACT GRANTING VERITAS  
MEDIA ARTS INC. A FRANCHISE TO CONSTRUCT,  
INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO  
AND TELEVISION BROADCASTING STATIONS IN THE  
PROVINCE OF BOHOL AND THE VISAYAS."

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H. B. No. 6011 be approved without amendment.

Respectfully submitted:

RAMON BONG REVILLA JR.  
Chairperson  
Committee on Public Services

  
SERGIO R. OSMEÑA III  
Acting Chairperson  
Committee on Public Services

**MEMBERS:**



**SONNY ANGARA**

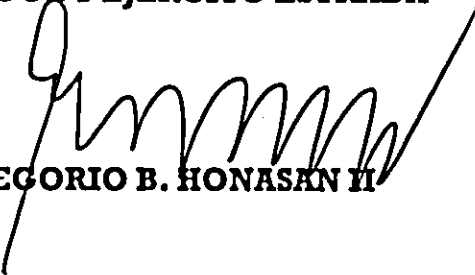


**PIA S. CAYETANO**

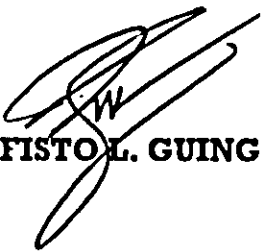
**JINGGOY EJERCITO ESTRADA**



**JOSEPH VICTOR G. EJERCITO**



**GREGORIO B. HONASAN II**



**TEOFISTO L. GUINGONA III**

**GRACE POE**

**ANTONIO "SONNY" 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. 6011

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BY REPRESENTATIVES ROBES, TEODORO, SALVACION, CAMINERO, UNABIA,  
BELLO (S.), ARNAIZ, TAMBUNTING AND DELA CRUZ

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AN ACT GRANTING VERITAS MEDIA ARTS INC. A FRANCHISE  
TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND  
MAINTAIN RADIO AND TELEVISION BROADCASTING  
STATIONS IN THE PROVINCE OF BOHOL AND THE VISAYAS

*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, there is hereby granted to Veritas Media Arts Inc., hereunder  
4 referred to as the grantee, its successors or assignees, a franchise to construct,  
5 install, establish, operate and maintain for commercial purposes and in the  
6 public interest, radio and/or television broadcasting stations in the Province of  
7 Bohol and the Visayas, where frequencies and/or channels are still available  
8 for radio and/or television broadcasting, including digital television system,  
9 through microwave, satellite or whatever means, including the use of any new  
10 technology in television and radio systems, with the corresponding

1 technological auxiliaries and facilities, special broadcast, and other program  
2 and distribution services and relay stations.

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 assigned  
8 wavelengths or frequencies and the quality of transmission or reception  
9 thereon as should maximize rendition of the grantee's services and/or the  
10 availability 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  
27 treasonable 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  
4 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 these 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, unless sooner revoked or cancelled. This  
15 franchise shall be deemed *ipso facto* revoked in the event the grantee fails to  
16 comply with any of the following conditions:

17           (a) Commence operations within one (1) year from the approval of its  
18 operating permit by the NTC;

19           (b) Commence operations within three (3) years from the effectivity of  
20 this Act; and

21           (c) Operate continuously for two (2) years.

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

1           **SEC. 8. Bond.** – The grantee shall file a bond with the NTC, in the  
2 amount that the NTC shall determine, to guarantee compliance with and  
3 fulfillment of the conditions under which this franchise is granted. If, after  
4 three (3) years from the date of the approval of its permit by the NTC, the  
5 grantee shall have fulfilled the same, the bond shall be cancelled by the NTC.  
6 Otherwise, the bond shall be forfeited in favor of the government and the  
7 franchise *ipso facto* revoked.

8           **SEC. 9. Self-regulation by and Undertaking of the Grantee.** – The  
9 grantee shall not require any previous censorship of any speech, play, act or  
10 scene, or other matter to be broadcast from its stations: *Provided*, That the  
11 grantee, during any broadcast, shall cut off from the air the speech, play, act or  
12 scene, or other matter being broadcast if the tendency thereof is to propose  
13 and/or incite treason, rebellion or sedition; or the language used therein or the  
14 theme thereof is indecent or immoral: *Provided, further*, That willful failure to  
15 do so shall constitute a valid cause for the cancellation of this franchise.

16           **SEC. 10. Warranty in Favor of the National and Local Governments.**  
17 – The grantee shall hold the national, provincial, city, and municipal  
18 governments of the Philippines free from all claims, accounts, demands, or  
19 actions arising out of accidents or injuries, whether to property or to persons,  
20 caused by the construction or operation of the stations of the grantee.

21           **SEC. 11. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.**  
22 – The grantee shall not sell, lease, transfer, grant the usufruct of nor assign  
23 this franchise or the rights and privileges acquired thereunder to any person,  
24 firm, company, corporation or other commercial or legal entity, nor merge  
25 with any other corporation or entity, nor shall transfer the controlling interest  
26 of the grantee, whether as a whole or in parts, and whether simultaneously or  
27 contemporaneously, to any such person, firm, company, corporation or entity  
28 without the prior approval of the Congress of the Philippines: *Provided*, That

1 Congress shall be informed of any sale, lease, transfer, grant of usufruct of, or  
2 assignment of franchise or the rights and privileges acquired thereunder, or of  
3 the merger, or transfer of the controlling interest of the grantee, within sixty  
4 (60) days after the completion of said transaction: *Provided, further,* That  
5 failure to report to Congress such change of ownership shall render the  
6 franchise *ipso facto* revoked: *Provided, finally,* That any person or entity to  
7 which this franchise is sold, transferred, or assigned shall be subject to the  
8 same conditions, terms, restrictions, and limitations of this Act.

9 **SEC. 12. *Dispersal of Ownership.*** – In accordance with the  
10 constitutional provision to encourage public participation in public utilities,  
11 the grantee shall offer to Filipino citizens at least thirty percent (30%) or a  
12 higher percentage that may hereafter be provided by law of its outstanding  
13 capital stock in any securities exchange in the Philippines within five (5) years  
14 from the commencement of its operations: *Provided,* That in cases where  
15 public offer of shares is not applicable, establishment of cooperatives and  
16 other methods of encouraging public participation by citizens and corporations  
17 operating public utilities must be implemented. Noncompliance therewith  
18 shall render the franchise *ipso facto* revoked.

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

22 **SEC. 14. *Reportorial Requirement.*** – The grantee shall submit an  
23 annual report to the Congress of the Philippines, through the Committee on  
24 Legislative Franchises of the House of Representatives and the Committee on  
25 Public Services of the Senate, on its compliance with the terms and conditions  
26 of the franchise and on its operations on or before April 30 of every year  
27 during the term of its franchise. The reportorial compliance certificate issued

1 by Congress shall be required before any application for permit or certificate  
2 is accepted by the NTC.

3       **SEC. 15. *Penalty Clause.*** – Failure of the grantee to submit the  
4 requisite annual report to Congress shall be penalized by a fine of five hundred  
5 pesos (P500.00) per working day of noncompliance. The fine shall be  
6 collected by the NTC from the delinquent franchise grantee separate from the  
7 reportorial penalties imposed by the NTC.

8       **SEC. 16. *Equality Clause.*** – Any advantage, favor, privilege,  
9 exemption, or immunity granted under existing franchises, or which may  
10 hereafter be granted for radio and/or television broadcasting, upon prior  
11 review and approval of Congress, shall become part of this franchise and shall  
12 be accorded immediately and unconditionally to the herein grantee: *Provided,*  
13 That the foregoing shall neither apply to nor affect the provisions of  
14 broadcasting franchises concerning territory covered by the franchise, the life  
15 span of the franchise, or the type of service authorized by the franchise.

16       **SEC. 17. *Separability Clause.*** – If any of the sections or provisions of  
17 this Act is held invalid, all other provisions not affected thereby shall remain  
18 valid.

19       **SEC. 18. *Repealability and Nonexclusivity Clause.*** – This franchise  
20 shall be subject to amendment, alteration, or repeal by the Congress of the  
21 Philippines when the public interest so requires and shall not be interpreted as  
22 an exclusive grant of the privileges herein provided for.

23       **SEC. 19. *Effectivity.*** – This Act shall take effect fifteen (15) days after  
24 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,