

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



Senate  
Office of the Secretary

**SENATE**

18 SEP 19 A10 :54

**COMMITTEE REPORT NO. 474**

Submitted by the Committee on Public Services on **SEP 19 2018**

Re: House Bill no. 5558

Recommending the approval of HBN 5558 with amendments.

Sponsor: Senator Grace Poe

**MR. PRESIDENT:**

The Committee on Public Services to which was referred House Bill No. 5558 introduced by Representatives Lobregat, Alvarez (F), and Marcoleta, entitled:

**"AN ACT**

**GRANTING THE GOLDEN NATION NETWORK, INC. A FRANCHISE  
TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN  
RADIO AND TELEVISION BROADCASTING STATIONS WITHIN 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. 5558 be approved with the following amendments:

1. On page 2, line 22, after the word provide, insert the words "**FREE OF CHARGE,**";
2. On the same page, line 23, after the word "time", insert the words "**WHICH IS REASONABLE AND SUFFICIENT**"; also on the same line, after the words " through the" delete the word "said";

3. On the same page, line 24 after the word "facilities" insert the words "**OF THE GRANTEE**"; delete the word "inform" and in lieu thereof insert the word "**REACH**"; after the article "the", insert the word "**PERTINENT**"; pluralize the word "**POPULATION**" and insert the phrase "**OR PORTIONS THEREOF**" after it;
4. On the same page, line 25, after the word "issues", insert the phrase "**AND RELAY IMPORTANT PUBLIC ANNOUNCEMENTS AND WARNINGS CONCERNING PUBLIC EMERGENCIES AND CALAMITIES, AS NECESSITY, URGENCY OR LAW MAY REQUIRE**"; after the word "programming" and semi colon (;) insert the phrase "**PROMOTE PUBLIC PARTICIPATION**";
5. On the same page, line 26, delete the phrase "performance of the";
6. On the same page, line 27 after the word "enterprise" and semi colon (;), insert the phrase "**PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED CAPTIONING**";
7. On the same page, line 27, delete the phrase "to refrain from" and in lieu thereof insert the phrase "**NOT USE ITS STATIONS OR FACILITIES FOR THE**"; in the same line, after the word "broadcasting" insert the preposition "**OF**"; and after the word "obscene" delete the conjunction "and" and in lieu thereof replace it with "**OR**";
8. On the same page, line 28 after the conjunction "or", insert the words "**FOR THE**"; delete the word "disseminating" and in lieu thereof replace it with the words "**DISSEMINATION OF**";
9. On page 3, line 1, after the word "information" delete "or" and replace it with "**AND**";

10. On the same page, line 2, after the conjunction "or" delete the phrase "inciting, encouraging, or assisting" and in lieu thereof replace it with the phrase "**INCITE, ENCOURAGE, OR ASSIST**";

11. On page 3, after line 2, insert a new paragraph which shall read as follows:

**PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE EQUIVALENT TO A MAXIMUM AGGREGATE OF TEN (10%) PERCENT OF THE PAID COMMERCIALS OR ADVERTISEMENTS WHICH SHALL BE ALLOCATED BASED ON NEED TO THE EXECUTIVE, LEGISLATIVE, JUDICIARY, CONSTITUTIONAL COMMISSIONS AND INTERNATIONAL HUMANITARIAN ORGANIZATIONS DULY RECOGNIZED BY STATUTES: PROVIDED, THAT THE NTC SHALL INCREASE THE PUBLIC SERVICE TIME IN CASE OF EXTREME EMERGENCY OR CALAMITY. THE NTC SHALL ISSUE RULES AND REGULATIONS FOR THIS PURPOSE, THE EFFECTIVITY OF WHICH SHALL COMMENCE UPON APPLICABILITY WITH OTHER SIMILARLY SITUATED BROADCAST NETWORK FRANCHISE HOLDERS.**

12. On page 4, after line 18, insert another section that shall read as follows:

**"SEC. 10. COMMITMENT TO PROVIDE AND PROMOTE THE CREATION OF EMPLOYMENT OPPORTUNITIES. – THE GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITIES AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR FRANCHISE OPERATION. PROVIDED, THAT PRIORITY SHALL BE ACCORDED TO THE RESIDENTS WHERE THEIR PRINCIPAL OFFICE IS LOCATED. PROVIDED, FURTHER, THAT THE GRANTEE SHALL FOLLOW THE APPLICABLE LABOR STANDARDS AND ALLOWANCE ENTITLEMENT UNDER EXISTING LABOR LAWS, RULES AND REGULATIONS AND SIMILAR ISSUANCES, PROVIDED FINALLY, THAT THE EMPLOYMENT OPPORTUNITIES OR JOBS CREATED SHALL BE REFLECTED IN THE GENERAL INFORMATION SHEET (GIS) TO BE SUBMITTED TO SECURITIES AND EXCHANGE COMMISSION ANNUALLY."**; and

**"SEC. 11. TAX PROVISIONS. – THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, SHALL CONTINUE TO BE SUBJECT TO ALL APPLICABLE TAXES, DUTIES, FEES OR CHARGES AND OTHER IMPOSITIONS UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS 'THE NATIONAL INTERNAL REVENUE CODE OF 1997', AS AMENDED; REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE 'LOCAL GOVERNMENT CODE OF 1991', AS AMENDED, AND OTHER APPLICABLE LAWS."**

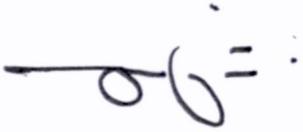
13. On page 5, line 3, after the word "Philippines" insert the phrase "and compliance with legal requirements stipulated in other statutes";
14. On the same page, delete lines 4 to 8; Likewise on line 9 delete the phrase "franchise *ipso facto* revoked: Provided, *finally*, That";
15. On page 6, line 10, after the title of the Section, delete the phrase "Except for taxes and customs duties,"; and
16. Renumber the sections accordingly.

RESPECTFULLY SUBMITTED



**GRACE POE**

Chairperson  
Committee on Public Services



**JOSEPH VICTOR G. EJERCITO**

Vice-Chairperson  
Committee on Public Services



**FRANCIS "Chiz" G. ESCUDERO**

Vice-Chairperson  
Committee on Public Services

Members

**LOREN B. LEGARDA**

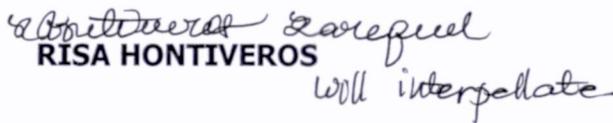


**PANFILO M. LACSON**

**RICHARD J. GORDON**



**JOEL VILLANUEVA**



**RISA HONTIVEROS**  
*will interpellate*



**ANTONIO "Sonny" F. TRILLANES IV**



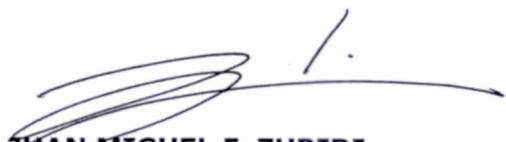
**AQUILINO "Koko" PIMENTEL III**



**PAOLO BENIGNO "Bam" AQUINO IV**

Ex-Officio Members

**RALPH G. RECTO**  
Senate President Pro-Tempore



**JUAN MIGUEL F. ZUBIRI**  
Majority Floor Leader



**FRANKLIN M. DRILON**  
Minority Floor Leader  
*will interpellate*

**HON. VICENTE C. SOTTO III**  
Senate President



**HOUSE OF REPRESENTATIVES**

**H. No. 5558**

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BY REPRESENTATIVES LOBREGAT, ALVAREZ (F.) AND MARCOLETA, PER  
COMMITTEE REPORT NO. 209

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AN ACT GRANTING THE GOLDEN NATION NETWORK INC. A  
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,  
OPERATE AND MAINTAIN RADIO AND TELEVISION  
BROADCASTING STATIONS WITHIN 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 Constitution and applicable laws, rules and regulations, there  
3 is hereby granted to Golden Nation Network Inc., hereunder referred to as the  
4 grantee, its successors or assignees, a franchise to construct, install, establish,  
5 operate and maintain for commercial purposes and in the public interest, radio  
6 and/or television broadcasting stations throughout the Philippines, where  
7 frequencies and/or channels are still available for radio and/or television  
8 broadcasting, including digital television system, through microwave, satellite  
9 or whatever means, including the use of any new technology in television and  
10 radio systems, with the corresponding technological auxiliaries and facilities,  
11 special broadcast and other program and distribution services and relay  
12 stations.

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

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

16           The grantee shall not dispose or lease its facilities except to entities with  
17 radio or television broadcasting franchise: *Provided,* That the grantee shall  
18 inform and secure written authorization to proceed from the NTC, and report  
19 the transaction to the NTC within sixty (60) days after its completion:  
20 *Provided, further,* That the NTC shall determine the corresponding sanction  
21 for any violation of this provision.

22           SEC. 4. *Responsibility to the Public.* – The grantee shall provide  
23 adequate public service time to enable the government, through the ~~said~~  
24 broadcasting stations or facilities, to inform the population on important public  
25 issues; provide at all times sound and balanced programming; assist in the  
26 performance of the functions of public information and education; conform to  
27 the ethics of honest enterprise; and to refrain from broadcasting obscene and  
28 indecent language, speech, act or scene, or disseminating deliberately false

1 information or willful misrepresentation to the detriment of the public interest;  
2 or inciting, encouraging, or assisting in subversive or treasonable acts.

3 SEC. 5. *Right of the Government.* – The radio spectrum is a finite  
4 resource that is part of the national patrimony and the use thereof is a privilege  
5 conferred upon the grantee by the State and may be withdrawn any time after  
6 due process.

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

15 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a  
16 period of twenty-five (25) years, unless sooner revoked or cancelled. This  
17 franchise shall be deemed *ipso facto* revoked in the event the grantee fails to  
18 comply with any of the following conditions:

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

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

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

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

1 exercise the privileges granted under this Act. Nonacceptance of this franchise  
2 shall render it void.

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

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

19 SEC. 10. *Warranty in Favor of the National and Local Governments.* –  
20 The grantee shall hold the national, provincial, city, and municipal  
21 governments of the Philippines free from all claims, liabilities, demands, or  
22 actions arising out of accidents causing injury to persons or damage to  
23 properties during the construction or operation of the stations of the grantee.

24 SEC. 11. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*  
25 – The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign  
26 this franchise or the rights and privileges acquired thereunder to any person,  
27 firm, company, corporation or other commercial or legal entity, nor merge  
28 with any other corporation or entity, nor shall transfer the controlling interest

1 of the grantee, whether as a whole or in parts, and whether simultaneously or  
2 contemporaneously, to any such person, firm, company, corporation, or entity  
3 without the prior approval of the Congress of the Philippines; *Provided*, That  
4 Congress shall be informed of any sale, lease, transfer, grant of usufruct, or  
5 assignment of franchise or the rights and privileges acquired thereunder, or of  
6 the merger or transfer of the controlling interest of the grantee, within sixty  
7 (60) days after the completion of said transaction: *Provided, further*, That  
8 failure to report to Congress such change of ownership shall render the  
9 franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to  
10 which this franchise is sold, transferred, or assigned, shall be subject to the  
11 same conditions, terms, restrictions, and limitations of this Act.

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

22       SEC. 13. *General Broadcast Policy Law*. — The grantee shall comply  
23 with and be subject to the provisions of a general broadcast policy law, which  
24 Congress may hereafter enact.

25       SEC. 14. *Reportorial Requirement*. — The grantee shall submit an  
26 annual report to the Congress of the Philippines, through the Committee on  
27 Legislative Franchises of the House of Representatives and the Committee on  
28 Public Services of the Senate, on its compliance with the terms and conditions

1 of the franchise and on its operations on or before April 30 of every year  
2 during the term of its franchise. The reportorial compliance certificate issued  
3 by Congress shall be required before any application for permit or certificate is  
4 accepted by the NTC.

5 SEC. 15. *Fine.* – Failure of the grantee to submit the requisite annual  
6 report to Congress shall be penalized by a fine in the amount of five hundred  
7 pesos (P500.00) per working day of noncompliance. The fine shall be  
8 collected separately by the NTC distinct from the penalties it imposes for  
9 noncompliance of its own reportorial requirements.

10 SEC. 16. *Equality Clause.* – Except for taxes and customs duties, any  
11 advantage, favor, privilege, exemption, or immunity granted under existing  
12 franchises, or which may hereafter be granted for radio and/or television  
13 broadcasting, upon prior review and approval of Congress, shall become part  
14 of this franchise and shall be accorded immediately and unconditionally to the  
15 herein grantee: *Provided,* That the foregoing shall neither apply to nor affect  
16 the provisions of a broadcasting franchise pertaining to the term, the type of  
17 service, or the territorial coverage of the franchise.

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

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

25 SEC. 19. *Repealing Clause.* – All laws, decrees, executive orders,  
26 rules and regulations or parts or provisions thereof which are not consistent  
27 with this Act are hereby repealed, amended or modified accordingly.

1           SEC. 20. *Effectivity.* – This Act shall take effect fifteen (15) days after  
2           its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

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