

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

SENATE



'17 MAY 17 P 3:41

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COMMITTEE REPORT NO. 95

Submitted by the Committee on Public Services on MAY 17 2017

Re : H.B. No. 4636

Recommending its approval with amendments

Sponsor : Senator Grace Poe

MR. PRESIDENT:

The Senate Committee on Public Services to which was referred **H.B. No. 4636**, introduced by Representatives Treñas, Alvarez (F.), Tugna, Bertiz, Aggabao, Montoro and Violago, entitled:

**“AN ACT
GRANTING THE ILOILO BAPTIST CHURCH, INC. A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE AND MAINTAIN RADIO AND TELEVISION
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. 4636** be approved with the following amendments, *to wit*:

1. On page 1, line 9, after word “satellite”, insert the word **“TERRESTRIAL”**;
2. On the same page, line 10, delete the word “technological”;

3. On the same page, line 12, after the word “stations”; delete the comma “,” and the phrase “and to install radio communication facilities for the grantee’s use in its broadcast services.” and replace it with a period (.);
4. On page 2, line 13, after the word “without”, insert the word **“HAVING”**;
5. On page 2, line 17, before the word “adequate” insert the phrase **“FREE OF CHARGE”**;
6. On the same page and line, after the phrase “public service time”, insert the phrase, **“WHICH IS REASONABLE AND SUFFICIENT”**;
7. On the same page and line, after the phrase “through the”, delete the word, “said”;
8. On the same page, line 18, after the word **“FACILITIES”** insert the phrase **“OF THE GRANTEE”**;
9. On the same page and line, delete the word “population” and replace it with the phrase **“PERTINENT POPULATION(S) OR PORTIONS THEREOF”**;
10. On the same page, line 19, after the word “issues”, add the phrase **“AND RELAY IMPORTANT PUBLIC ANNOUNCEMENTS AND WARNINGS AS NECESSITY, URGENCY OR LAW MAY REQUIRE”**;
11. On the same page and line, after the word “programming;”, insert the phrase **“PROMOTE PUBLIC PARTICIPATION”** and a semi-colon “;”;
12. On the same page, line 21, after the word “enterprise;”, insert the phrase **“PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT THROUGH, BUT NOT LIMITED TO, CLOSED CAPTIONING;”**;
13. On page 5, after line 25, insert a new paragraph to read as follows:

“PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE EQUIVALENT TO 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 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.”;

Hence, the entire Section 4 shall now read as:

“SEC. 4. *Responsibility to the Public.* – The grantee shall provide free of charge, adequate public service time which is reasonable and sufficient to enable the government, through the broadcasting stations or facilities of the grantee, to reach the pertinent population/s or portions thereof on important public issues and relay important public announcements and warnings as necessity, urgency or law may require; provide at all times sound and balanced programming; promote public participation; assist in the functions of public information and education; conform to the ethics of honest enterprise; promote audience sensibility and empowerment through, but not limited to, closed captioning; and not use its stations or facilities for the broadcasting of obscene or indecent language, speech, act, or scene; or for the dissemination of deliberately false information or willful misinterpretation, to the detriment of the public interest, or to incite, encourage or assist in subversive or treasonable acts.

“Public service time referred herein shall be equivalent to 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 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.”;

14. On the same page, line 26, insert a new section to read as follows:

“SEC. 5. COMPLIANCE WITH LABOR STANDARDS. – THE GRANTEE, ITS SUCCESSORS OR ASSIGNS SHALL COMPLY WITH THE APPLICABLE LABOR STANDARDS UNDER EXISTING LABOR LAWS, RULES AND REGULATIONS AND SUCH OTHER ISSUANCE AS MAY BE PROMULGATED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT, TAKING INTO CONSIDERATION THE NATURE AND PECULIARITIES OF THE BROADCAST INDUSTRY.”;

15. On page 3, delete lines 25 to 29;

16. On page 4, delete the lines 1 and 2;

17. On the same page, line 3, insert a new section to read as follows:

“TAX PROVISIONS – THE GRANTEE, ITS SUCCESSORS OR ASSIGNS 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.”;

18. On page 5, delete lines 15 to 19;

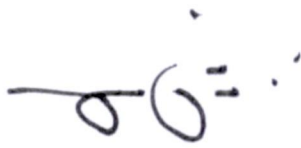
19. On the same page, line 20, after the phrase “Equality Clause. –” add the phrase, **“EXCEPT FOR TAXES AND CUSTOMS DUTIES,”;**

20. Renumber the sections accordingly.

Respectfully submitted:


GRACE POE
Chairperson


FRANCIS "CHIZ" G. ESCUDERO
Vice Chairperson


JOSEPH VICTOR G. EJERCITO
Vice Chairperson

LOREN B. LEGARDA


RICHARD J. GORDON

PANFILO M. LACSON


JUAN MIGUEL "MIGZ" F. ZUBIRI

ANTONIO "SONNY" F. TRILLANES IV

JOEL VILLANUEVA

amitiveros Larepud
RISA HONTIVEROS **PAOLO BENIGNO “BAM” AQUINO IV**

*beg interpellate /
propose amendments.*

Ex-Officio Members:

judicial will interpellate *Uma Pua.*
FRANKLIN M. DRILON **VICENTE C. SOTTO III**
Minority Leader Majority Leader

RALPH G. RECTO
Senate President Pro Tempore

The Honorable Senate President
AQUILINO “KOKO” PIMENTEL III



HOUSE OF REPRESENTATIVES

H. No. 4636

BY REPRESENTATIVES TREÑAS, ALVAREZ (F.), TUGNA, BERTIZ, AGGABAO,
MONTORO AND VIOLAGO, PER COMMITTEE REPORT NO. 42

AN ACT GRANTING THE ILOILO BAPTIST CHURCH, INC. A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE AND MAINTAIN RADIO AND TELEVISION
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, there is hereby granted to the Iloilo Baptist Church, Inc.,
4 hereunder referred to as the grantee, its successors or assignees, a franchise to
5 construct, install, establish, operate and maintain for noncommercial purposes
6 and in the public interest, radio and/or television broadcasting stations in the
7 Philippines, where frequencies and/or channels are still available for radio
8 and/or television broadcasting, including digital television system, through
9 microwave, satellite or whatever means, including the use of new technologies
10 in television and radio systems, with the corresponding technological
11 auxiliaries and facilities, special broadcast and other program and distribution
12 services and relay stations, and to install radio communication facilities for the
13 grantee's use in its broadcast services.

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

26 SEC. 5. *Right of Government.* — A special right is hereby reserved to
27 the President of the Philippines, in times of war, rebellion, public peril,
28 calamity, emergency, disaster, or disturbance of peace and order: to
29 temporarily take over and operate the stations or facilities of the grantee; to

1 temporarily suspend the operation of any station or facility in the interest of
2 public safety, security and public welfare; or to authorize the temporary use
3 and operation thereof by any agency of the government, upon due
4 compensation to the grantee, for the use of said stations or facilities during the
5 period when these shall be so operated.

6 The radio spectrum is a finite resource that is part of the national
7 patrimony and the use thereof is a privilege conferred upon the grantee by the
8 State and may be withdrawn any time after due process.

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

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

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

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

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

25 SEC. 8. *Bond.* — The grantee shall file a bond with the NTC, in the
26 amount that the NTC shall determine, to guarantee compliance with and
27 fulfillment of the conditions under which this franchise is granted. If, after
28 three (3) years from the date of the approval of its permit by the Commission,
29 the grantee shall have fulfilled the same, the bond shall be cancelled by the

Commission. Otherwise, the bond shall be forfeited in favor of the government and the franchise *ipso facto* revoked.

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

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

SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in parts, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation, or entity without the prior approval of the Congress of the Philippines: *Provided*, That Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of said transaction: *Provided, further*, That failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*,

1 That any person or entity to which this franchise is sold, transferred, or
2 assigned, shall be subject to the same conditions, terms, restrictions, and
3 limitations of this Act.

4 SEC. 12. *General Broadcast Policy Law.* – The grantee shall comply
5 with and be subject to the provisions of a general broadcast policy law, which
6 Congress may hereafter enact.

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

15 SEC. 14. *Penalty Clause.* – Failure of the grantee to submit the
16 requisite annual report to Congress will be penalized by a fine in the amount of
17 five hundred pesos (P500.00) per working day of noncompliance. The fine
18 will be collected by the NTC from the delinquent franchise grantee separate
19 from the reportorial penalties imposed by the NTC.

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

1 SEC. 16. *Separability Clause.* — If any of the sections or provisions of
2 this Act is held invalid, all other provisions not affected thereby shall remain
3 valid.

4 SEC. 17. *Repealability and Nonexclusivity Clause.* — This franchise
5 shall be subject to amendment, alteration, or repeal by the Congress of the
6 Philippines when the public interest so requires and shall not be interpreted as
7 an exclusive grant of the privileges herein provided for.

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

Approved,

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