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SENATE

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COMMITTEE REPORT NO. 294

Submitted by the Committee on Public Services on MAR 19 2018.

Re: House Bill no. 5635

Recommending its approval with amendments.

Sponsor: Senator Grace Poe

**MR. PRESIDENT:**

The Committee on Public Services to which was referred House Bill No. 5635 introduced by Representatives Arenas, Bertiz, Ermita-Buhain and Alvarez (F), entitled:

**"AN ACT  
EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO BRIGHT STAR BROADCASTING NETWORK  
CORPORATION UNDER REPUBLIC ACT NO. 7295,  
ENTITLED "AN ACT GRANTING THE BRIGHT STAR BROADCASTING  
NETWORK CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL,  
OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES  
RADIO AND TELEVISION BROADCASTING STATIONS IN  
THE PHILIPPINES 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. 5635 be approved with the following amendments:

1. On page 2, section 4 shall be adopted with amendments and shall now read as follows:

*"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 said] **ITS** broadcasting stations or facilities **OF THE GRANTEE**, to [inform] **REACH** the **PERTINENT** populationS **OR PORTIONS THEREOF** on important public issues **AND RELAY IMPORTANT PUBLIC ANNOUNCEMENTS AND WARNINGS CONCERNING PUBLIC EMERGENCIES AND CALAMITIES, AS NECESSITY, URGENCY OR LAW MAY REQUIRE**; provide at all times sound and balanced programming; **PROMOTE PUBLIC PARTICIPATION**; assist in the [performance of the] functions of public information and education; conform to the ethics of honest enterprise; **PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED CAPTIONING**; and not use its stations or facilities for the broadcasting of obscene [and] **OR** indecent language, speech, act, or scene; or for the dissemination of deliberately false information and willful misrepresentation 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 A MAXIMUM AGGREGATE OF TEN (10%) PERCENT OF 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.

2. On page 4, between lines 11 and 12, insert new 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 IN AREA 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."**

**"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 IPOSITIONS UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUNE CODE OF 1997", AS AMENDED, AND OTHER APPLICABLE LAWS.;"** and

3. Renumber succeeding 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

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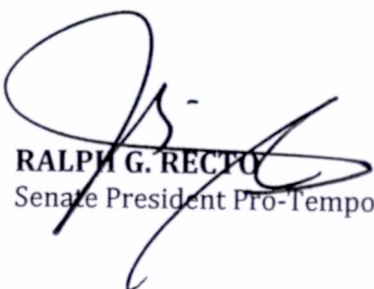
  
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**ANTONIO "Sonny" F. TRILLANES IV**

  
**JUAN MIGUEL "Migz" F. ZUBIRI**

  
**PAOLO BENIGNO "Bam" AQUINO IV**

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Majority Floor Leader

  
**FRANKLIN M. DRILON**  
Minority Floor Leader

**HON. AQUILINO "Koko" PIMENTEL III**  
President  
Senate of the Philippines



HOUSE OF REPRESENTATIVES

H. No. 5635

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BY REPRESENTATIVES ARENAS, BERTIZ, ERMITA-BUHAIN AND ALVAREZ (F.),  
PER COMMITTEE REPORT NO. 228

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AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BRIGHT STAR BROADCASTING NETWORK CORPORATION UNDER REPUBLIC ACT NO. 7295, ENTITLED "AN ACT GRANTING THE BRIGHT STAR BROADCASTING NETWORK CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES 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 Constitution and applicable laws, rules and regulations, the  
3 franchise granted to Bright Star Broadcasting Network Corporation, hereunder  
4 referred to as the grantee, its successors or assignees, under Republic Act  
5 No. 7295, to construct, install, establish, operate, and maintain for commercial  
6 purposes and in the public interest, radio and/or television broadcasting  
7 stations, including digital television system, through microwave, satellite or  
8 whatever means, as well as the use of any new technology in television and  
9 radio systems, with the corresponding technological auxiliaries and facilities,  
10 special broadcast and other program and distribution services and relay

1 stations in the Philippines, is hereby extended for another twenty-five (25)  
2 years from the effectivity of this 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 privilege 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 or 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       The grantee shall not dispose or lease its facilities except to entities with  
19 radio or television broadcasting franchise: *Provided,* That the grantee shall  
20 inform and secure written authorization to proceed from the NTC, and report  
21 the transaction to the NTC within sixty (60) days after its completion:  
22 *Provided, further,* That the NTC shall determine the corresponding sanction  
23 for any violation of this provision.

24       SEC. 4. *Responsibility to the Public.* – The grantee shall provide  
25 adequate public service time to enable the government, through the said  
26 broadcasting stations or facilities, to inform the population on important public  
27 issues; provide at all times sound and balanced programming; assist in the  
28 performance of the functions of public information and education; conform to  
29 the ethics of honest enterprise; and not use its stations or facilities for the



1 broadcasting of obscene and indecent language, speech, act or scene; or for the  
2 dissemination of deliberately false information or willful misrepresentation, to  
3 the detriment of the public interest; or to incite, encourage, or assist in  
4 subversive or treasonable acts.

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

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

17       SEC. 6. *Term of Franchise.* — This franchise shall be in effect for a  
18 period of twenty-five (25) years from the effectivity of this Act, unless sooner  
19 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the  
20 event the grantee fails to operate continuously for two (2) years.

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

28       SEC. 8. *Self-regulation by and Undertaking of the Grantee.* — The  
29 grantee shall not require any previous censorship of any speech, play, act or

1 scene, or other matter to be broadcast from its stations: *Provided*, That the  
2 grantee, during any broadcast, shall cut off from the air the speech, play, act or  
3 scene, or other matter being broadcast if the tendency thereof is to propose  
4 and/or incite treason, rebellion or sedition; or the language used therein or the  
5 theme thereof is indecent or immoral: *Provided, further*, That willful failure to  
6 do so shall constitute a valid cause for the cancellation of this franchise.

7 SEC. 9. *Warranty in Favor of the National and Local Governments.* -

8 The grantee shall hold the national, provincial, city, and municipal  
9 governments of the Philippines free from all claims, liabilities, demands, or  
10 actions arising out of accidents causing injury to persons or damage to  
11 properties, during the construction or operation of the stations of the grantee.

12 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*

13 - The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign  
14 this franchise or the rights and privileges acquired thereunder to any person,  
15 firm, company, corporation, or other commercial or legal entity, nor merge  
16 with any other corporation or entity, nor the controlling interest of the grantee  
17 be transferred, whether as a whole or in parts, and whether simultaneously or  
18 contemporaneously, to any such person, firm, company, corporation, or entity  
19 without the prior approval of the Congress of the Philippines: *Provided*, That  
20 Congress shall be informed of any sale, lease, transfer, grant of usufruct, or  
21 assignment of franchise or the rights and privileges acquired thereunder, or of  
22 the merger or transfer of the controlling interest of the grantee, within sixty  
23 (60) days after the completion of the said transaction: *Provided, further*, That  
24 failure to report to Congress such change of ownership shall render the  
25 franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to  
26 which this franchise is sold, transferred or assigned, shall be subject to the  
27 same conditions, terms, restrictions, and limitations of this Act.

28 SEC. 11. *Dispersal of Ownership.* - In accordance with the  
29 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 such as stock sharing with employees' organization  
8 must be implemented.

9 Noncompliance therewith shall render the franchise *ipso facto* revoked.

10 SEC. 12. *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 Philippine Senate, on its compliance with the terms and  
14 conditions of the franchise and on its operations on or before April 30 of every  
15 year during the term of its franchise. The reportorial compliance certificate  
16 issued by Congress shall be required before any application for permit or  
17 certificate is accepted by the NTC.

18 SEC. 13. *Fine*. – Failure of the grantee to submit the requisite annual  
19 report to Congress shall be penalized by a fine in the amount of five hundred  
20 pesos (P500.00) per working day of noncompliance. The fine shall be  
21 collected separately by the NTC distinct from the penalties it imposes for  
22 noncompliance of its own reportorial requirements.

23 SEC. 14. *Equality Clause*. – Except for taxes and customs duties, any  
24 advantage, favor, privilege, exemption, or immunity granted under existing  
25 franchises, or which may hereafter be granted for radio and/or television  
26 broadcasting, upon prior review and approval of Congress, shall become part  
27 of this franchise and shall be accorded immediately and unconditionally to the  
28 herein grantee: *Provided*, That the foregoing shall neither apply to nor affect



1 provisions of broadcasting franchises concerning territorial coverage, the term,  
2 or the type of service authorized by the franchise.

3       SEC. 15. *Repealability and Nonexclusivity Clause.* – This franchise  
4 shall be subject to amendment, alteration, or repeal by the Congress of the  
5 Philippines when the public interest so requires and shall not be interpreted as  
6 an exclusive grant of the privileges herein provided for.

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. *Repealing Clause.* – All laws, decrees, orders, resolutions,  
11 instructions, rules and regulations, and other issuances or parts thereof which  
12 are inconsistent with the provisions of this Act are hereby repealed, amended,  
13 or modified accordingly.

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

Approved,

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