

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



SENATE

COMMITTEE REPORT NO. 464

Submitted by the Committee on Public Services on

SEP 19 2018

Re: House Bill no. 6431

Recommending the approval of HBN 6431 with amendments.

Sponsors: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 6431 introduced by Representatives Yap (A.), Relampagos, Bravo (A.), Enverga, Vargas-Alfonso, Madrona, Marcoleta, Garbin, Pancho, Tejada, Acosta, Savellano, Daza, Cortes, Tugna, Bertiz, Violago, Vargas, Caminero, Montoro, De Vera and Alvarez (F.), entitled:

"AN ACT

**GRANTING BOHOL CHRONICLE RADIO CORPORATION A FRANCHISE
TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN
RADIO BROADCASTING STATIONS IN THE PROVINCE OF BOHOL"**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 6431 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 phrase "**WHICH IS REASONABLE AND SUFFICIENT**"; also on the same line, 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 replace it with "**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 words "performance of the"
 6. On same page, line 27 after the word "enterprise" and semi colon (;), insert the phrase "**PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED CAPTIONING**"; delete the words "to refrain from" and lieu thereof replace it with "**NOT USE ITS STATIONS AND FACILITIES FOR THE**"; and after the word "obscene", delete the conjunction "and" and in lieu thereof replace it with "**OR**";
 7. On the same page, line 28 after the conjunction "or", delete the word "disseminating" and in lieu thereof replace it with "**FOR THE DISSEMINATION OF**";
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8. On page 3, line 1, after the word "information" delete "or" and replace it with **"AND"**;
9. On the same page, line 2, delete the words "inciting, encouraging, or assisting" and in lieu thereof replace it with **"TO INCITE, ENCOURAGE, OR ASSIST"**;
10. On the same page, 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 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.;

11. On page 4, after line 11, insert new provisions which shall read as follows:

"SEC. 9. 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.”;

“SEC. 10. 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.”

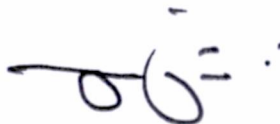
12. On page 4, line 20 delete the phrase “Congress shall be informed of any sale, lease,”; up to the phrase “transaction: *Provided, further, That*” on line 24;
13. On page 5, line 14, after the title of the Section, delete the phrase “Except for taxes and customs duties,”; and
14. Renumber the sections 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

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Majority Floor Leader



FRANKLIN M. DIZON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President



HOUSE OF REPRESENTATIVES

H. No. 6431

BY REPRESENTATIVES YAP (A.), RELAMPAGOS, BRAVO (A.), ENVERGA,
VARGAS-ALFONSO, MADRONA, MARCOLETA, GARBIN, PANCHO,
TEJADA, ACOSTA, SAVELLANO, DAZA, CORTES, TUGNA,
BERTIZ, VIOLAGO, VARGAS, CAMINERO, MONTORO, DE VERA AND
ALVAREZ (F.), PER COMMITTEE REPORT NO. 391

AN ACT GRANTING BOHOL CHRONICLE RADIO CORPORATION
A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE AND MAINTAIN RADIO BROADCASTING
STATIONS IN THE PROVINCE OF BOHOL.

*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 Philippine Constitution and applicable laws, rules and
3 regulations, there is hereby granted to Bohol Chronicle Radio Corporation,
4 hereunder referred to as the grantee, its successors or assignees, a franchise to
5 construct, install, establish, operate and maintain for commercial purposes and
6 in the public interest, radio broadcasting stations in the Province of Bohol
7 where frequencies and/or channels are still available for radio broadcasting,
8 including digital radio system, through microwave, satellite or whatever
9 means, including the use of any new technology in radio systems, with the
10 corresponding technological auxiliaries and facilities, special broadcast and
11 other program and distribution services and relay stations.

1 SEC. 2. *Manner of Operation of Stations or Facilities.* – The
2 stations or facilities of the grantee shall be constructed and operated in a
3 manner as will, at most, result only in the minimum interference on the
4 wavelengths or frequencies of existing stations or other stations which may be
5 established by law, without in any way diminishing its own privilege to use its
6 assigned wavelengths or frequencies and the quality of transmission or
7 reception thereon as should maximize rendition of the grantee's services
8 and/or the 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
12 licenses for the construction and operation of its stations or facilities and shall
13 not use any frequency in the radio 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 nor lease its facilities except to entities
17 with radio or television franchise: *Provided,* That the grantee shall inform and
18 secure written authorization to proceed from the NTC, and report the
19 transaction to the NTC within sixty (60) days after its completion: *Provided,*
20 *further,* That the NTC shall determine the corresponding sanction for any
21 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 of 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 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 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
22 of this Act; and

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

24 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* – The
25 grantee shall not require any previous censorship of any speech, play, act or
26 scene, or other matter to be broadcast from its stations, but if any such speech,
27 play, act or scene, or other matter should constitute a violation of the law or
28 infringement of a private right, the grantee shall be free from any liability,
29 civil or criminal, for such speech, play, act or scene, or other matter:

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

7 SEC. 8. *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. 9. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of*
13 *Franchise.* - The grantee shall not sell, lease, transfer, grant the usufruct of,
14 nor assign this franchise or the rights and privileges acquired thereunder to any
15 person, firm, company, corporation or other commercial or legal entity, nor
16 merge with any other corporation or entity, nor the controlling interest of the
17 grantee be transferred, whether as a whole or in part, and whether
18 simultaneously or contemporaneously, to any such person, firm, company,
19 corporation or entity without the prior approval of the Congress of the
20 Philippines: *Provided*, That Congress shall be informed of any sale, lease,
21 transfer, grant of usufruct, or assignment of franchise or the rights and
22 privileges acquired thereunder, or of the merger or transfer of the controlling
23 interest of the grantee, within sixty (60) days after the completion of said
24 transaction: *Provided, further*, That failure to report to Congress such change
25 of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*,
26 That any person or entity to which this franchise is sold, transferred or
27 assigned shall be subject to the same conditions, terms, restrictions, and
28 limitations of this Act.

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

9 SEC. 11. *Fine.* – Failure of the grantee to submit the requisite annual
10 report to Congress shall be penalized by a fine of five hundred pesos (P500.00)
11 per working day of noncompliance. The fine shall be collected separately by
12 the NTC distinct from the penalties it imposes for noncompliance of its own
13 reportorial requirements.

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

22 SEC. 13. *Repealability and Nonexclusivity Clause.* – This franchise
23 shall be subject to amendment, alteration, or repeal by the Congress of the
24 Philippines when the public interest so requires and shall not be interpreted as
25 an exclusive grant of the privileges herein provided for.

26 SEC. 14. *Separability Clause.* – If any of the sections or provisions
27 of this Act is held invalid, all other provisions not affected thereby shall
28 remain valid.

1 SEC. 15. *Repealing Clause.* – All laws, decrees, executive orders,
2 rules and regulations or parts or provisions thereof which are not consistent
3 with this Act are hereby repealed, amended, or modified accordingly.

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

Approved,

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