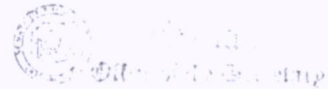


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



'18 NOV 15 P 4:03

**SENATE**

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**COMMITTEE REPORT NO. 502**

Submitted by the Committee on Public Services on **NOV 15 2018**.

Re: House Bill no. 7199

Recommending the approval of HBN 7199 with amendments.

Sponsor: Senator Grace Poe

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**MR. PRESIDENT:**

The Committee on Public Services to which was referred House Bill No. 7199 introduced by Representatives Velasco, Alvarez (F.), Atienza, Revilla, Unabia, Tejada, Acosta, Caminero, Enverga, Alvarez (M.), Violago, Pimentel, Gullas, Bravo (A.), Bertiz, De Vera, Garbin, Maceda, Quimbo, Abayon, Montoro, Vargas-Alfonso, Gonzales (A.D.), Chipeco, Marcoleta, Aggabao, Abellanosa, Relampagos and Nieto, entitled:

**"AN ACT  
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO THE DELTA BROADCASTING SYSTEM, INC.  
TO ESTABLISH, MAINTAIN, AND OPERATE RADIO AND TELEVISION  
BROADCASTING STATIONS WITHIN THE PHILIPPINES UNDER  
REPUBLIC ACT NO. 7723"**

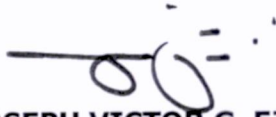
has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 7199 be approved with the following amendments:

1. On page 5, after line 10, insert new provisions which 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.";**

2. Renumber the sections accordingly.

  
**GRACE POE**  
Chairperson  
Committee on Public Services



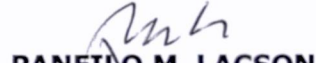
**JOSEPH VICTOR G. EJERCITO**  
Vice-Chairperson  
Committee on Public Services



**FRANCIS "Chiz" G. ESCUDERO**  
Vice-Chairperson  
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Majority Floor Leader

  
**FRANKLIN M. DRILON**  
Minority Floor Leader

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



HOUSE OF REPRESENTATIVES

H. No. 7199

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BY REPRESENTATIVES VELASCO, ALVAREZ (E.), ATIENZA, REVILLA,  
UNABIA, TEJADA, ACOSTA, CAMINERO, ENVERGA, ALVAREZ (M.),  
VIOLAGO, PIMENTEL, GULLAS, BRAVO (A.), BERTIZ, DE VERA,  
GARBIN, MACEDA, QUIMBO, ABAYON, MONTORO, VARGAS-ALFONSO,  
GONZALES (A.D.), CHIPECO, MARCOLETA, AGGABAO, ABELLANOSA,  
RELAMPAGOS AND NIETO, PER COMMITTEE REPORT NO. 615

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)  
YEARS THE FRANCHISE GRANTED TO THE DELTA  
BROADCASTING SYSTEM, INC. TO ESTABLISH,  
MAINTAIN, AND OPERATE RADIO AND TELEVISION  
BROADCASTING STATIONS WITHIN THE PHILIPPINES  
UNDER REPUBLIC ACT NO. 7723

*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  
3 regulations, the franchise granted to the Delta Broadcasting  
4 System, Inc., hereunder referred to as the grantee, its successors or  
5 assignees, under Republic Act No. 7723, to construct, establish,  
6 maintain, and operate in the public interest, radio and/or television  
7 broadcasting stations, including digital television system, through

1 microwave, satellite, terrestrial or whatever means, including  
2 the use of any new technologies in television and radio systems,  
3 with the corresponding technological auxiliaries and facilities,  
4 special broadcast and other program and distribution services  
5 and relay stations in the Philippines, is hereby renewed for  
6 another twenty-five (25) years.

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

16       SEC. 3. *Prior Approval of the National Telecommunications*  
17 *Commission.* The grantee shall secure from the National  
18 Telecommunications Commission (NTC) the appropriate permits  
19 and licenses for the construction and operation of its stations or  
20 facilities and shall not use any frequency in the radio/television  
21 spectrum without authorization from the NTC.

22       SEC. 4. *Responsibility to the Public.* - The grantee shall  
23 provide, free of charge, adequate public service time which is  
24 reasonable and sufficient to enable the government, through the  
25 broadcasting stations or facilities of the grantee, to reach the  
26 pertinent population/s or portions thereof on important public  
27 issues and relay important public announcements and warnings  
28 concerning public emergencies and calamities, as necessity,

1 urgency, or law may require; provide at all times sound and  
2 balanced programming; promote public participation; assist in  
3 the functions of public information and education; conform to  
4 the ethics of honest enterprise; promote audience sensibility and  
5 empowerment through, but not limited to, closed captioning; and  
6 not use its stations or facilities for the broadcasting of obscene or  
7 indecent language, speech, act or scene; or for the dissemination  
8 of deliberately false information or willful misrepresentation, to  
9 the detriment of the public interest; or to incite, encourage or  
10 assist in subversive or treasonable acts.

11 Public service time referred herein shall be equivalent to a  
12 maximum aggregate of ten percent (10%) of the paid commercials  
13 or advertisements which shall be allocated, based on need, to  
14 the executive, legislative, judiciary, constitutional commissions  
15 and international humanitarian organizations duly recognized  
16 by statutes: *Provided*, That the NTC shall increase the public  
17 service time in case of extreme emergency or calamity. The NTC  
18 shall issue rules and regulations for this purpose, the effectivity  
19 of which shall commence upon applicability with other similarly  
20 situated broadcast network franchise holders.

21 *SEC. 5. Compliance with Labor Standards.* - The grantee,  
22 its successors or assignees shall comply with the applicable labor  
23 standards under existing labor laws, rules and regulations and  
24 such other issuances as may be promulgated by the Department  
25 of Labor and Employment, taking into consideration the nature  
26 and peculiarities of the broadcast industry.

27 *SEC. 6. Right of the Government.* - The radio spectrum is  
28 a finite resource that is part of the national patrimony and the

1 use thereof is a privilege conferred upon the grantee by the State  
2 and may be withdrawn any time after due process.

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

13 SEC. 7. *Term of Franchise.* - This franchise shall be in  
14 effect for a period of twenty-five (25) years from the effectivity  
15 of this Act, unless sooner revoked and cancelled. This franchise  
16 shall be deemed *ipso facto* revoked in the event the grantee fails  
17 to operate continuously for two (2) years.

18 SEC. 8. *Self-regulation by and Undertaking of Grantee.* -  
19 The grantee shall not require any previous censorship of any  
20 speech, play, act or scene, or other matter to be broadcast from  
21 its stations, but if any such speech, play, act or scene, or other  
22 matter should constitute a violation of the law or infringement  
23 of a private right, the grantee shall be free from any liability, civil  
24 or criminal, for such speech, play, act or scene, or other matter from  
25 its stations: *Provided,* That the grantee, during any broadcast  
26 and/or telecast shall not allow to be aired the speech, play, act or  
27 scene, or other matter being broadcast and/or telecast if the  
28 tendency thereof is to propose and/or incite treason, rebellion or

1 sedition; or the language used therein or the theme thereof is  
2 indecent or immoral: *Provided, further,* That willful failure to do so  
3 shall constitute a valid cause for the revocation and cancellation of  
4 this franchise.

5       SEC. 9. *Warranty in Favor of the National and Local*  
6 *Governments.* - The grantee shall hold the national, provincial,  
7 city, and municipal governments of the Philippines free from all  
8 claims, liabilities, demands, or actions arising out of accidents,  
9 causing injury to persons or damage to properties, during the  
10 construction or operation of the stations of the grantee.

11       SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of*  
12 *Franchise.* - The grantee shall not sell, lease, transfer, grant the  
13 usufruct of, nor assign this franchise or the rights and privileges  
14 acquired thereunder to any person, firm, company, corporation, or  
15 other commercial or legal entity, nor merge with any other  
16 corporation or entity, nor the controlling interest of the grantee  
17 be transferred, whether as a whole or in part, and whether  
18 simultaneously or contemporaneously, to any such person, firm,  
19 company, corporation, or entity without the prior approval of  
20 the Congress of the Philippines: *Provided,* That failure to report  
21 to Congress such change of ownership shall render the franchise  
22 *ipso facto* revoked: *Provided, finally,* That any person or entity to  
23 which this franchise is sold, transferred or assigned, shall be  
24 subject to the same conditions, terms, restrictions, and limitations  
25 of this Act.

26       SEC. 11. *Dispersal of Ownership.* - In accordance with the  
27 constitutional provision to encourage public participation in public  
28 utilities, the grantee shall offer to Filipino citizens at least thirty



1 percent (30%) or a higher percentage that may hereafter be  
2 provided by law of its outstanding capital stock in any securities  
3 exchange in the Philippines within five (5) years from the  
4 commencement of its operations: *Provided*, That in cases where  
5 public offer of shares is not applicable, the grantee shall apply  
6 other methods of encouraging public participation by citizens  
7 and corporations operating public utilities as allowed by law.  
8 Noncompliance therewith shall render the franchise *ipso facto*  
9 revoked.

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

19       SEC. 13. *Fine.* - Failure of the grantee to submit the  
20 requisite annual report to Congress shall be penalized by a fine  
21 of five hundred pesos (P500.00) per working day of noncompliance.  
22 The fine shall be collected by the NTC from the delinquent  
23 franchise grantee separate from the reportorial penalties imposed  
24 by the NTC and the same shall be remitted to the National  
25 Treasury.

26       SEC. 14. *Equality Clause.* - Any advantage, favor, privilege,  
27 exemption, or immunity granted under existing franchises, or which  
28 may hereafter be granted for radio and/or television broadcasting,

1 upon prior review and approval of Congress, shall become part  
2 of this franchise and shall be accorded immediately and  
3 unconditionally to the herein grantee: *Provided*, That the foregoing  
4 shall neither apply to nor affect the provisions of broadcasting  
5 franchises concerning territorial coverage, the term, or the type of  
6 service authorized by the franchise.

7       SEC. 15. *Separability Clause.* - If any section or provision  
8 of this Act is held invalid, all other provisions not affected  
9 thereby shall remain valid.

10       SEC. 16. *Repealability and Nonexclusivity Clause.* - This  
11 franchise shall be subject to amendment, alteration, or repeal by  
12 the Congress of the Philippines when the public interest so  
13 requires and shall not be interpreted as an exclusive grant of  
14 the privileges herein provided for.

15       All laws, decrees, orders, resolutions, instructions, rules and  
16 regulations, and other issuances, or parts thereof which are  
17 inconsistent with the provisions of this Act are hereby repealed,  
18 amended, or modified accordingly.

19       SEC. 17. *Effectivity.* - This Act shall take effect fifteen (15)  
20 days after its publication in the *Official Gazette* or in any newspaper  
21 of general circulation.

Approved.