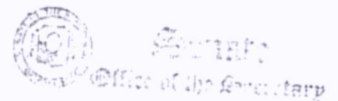


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

18 SEP 19 A10 :45

COMMITTEE REPORT NO. 462

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

Re: House Bill no. 6708

Recommending the approval of HBN 6708 with amendments.

Sponsors: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 6708 introduced by Representatives Ferrer (L.), Sy-Alvarado, Alvarez (F.) and Marcoleta, entitled:

**"AN ACT
EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO ADVANCED MEDIA BROADCASTING
SYSTEM, INC., UNDER REPUBLIC ACT NO. 8061, ENTITLED 'AN ACT
GRANTING THE ADVANCED MEDIA BROADCASTING SYSTEM, INC., A
FRANCHISE TO CONSTRUCT, INSTALL, 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. 6708 be approved with the following amendments:

1. On page 3, line 4, after the word "provide", insert the words "**FREE OF CHARGE,**"; and after the word "time", insert the phrase "**WHICH IS REASONABLE AND SUFFICIENT**";
 2. On the same page, line 5, after the words "through the" delete the word "said"; after the word "facilities" insert the words "**OF THE GRANTEE**"; and after the article "the", insert the word "**PERTINENT**";
 3. On the same page, line 6, pluralize the word "**POPULATION**" and insert the phrase "**OR PORTIONS THEREOF**" after it; and 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**;
 4. On the same page, line 7 after the word "participation" delete the words "such as in";
 5. On the same page, line 8 delete the words "community programming";
 6. On same page, line 10 after the word "enterprise" and semi colon (;), insert the phrase "**PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED CAPTIONING;**"; and delete the words "to refrain from" and lieu thereof replace it with "**NOT USE ITS STATIONS AND FACILITIES FOR THE**"; also, after the word "obscene", delete the conjunction "and" and in lieu thereof replace it with "**OR**";
 7. On the same page, line 11 after the conjunction "or", delete the words "from disseminating" and in lieu thereof replace it with "**FOR THE DISSEMINATION OF**";
 8. On the same page, line 12, after the word "information" delete "or" and replace it with "**AND**";
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9. On the same page, line 13, delete the words "from inciting, encouraging, or assisting" and in lieu thereof replace it with **"TO INCITE, ENCOURAGE, OR ASSIST"**;

10. On the same page, after line 14, 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 27, 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.”;

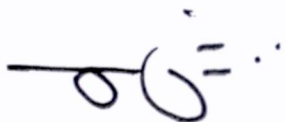
“SEC. 10. TAX PROVISIONS. – THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, SHALL CONTINUE TO BE SUBJECT TO ALL APPLICABLE TAXES, DUTIES, FEES OR CHARGES AND OTHER IMPOSITIONS UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS ‘THE NATIONAL INTERNAL REVENUE CODE OF 1997’, AS AMENDED; REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE ‘LOCAL GOVERNMENT CODE OF 1991’, AS AMENDED, AND OTHER APPLICABLE LAWS.”

12. On page 5, delete lines 11 to 14;
 13. On the same page, line 15 delete the phrase “the said transaction: *Provided, further, That*”;
 14. On page 6, line 21, after the title of the Section, delete the phrase “Except for taxes and customs”; and in line 22 delete the word “duties” and the comma (,);
 15. Renumber the sections accordingly.
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RESPECTFULLY SUBMITTED



GRACE POE
Chairperson
Committee on Public Services



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



FRANCIS "Chiz" G. ESCUDERO
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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. 6708

BY REPRESENTATIVES FERRER (L.), SY-ALVARADO, ALVAREZ (F.) AND
MARCOLETA, PER COMMITTEE REPORT NO. 489

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25)
YEARS THE FRANCHISE GRANTED TO ADVANCED
MEDIA BROADCASTING SYSTEM, INC., UNDER
REPUBLIC ACT NO. 8061, ENTITLED "AN ACT
GRANTING THE ADVANCED MEDIA BROADCASTING
SYSTEM, INC., A FRANCHISE TO CONSTRUCT, INSTALL,
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 Philippine Constitution and applicable laws, rules
3 and regulations, the franchise granted to Advanced Media
4 Broadcasting System, Inc., hereunder referred to as the grantee, its
5 successor or assignee, under Republic Act No. 8061, to construct,
6 install, establish, operate, and maintain for commercial purposes
7 and in the public interest, radio and/or television broadcasting
8 stations, including digital television system, through microwave,
9 satellite or whatever means, as well as the use of any new

1 technology in television and radio systems, with the corresponding
2 technological auxiliaries and facilities, special broadcast and other
3 program and distribution services and relay stations in the
4 Philippines, is hereby extended for another twenty-five (25) years
5 from the effectivity of this Act.

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

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

23 The grantee shall not dispose or lease its facilities except to
24 entities with radio or television broadcasting franchise: *Provided,*
25 That the grantee shall inform and secure written authorization to
26 proceed from the NTC, and report the transaction to the NTC
27 within sixty (60) days after its completion: *Provided, further,* That

1 the NTC shall determine the corresponding sanction for any
2 violation of this provision.

3 SEC. 4. *Responsibility to the Public.* - The grantee shall
4 provide adequate public service time to enable the government,
5 through the said broadcasting stations or facilities, to reach the
6 population on important public issues; provide at all times sound
7 and balanced programming; promote public participation such as in
8 community programming; assist in the functions of public
9 information and education; conform to the ethics of honest
10 enterprise; and to refrain from broadcasting obscene and indecent
11 language, speech, act or scene; or from disseminating deliberately
12 false information or willful misrepresentation, to the detriment of
13 the public interest; or from inciting, encouraging, or assisting in
14 subversive or treasonable acts.

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

19 A special right is hereby reserved to the President of the
20 Philippines, in times of war, rebellion, public peril, calamity,
21 emergency, disaster, or disturbance of peace and order: to
22 temporarily take over and operate the stations or facilities of the
23 grantee; to temporarily suspend the operation of any station or
24 facility in the interest of public safety, security and public welfare;
25 or to authorize the temporary use and operation thereof by any
26 agency of the government, upon due compensation to the grantee.

1 for the use of said stations or facilities during the period when these
2 shall be so operated.

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

8 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* –
9 The grantee shall not require any previous censorship of any
10 speech, play, act or scene, or other matter to be broadcast from its
11 stations, but if any speech, play, act or scene, or other matter should
12 constitute a violation of the law or infringement of a private right,
13 the grantee shall be free from any liability, civil or criminal, for such
14 speech, play, act or scene, or other matter: *Provided*, That the
15 grantee, during any broadcast, shall cut off the airing of speech,
16 play, act or scene, or other matter being broadcast if the tendency
17 thereof is to propose and/or incite treason, rebellion or sedition; or
18 the language used therein or the theme thereof is indecent or
19 immoral: *Provided, further*, That willful failure to do so shall
20 constitute a valid cause for the revocation or cancellation of this
21 franchise.

22 SEC. 8. *Warranty in Favor of the National and Local*
23 *Governments.* – The grantee shall hold the national, provincial,
24 city, and municipal governments of the Philippines free from all
25 claims, liabilities, demands, or actions arising out of accidents
26 causing injury to persons or damage to properties, during the
27 construction or operation of the stations of the grantee.

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

20 SEC. 10. *Dispersal of Ownership.* - In accordance with the
21 constitutional provision to encourage public participation in public
22 utilities, the grantee shall offer to Filipino citizens at least thirty
23 percent (30%) or a higher percentage that may hereafter be
24 provided by law of its outstanding capital stock in any securities
25 exchange in the Philippines within five (5) years from the
26 commencement of its operations: *Provided, That* in cases where
27 public offer of shares is not applicable, establishment of cooperatives

1 and application of other methods of encouraging public participation
2 by citizens and corporations operating public utilities as allowed by
3 law must be implemented.

4 Noncompliance therewith shall render the franchise *ipso facto*
5 revoked.

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

15 SEC. 12. *Fine.* - Failure of the grantee to submit the
16 requisite annual report to Congress shall be penalized by a fine of
17 five hundred pesos (P500.00) per working day of noncompliance.
18 The fine shall be collected separately by the NTC distinct from the
19 penalties it imposes for noncompliance of its own reportorial
20 requirements.

21 SEC. 13. *Equality Clause.* - [Except for taxes and customs]
22 [duties,] any advantage, favor, privilege, exemption, or immunity
23 granted under existing franchises, or which may hereafter be
24 granted for radio and/or television broadcasting, upon prior review
25 and approval of Congress, shall become part of this franchise and
26 shall be accorded immediately and unconditionally to the herein
27 grantee: *Provided*, That the foregoing shall neither apply to nor

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

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

9 SEC. 15. *Separability Clause.* - If any of the sections or
10 provisions of this Act is held invalid, all other provisions not
11 affected thereby shall remain valid.

12 SEC. 16. *Repealing Clause.* - All laws, decrees, orders,
13 resolutions, instructions, rules and regulations, and other issuances
14 or parts thereof which are inconsistent with the provisions of this
15 Act are hereby repealed, amended, or modified accordingly.

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

Approved,

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