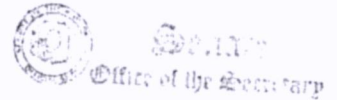


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

COMMITTEE REPORT NO. 463

'18 SEP 19 A10 :46

Submitted by the Committee on Public Services on SEP 19 2018 

Re: House Bill no. 6707

Recommending the approval of HBN 6707 with amendments.

Sponsors: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 6707 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 RAVEN BROADCASTING CORPORATION,
UNDER REPUBLIC ACT NO. 8084, ENTITLED 'AN ACT GRANTING
RAVEN BROADCASTING CORPORATION A FRANCHISE TO
CONSTRUCT, MAINTAIN AND OPERATE RADIO AND TELEVISION
BROADCASTING STATIONS WITHIN LUZON AND OTHER AREAS IN
THE PHILIPPINES WHERE FREQUENCIES AND/OR CHANNELS ARE
STILL AVAILABLE FOR RADIO AND TELEVISION BROADCASTING'"**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 6707 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 8 delete the words "such as in community programming";
 5. 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**" and insert "**OF**" after the word "broadcasting"
 6. On the same page, line 11, delete the conjunction "and" before the word "indecent" and in lieu thereof replace it with "**OR**"; and delete the words "from disseminating" and in lieu thereof replace it with "**FOR THE DISSEMINATION OF**";
 7. On the same page, line 12, after the word "information" delete "or" and replace it with "**AND**";
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8. On the same page, lines 13 to 14, delete the words "from inciting, encouraging, or assisting" and in lieu thereof replace it with "**TO INCITE, ENCOURAGE, OR ASSIST**";
9. 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.;

10. On page 4, after line 25, 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.”;

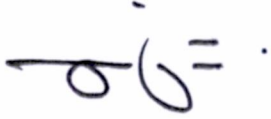
“SEC. 10. TAX PROVISIONS. – THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, SHALL CONTINUE TO BE SUBJECT TO ALL APPLICABLE TAXES, DUTIES, FEES OR CHARGES AND OTHER IMPOSITIONS UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS ‘THE NATIONAL INTERNAL REVENUE CODE OF 1997’, AS AMENDED; REPUBLIC ACT NO. 7160, OTHERWISE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

11. On page 5, delete lines 8 to 12 up to the phrase “the said transaction: *Provided, further,*”;
 12. On page 6, lines 19 to 20, after the title of the Section, delete the phrase “Except for taxes and customs duties”;
 13. 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
Vice-Chairperson
Committee on Public Services


Members


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FRANKLIN M. DRILON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President



HOUSE OF REPRESENTATIVES

H. No. 6707

BY REPRESENTATIVES FERRER (L.), SY-ALVARADO, ALVAREZ (F.) AND
MARCOLETA, PER COMMITTEE REPORT NO. 488

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25)
YEARS THE FRANCHISE GRANTED TO RAVEN
BROADCASTING CORPORATION, UNDER REPUBLIC
ACT NO. 8084, ENTITLED "AN ACT GRANTING
RAVEN BROADCASTING CORPORATION A FRANCHISE
TO CONSTRUCT, MAINTAIN AND OPERATE RADIO
AND TELEVISION BROADCASTING STATIONS WITHIN
LUZON AND OTHER AREAS IN THE PHILIPPINES
WHERE FREQUENCIES AND/OR CHANNELS ARE
STILL AVAILABLE FOR RADIO AND TELEVISION
BROADCASTING"

*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 Raven Broadcasting
4 Corporation, hereunder referred to as the grantee, its successor or
5 assignee, under Republic Act No. 8084, to construct, install,
6 establish, operate, and maintain for commercial purposes and in the
7 public interest, radio and/or television broadcasting stations,
8 including digital television system, through microwave, satellite or

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

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 minimum
10 interference on the wavelengths or frequencies of existing stations
11 or other stations which may be established by law, without in any
12 way diminishing its own privilege to use its assigned wavelengths
13 or frequencies and the quality of transmission or reception thereon
14 as should maximize rendition of the grantee's services and/or the
15 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. The NTC, however,
22 shall not unreasonably withhold or delay the grant of any such
23 authority.

24 The grantee shall not dispose or lease its facilities except to
25 entities with radio or television broadcasting franchise: *Provided,*
26 That the grantee shall inform and secure written authorization to
27 proceed from the NTC, and report the transaction to the NTC
28 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
7 sound and balanced programming; promote public participation
8 such as in community programming; assist in the functions of
9 public information and education; conform to the ethics of
10 honest enterprise; and to refrain from broadcasting obscene
11 and indecent language, speech, act or scene, or from disseminating
12 deliberately false information or willful misrepresentation, to the
13 detriment of the public interest; or from inciting, encouraging, or
14 assisting in subversive or treasonable acts.

15 SEC. 5. *Right of 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,
27 for the use of said stations or facilities during the period when these
28 shall be so operated.

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

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

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

26 SEC. 9. *Sale, Lease, Transfer, Grant of Usufruct, or*
27 *Assignment of Franchise.* - The grantee shall not sell, lease,
28 transfer, grant the usufruct of, nor assign this franchise or the

1 rights and privileges acquired thereunder to any person, firm,
2 company, corporation, or other commercial or legal entity, nor
3 merge with any other corporation or entity, nor the controlling
4 interest of the grantee be transferred, whether as a whole or
5 in part, and whether simultaneously or contemporaneously,
6 to any such person, firm, company, corporation or entity without
7 the prior approval of the Congress of the Philippines: *Provided*,
8 —That Congress shall be informed of any sale, lease, transfer, grant
9 of usufruct, or assignment of franchise or the rights and privileges
10 acquired thereunder, or of the merger or transfer of the controlling
11 interest of the grantee, within sixty (60) days after the completion of
12 [the said transaction: *Provided, further,*] That failure to report to
13 Congress such change of ownership shall render the franchise *ipso*
14 *facto* revoked: *Provided, finally,* That any person or entity to which
15 this franchise is sold, transferred or assigned shall be subject to the
16 same conditions, terms, restrictions, and limitations of this Act.

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

1 Noncompliance therewith shall render the franchise *ipso facto*
2 revoked.

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

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

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

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

6 SEC. 15. *Separability Clause.* – If any of the sections or
7 provisions of this Act is held invalid, all other provisions not
8 affected thereby shall remain valid.

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

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

Approved,

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