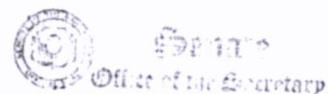


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

18 SEP 19 A10 :53

COMMITTEE REPORT NO. 472

Submitted by the Committee on Public Services on SEP 19 2018 RECEIVED 0

Re: House Bill no. 5717

Recommending the approval of HBN 5717 with amendments.

Sponsor: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 5717 introduced by Representatives Salceda, Alvarez (F), Marcoleta, *et.al.*, entitled:

"AN ACT

**EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE ASSIGNED TO PBN BROADCASTING NETWORK, INC.,
UNDER REPUBLIC ACT NO. 8158, ENTITLED 'AN ACT EXTENDING
THE FRANCHISE GRANTED TO JORGE D. BAYONA UNDER REPUBLIC
ACT NUMBERED FIFTY-SEVEN HUNDRED EIGHTY-NINE, ASSIGNING
IT IN FAVOR OF PBN BROADCASTING NETWORK, INC., AND
RENEWING THE TERM THEREOF FOR ANOTHER TWENTY-FIVE (25)
YEARS FROM THE DATE OF THE EFFECTIVITY OF THIS ACT."**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 5717 be approved with the following amendments:

1. On page 2, line 24, after the word provide, insert the words "**FREE OF CHARGE,**";
2. On the same page, line 25, after the word "time", insert the words "**WHICH IS REASONABLE AND SUFFICIENT**"; also on the same line, after the words " through the" delete the word "said";
3. On the same page, line 26 after the word "facilities" insert the words "**OF THE GRANTEE**"; delete the word "inform" and in lieu thereof insert the word "**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 27, 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 28, delete the phrase "performance of the";
6. On the same page, line 29 after the word "enterprise" and semi colon (;), insert the phrase "**PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED CAPTIONING**";
7. On page 3, line 1 after the word obscene, delete the conjunction "and" and in lieu thereof insert "**OR**";
8. On page 3, after line 4, 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.;

9. On page 4, after line 12, insert new provisions 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 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 IMPOSITIONS

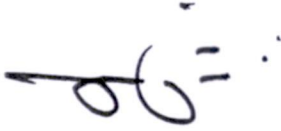
UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS "THE NATIONAL INTERNAL REVENUE CODE OF 1997", AS AMENDED, AND OTHER APPLICABLE LAWS.";

10. On the same page, line 26, delete the phrase "That Congress shall be informed of any sale, lease,";
11. On the same page, delete lines 27 to 29;
12. On page 5, delete lines 1 and 2;
13. The phrase "Except for taxes and customs duties," on page 6, line 1 is deleted; and
14. The sections are renumbered 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

Members

LOREN B. LEGARDA

PANFILO M. LACSON

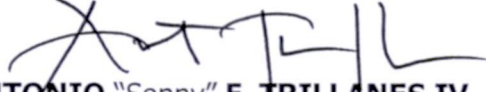
RICHARD J. GORDON



JOEL VILLANUEVA



RISA HONTIVEROS



ANTONIO "Sonny" F. TRILLANES IV



AQUILINO "Koko" PIMENTEL III



PAOLO BENIGNO "Bam" AQUINO IV

Ex-Officio Members

RALPH G. RECTO
Senate President Pro-Tempore



JUAN MIGUEL F. ZUBIRI
Majority Floor Leader



FRANKLIN M. DRILON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President

CONGRESS OF THE PHILIPPINES
SEVENTEENTH CONGRESS
Second Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 5717

BY REPRESENTATIVES SALCEDA, ALVAREZ (F.), MARCOLETA AND VIOLAGO,
PER COMMITTEE REPORT NO. 261

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE ASSIGNED TO PBN BROADCASTING NETWORK, INC., UNDER REPUBLIC ACT NO. 8158, ENTITLED "AN ACT EXTENDING THE FRANCHISE GRANTED TO JORGE D. BAYONA UNDER REPUBLIC ACT NUMBERED FIFTY-SEVEN HUNDRED EIGHTY-NINE, ASSIGNING IT IN FAVOR OF PBN BROADCASTING NETWORK, INC., AND RENEWING THE TERM THEREOF FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF THE EFFECTIVITY OF THIS ACT"

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 assigned to PBN Broadcasting Network, Inc., under Republic Act
4 No. 8158, to construct, install, establish, operate, and maintain for commercial
5 purposes and in the public interest, radio and/or television broadcasting
6 stations, including digital television system, through microwave, satellite or
7 whatever means, as well as the use of any new technology in television and
8 radio systems, with the corresponding technological auxiliaries and facilities,
9 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 and 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 Senate, within sixty (60) days from
25 the effectivity of this Act. Upon giving such acceptance, the grantee shall
26 exercise the privileges granted under this Act.

27 Nonacceptance shall render the franchise void.

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

13 SEC. 9. *Warranty in Favor of the National and Local Governments.* –
14 The grantee shall hold the national, provincial, city, and municipal
15 governments of the Philippines free from all claims, liabilities, demands, or
16 actions arising out of accidents causing injury to persons or damage to
17 properties, during the construction or operation of the stations of the grantee.

18 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of*
19 *Franchise.* – The grantee shall not sell, lease, transfer, grant the usufruct of,
20 nor assign this franchise or the rights and privileges acquired thereunder to any
21 person, firm, company, corporation, or other commercial or legal entity, nor
22 merge with any other corporation or entity, nor the controlling interest of the
23 grantee be transferred, whether as a whole or in parts, and whether
24 simultaneously or contemporaneously, to any such person, firm, company,
25 corporation or entity without the prior approval of the Congress of the
26 Philippines: *Provided,* That Congress shall be informed of any sale, lease,
27 transfer, grant of usufruct, or assignment of franchise or the rights and
28 privileges acquired thereunder, or of the merger or transfer of the controlling
29 interest of the grantee, within sixty (60) days after the completion of the said

1 transaction: *Provided, further,* That failure to report to Congress such change
2 of ownership shall render the franchise *ipso facto* revoked: *Provided, finally,*
3 That any person or entity to which this franchise is sold, transferred or
4 assigned shall be subject to the same conditions, terms, restrictions, and
5 limitations of this Act.

6 SEC. 11. *Dispersal of Ownership.* — In accordance with the
7 constitutional provision to encourage public participation in public utilities, the
8 grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher
9 percentage that may hereafter be provided by law of its outstanding capital
10 stock in any securities exchange in the Philippines within five (5) years from
11 the commencement of its operations: *Provided,* That in cases where public
12 offer of shares is not applicable, establishment of cooperatives and application
13 of other methods of encouraging public participation by citizens and
14 corporations operating public utilities as allowed by law must be implemented.

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

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

24 SEC. 13. *Fine.* — Failure of the grantee to submit the requisite annual
25 report to Congress shall be penalized by a fine of five hundred pesos (P500.00)
26 per working day of noncompliance. The fine shall be collected [separately] by
27 the NTC distinct from the penalties it imposes for noncompliance of its own
28 reportorial requirements.

1 SEC. 14. *Equality Clause.* – Except for taxes and customs duties, any
2 advantage, favor, privilege, exemption, or immunity granted under existing
3 franchises, or which may hereafter be granted for radio and/or television
4 broadcasting, upon prior review and approval of Congress, shall become part
5 of this franchise and shall be accorded immediately and unconditionally to the
6 herein grantee: *Provided,* That the foregoing shall neither apply to nor affect
7 provisions of broadcasting franchises concerning territorial coverage, the term,
8 or the type of service authorized by the franchise.

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

13 SEC. 16. *Separability Clause.* – If any of the sections or provisions of
14 this Act is held invalid, all other provisions not affected thereby shall remain
15 valid.

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

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

Approved,