

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



'19 FEB -4 P5:11

**SENATE**

RECEIVED

**COMMITTEE REPORT NO. 628**

Submitted by the Committee on Public Services on FEB - 4 2019.

Re: House Bill no. 8177

Recommending the approval of HBN 8177 with amendments.

Sponsor: Senator Grace Poe

**MR. PRESIDENT:**

The Committee on Public Services to which was referred House Bill No. 8177 introduced by Representatives Macapagal-Arroyo, Alvarez (F.), Radaza, Tejada, Enverga, Banal, Vargas-Alfonso, Zamora (M.C.), Unabia, Abellanos, Caminero, Acosta, Bernos, Cortes, Espino, Martinez, Pimentel, Unico, Violago, Montoro, Savellano, Villafuerte, Chipeco, Rodriguez (I.), Durano, Aggabao, Maceda, Gatchalian, Relampagos, Romulado, Vargas, Revilla, Bravo (M.V.), Ferrer (L.), Belmonte (R.), Batocabe, Velarde, Romero, Madrona, Cua, Tugna, Marcoleta, Almario, Oaminal, Olivarez, and Sy-Alvarado, entitled:

**"AN ACT**

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO RAJAH BROADCASTING NETWORK, INC.  
TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN  
RADIO AND TELEVISION BROADCASTING STATIONS IN THE  
PHILIPPINES UNDER REPUBLIC ACT NUMBERED FORTY-FIVE  
HUNDRED AND FIVE, AS AMENDED BY REPUBLIC ACT NUMBERED  
EIGHTY-ONE HUNDRED AND FOUR"**

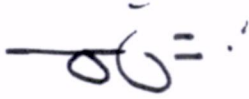
has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 8177 be approved with the following amendments:

1. On page 6, lines 1 and 2, delete the phrase "whether as a whole or in part, and whether";
2. On the same page , lines 4 to 5, after the word "Philippines" insert a period (.) and delete the phrase "and compliance with legal requirements stipulated in other statutes: *Provided That*" and in lieu thereof insert new sentences which shall read as follows: "**CONGRESS SHALL BE INFORMED OF ANY SALE, LEASE, TRANSFER, GRANT OF USUFRUCT, OR ASSIGNMENT OF FRANCHISE OR THE RIGHTS AND PRIVILEGES ACQUIRED THEREUNDER, OR OF THE MERGER OR TRANSFER OF THE CONTROLLING INTEREST OF THE GRANTEE, WITHIN SIXTY (60) DAYS AFTER THE COMPLETION OF THE SAID TRANSACTION. FAILURE TO REPORT TO CONGRESS SUCH CHANGE OF OWNERSHIP SHALL RENDER THE FRANCHISE IPSO FACTO REVOKED.**"; also on line 5 capitalize letter "a" in the word "any";
3. On page 7, line 9, before the word "Any", insert the phrase "**EXCEPT FOR TAXES AND CUSTOMS DUTIES,**".

RESPECTFULLY SUBMITTED



**GRACE POE**  
Chairperson  
Committee on Public Services

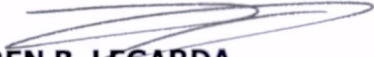


**JOSEPH VICTOR G. EJERCITO**  
Vice-Chairperson  
Committee on Public Services



**FRANCIS "Chiz" G. ESCUDERO**  
Vice-Chairperson  
Committee on Public Services

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**RICHARD J. GORDON**

**JOEL VILLANUEVA**



**RISA HONTIVEROS**

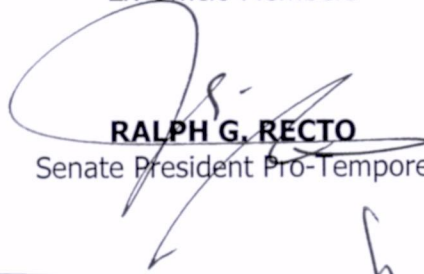
**ANTONIO "Sonny" F. TRILLANES IV**



**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



HOUSE OF REPRESENTATIVES

H. No. 8177

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BY REPRESENTATIVES MACAPAGAL-ARROYO, ALVAREZ (F.), RADAZA, TEJADA, ENVERGA, BANAL, VARGAS-ALFONSO, ZAMORA (M.C.), UNABIA, ABELLANOSA, CAMINERO, ACOSTA, BERNOS, CORTES, ESPINO, MARTINEZ, PIMENTEL, UNICO, VIOLAGO, MONTORO, SAVELLANO, VILLAFUERTE, CHIPECO, RODRIGUEZ (I.), DURANO, AGGABAO, MACEDA, GATCHALIAN, RELAMPAGOS, ROMUALDO, VARGAS, REVILLA, BRAVO (M.V.), FERRER (L.), BELMONTE (R.), BATOCABE, VELARDE, ROMERO, MADRONA, CUA, TUGNA, MARCOLETA, ALMARIO, OAMINAL, OLIVAREZ AND SY-ALVARADO, PER COMMITTEE REPORT NO. 847

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO RAJAH BROADCASTING NETWORK, INC. TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES UNDER REPUBLIC ACT NUMBERED FORTY-FIVE HUNDRED AND FIVE, AS AMENDED BY REPUBLIC ACT NUMBERED EIGHTY-ONE HUNDRED AND FOUR

*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 Rajah Broadcasting Network,

1 Inc. hereunder referred to as the grantee, its successors or  
2 assignees, under Republic Act No. 8104, to construct, install,  
3 establish, operate, and maintain for commercial purposes and in the  
4 public interest, radio and/or television broadcasting stations,  
5 including digital television system, through microwave, satellite or  
6 whatever means, as well as the use of any new technology in  
7 television and radio systems, with the corresponding technological  
8 auxiliaries and facilities, special broadcast and other program and  
9 distribution services and relay stations in the Philippines, is hereby  
10 renewed for another twenty-five (25) years from the effectivity of  
11 this Act.

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

21       SEC. 3. *Prior Approval of the National Telecommunications*  
22 *Commission.* - The grantee shall secure from the National  
23 Telecommunications Commission (NTC) the appropriate permits  
24 and licenses for the construction and operation of its stations or  
25 facilities and shall not use any frequency in the radio/television  
26 spectrum without authorization from the NTC. The NTC, however,

1 shall not unreasonably withhold or delay the grant of any such  
2 authority.

3       SEC. 4. *Responsibility to the Public.* – The grantee shall  
4 provide, free of charge, adequate public service time which is  
5 reasonable and sufficient to enable the government, through the  
6 broadcasting stations or facilities of the grantee, to reach the  
7 pertinent populations or portions thereof, on important public issues  
8 and relay important public announcements and warnings  
9 concerning public emergencies and calamities, as necessity, urgency  
10 or law may require; provide at all times sound and balanced  
11 programming; promote public participation; assist in the functions  
12 of public information and education; conform to the ethics of honest  
13 enterprise; promote audience sensibility and empowerment  
14 including closed captioning; and not use its stations or facilities for  
15 the broadcasting of obscene or indecent language, speech, act, or  
16 scene; or for the dissemination of deliberately false information or  
17 willful misrepresentation, to the detriment of the public interest; or  
18 to incite, encourage, or assist in subversive or treasonable acts.

19       Public service time referred herein shall be equivalent to a  
20 maximum aggregate of ten percent (10%) of paid commercials or  
21 advertisements which shall be allocated based on need to the  
22 executive, legislative, judiciary, constitutional commissions and  
23 international humanitarian organizations duly recognized by  
24 statutes: *Provided*, That the NTC shall increase the public service  
25 time in case of extreme emergency or calamity. The NTC shall issue  
26 rules and regulations for this purpose, the effectivity of which shall

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1 commence upon applicability with other similarly situated  
2 broadcast network franchise holders.

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

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

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

22       SEC. 7. *Self-regulation by and Undertaking of the Grantee.* –  
23 The grantee shall not require any previous censorship of any  
24 speech, play, act, or scene, or other matter to be broadcast from its  
25 stations: *Provided*, That the grantee, during any broadcast, shall  
26 cut off from the air the speech, play, act, or scene, or other matter  
27 being broadcast if the tendency thereof is to propose and/or incite

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

5       SEC. 8. *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. 9. *Commitment to Provide and Promote the Creation*  
12 *of Employment Opportunities.* - The grantee shall create  
13 employment opportunities and shall allow on-the-job trainings in  
14 their franchise operation: *Provided,* That priority shall be accorded  
15 to the residents in areas where any of its offices is located:  
16 *Provided, further,* That the grantee shall follow the applicable  
17 labor standards and allowance entitlement under existing  
18 labor laws, rules and regulations and similar issuances: *Provided,*  
19 *finally,* That the employment opportunities or jobs created shall  
20 be reflected in the General Information Sheet to be submitted to  
21 the Securities and Exchange Commission annually.

22       SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*  
23 *Assignment of Franchise.* - The grantee shall not sell, lease,  
24 transfer, grant the usufruct of, nor assign this franchise or the  
25 rights and privileges acquired thereunder to any person, firm,  
26 company, corporation or other commercial or legal entity, nor merge  
27 with any other corporation or entity, nor shall transfer the



1 controlling interest of the grantee, whether as a whole or in part,  
2 and whether simultaneously or contemporaneously, to any person,  
3 firm, company, corporation, or entity without the prior approval of  
4 the Congress of the Philippines and compliance with legal  
5 requirements stipulated in other statutes: *Provided*, That any  
6 person or entity to which this franchise is sold, transferred, or  
7 assigned shall be subject to the same conditions, terms, restrictions,  
8 and limitations of this Act.

9       SEC. 11. *Dispersal of Ownership.* - In accordance with the  
10 constitutional provision to encourage public participation in public  
11 utilities, the grantee shall offer to Filipino citizens at least thirty  
12 percent (30%) or a higher percentage that may hereafter be  
13 provided by law of its outstanding capital stock in any securities  
14 exchange in the Philippines within five (5) years from the  
15 commencement of its operations: *Provided*, That in cases where  
16 public offer of shares is not applicable, the grantee shall apply other  
17 methods of encouraging public participation by citizens and  
18 corporations operating public utilities as allowed by law.  
19 Noncompliance therewith shall render the franchise *ipso facto*  
20 revoked.

21       SEC. 12. *Reportorial Requirement.* - The grantee shall  
22 submit an annual report to the Congress of the Philippines, through  
23 the Committee on Legislative Franchises of the House of  
24 Representatives and the Committee on Public Services of the  
25 Philippine Senate, on its compliance with the terms and conditions  
26 of the franchise and on its operations on or before April 30 of every  
27 year during the term of its franchise. The reportorial compliance

1 certificate issued by Congress shall be required before any  
2 application for permit or certificate is accepted by the NTC.

3 SEC. 13. *Fine.* - Failure of the grantee to submit the  
4 requisite annual report to Congress shall be penalized by a fine of  
5 Five hundred pesos (P500.00) per working day of noncompliance.  
6 The fine shall be collected by the NTC from the delinquent franchise  
7 grantee separate from the reportorial penalties imposed by the NTC  
8 and the same shall be remitted to the National Treasury.

9 SEC. 14. *Equality Clause.* - Any advantage, favor, privilege,  
10 exemption, or immunity granted under existing franchises, or which  
11 may hereafter be granted for radio and/or television broadcasting,  
12 upon prior review and approval of Congress, shall become part of  
13 this franchise and shall be accorded immediately and  
14 unconditionally to the herein grantee: *Provided,* That the foregoing  
15 shall neither apply to nor affect provisions of broadcasting  
16 franchises concerning territorial coverage, the term, or the type of  
17 service authorized by the franchise.

18 SEC. 15. *Repealability and Nonexclusivity Clause.* - This  
19 franchise shall be subject to amendment, alteration, or repeal by the  
20 Congress of the Philippines when the public interest so requires and  
21 shall not be interpreted as an exclusive grant of the privileges  
22 herein provided for.

23 SEC. 16. *Separability Clause.* - If any of the sections or  
24 provisions of this Act is held invalid, all other provisions not  
25 affected thereby shall remain valid.

26 SEC. 17. *Repealing Clause.* - All laws, decrees, orders,  
27 resolutions, instructions, rules and regulations, and other issuances

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