

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



'19 FEB -4 P5:10

**SENATE**

**COMMITTEE REPORT NO. 627**

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

Re: House Bill no. 8264

Recommending the approval of HBN 8264 with amendments.

Sponsor: Senator Grace Poe

**MR. PRESIDENT:**

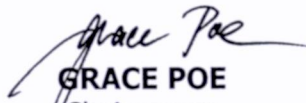
The Committee on Public Services to which was referred House Bill No. 8264 introduced by Representatives Enverga, Aggabao, Alvarez (F.), and Maceda, entitled:

**"AN ACT  
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO RADYO FILIPINO CORPORATION UNDER  
REPUBLIC ACT NO. 8145, ENTITLED "AN ACT GRANTING THE RADYO  
PILIPINO CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL,  
ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL RADIO AND  
TELEVISION BROADCASTING STATIONS, SATELLITE AND CABLE  
STATIONS IN THE PHILIPPINES"**

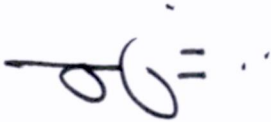
has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 8264 be approved with the following amendments:

1. On page 5, lines 24 and 25, delete the phrase "whether as a whole or in part, and whether";
2. On the same page, line 27, after the word "Philippines" insert a period (.) and delete the phrase "and compliance with legal" 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.**";
3. On page 6, line 1, delete the phrase "requirements stipulated in other statutes: Provided, That" and capitalize letter "a" in the word "any";
4. On page 7, line 5, 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

Members



**LOREN B. LEGARDA**



**PANFILO M. LACSON**

**RICHARD J. GORDON**

**JOEL VILLANUEVA**



**RISA HONTIVEROS**

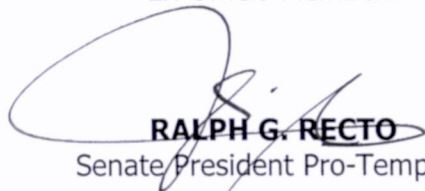
**ANTONIO "Sonny" F. TRILLANES IV**



**AQUILINO "Koko" PIMENTEL III**

**PAOLO BENIGNO "Bam" AQUINO IV**

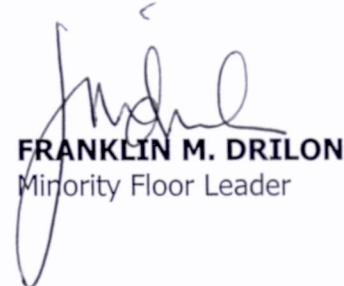
Ex-Officio Members



**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  
*Third Regular Session*

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HOUSE OF REPRESENTATIVES

H. No. 8264

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BY REPRESENTATIVES ENVERGA, AGGABAO, ALVAREZ (F.) AND  
MACEDA, PER COMMITTEE REPORT NO. 870

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)  
YEARS THE FRANCHISE GRANTED TO RADYO  
PILIPINO CORPORATION UNDER REPUBLIC ACT  
NO. 8145, ENTITLED "AN ACT GRANTING THE  
RADYO PILIPINO CORPORATION A FRANCHISE  
TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE  
AND MAINTAIN COMMERCIAL RADIO AND  
TELEVISION BROADCASTING STATIONS, SATELLITE  
AND CABLE 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 Constitution and applicable laws, rules and  
3 regulations, the franchise granted under Republic Act No. 8145 to  
4 Radyo Pilipino Corporation, hereunder referred to as the grantee,  
5 its successors or assignees, to construct, install, establish, operate,  
6 and maintain for commercial purposes and in the public interest,  
7 radio and/or television broadcasting stations, including digital  
8 television system, through microwave, satellite or whatever means,

1 as well as the use of any new technology in television and radio  
2 systems, with the corresponding technological auxiliaries and  
3 facilities, special broadcast and other program and distribution  
4 services and relay stations in the Philippines, is hereby renewed for  
5 another twenty-five (25) years 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       SEC. 4. *Responsibility to the Public.* - The grantee shall  
24 provide, free of charge, adequate public service time which is  
25 reasonable and sufficient to enable the government, through the  
26 broadcasting stations or facilities of the grantee, to reach the  
27 pertinent populations or portions thereof, on important public

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

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

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

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

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

16           SEC. 7. *Self-regulation by and Undertaking of the Grantee.* -  
17 The grantee shall not require any previous censorship of any  
18 speech, play, act, or scene, or other matter to be broadcast from its  
19 stations: *Provided*, That the grantee, during any broadcast, shall  
20 cut off from the air the speech, play, act, or scene, or other matter  
21 being broadcast if the tendency thereof is to propose and/or incite  
22 treason, rebellion or sedition; or the language used therein or the  
23 theme thereof is indecent or immoral: *Provided, further*, That  
24 willful failure to do so shall constitute a valid cause for the  
25 cancellation of this franchise.

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

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

18           SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*  
19 *Assignment of Franchise.* - The grantee shall not sell, lease,  
20 transfer, grant the usufruct of, nor assign this franchise or the  
21 rights and privileges acquired thereunder to any person, firm,  
22 company, corporation, or other commercial or legal entity, nor  
23 merge with any other corporation, or entity, nor shall transfer the  
24 controlling interest of the grantee, whether as a whole or in part,  
25 and whether simultaneously or contemporaneously, to any person,  
26 firm, company, corporation, or entity without the prior approval of  
27 the Congress of the Philippines and compliance with legal



1 requirements stipulated in other statutes: *Provided*, That any  
2 person or entity to which this franchise is sold, transferred, or  
3 assigned shall be subject to the same conditions, terms, restrictions,  
4 and limitations of this Act.

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

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

26       SEC. 13. *Fine.* - Failure of the grantee to submit the  
27 requisite annual report to Congress shall be penalized by a fine of

1 Five hundred pesos (P500.00) per working day of noncompliance.  
2 The fine shall be collected by the NTC from the delinquent franchise  
3 grantee separate from the reportorial penalties imposed by the NTC  
4 and the same shall be remitted to the National Treasury.

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

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

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

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