

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



SENATE
Office of the Secretary

'19 MAY 21 P5:04

SENATE

RECEIVED

COMMITTEE REPORT NO. 665

Submitted by the Committee on Public Services on MAY 21 2019.

Re: House Bill no. 8634

Recommending the approval of HBN 8634 with amendments.

Sponsor: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 8634 introduced by Representatives Cueva and Alvarez (F.), entitled:

"AN ACT

**GRANTING THE CADIZ RADIO AND TELEVISION NETWORK, INC. A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND
MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN
THE WESTERN VISAYAS AREA"**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 8634 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";

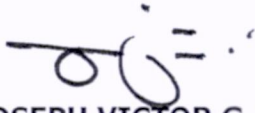
2. On the same page, lines 27 to 28, after the word "Philippines" insert a period (.) and delete the phrase "and compliance with legal requirements stipulated in other statutes: Provided, That" and in lieu thereof insert new sentences which shall read as follows: "**CONGRESS SHALL BE INFORMED OF ANY 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 28 capitalize letter "a" in the word "any";

3. On page 7, line 10, 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



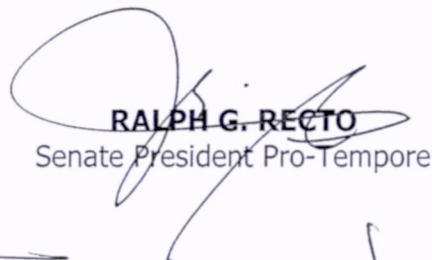
RISA HONTIVEROS

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. 8634

BY REPRESENTATIVES CUEVA AND ALVAREZ (F.), PER COMMITTEE
REPORT NO. 945

AN ACT GRANTING THE CADIZ RADIO AND TELEVISION
NETWORK, INC. A FRANCHISE TO CONSTRUCT,
INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO
AND TELEVISION BROADCASTING STATIONS IN THE
WESTERN VISAYAS AREA

*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, there is hereby granted to Cadiz Radio and Television
4 Network, Inc., hereunder referred to as the grantee, its successors
5 or assignees, a franchise to construct, install, establish, operate, and
6 maintain for commercial purposes and in the public interest, radio
7 and/or television broadcasting stations in the Western Visayas area,
8 where frequencies and/or channels are still available for radio
9 and/or television broadcasting. The franchise shall include digital
10 television system, through microwave, satellite, terrestrial or
11 whatever means, as well as the use of any new technology in

1 television and radio systems, with the corresponding technological
2 auxiliaries or facilities, special broadcast and other programs, and
3 distribution services and relay stations.

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

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

21 SEC. 4. *Responsibility to the Public.* - The grantee shall
22 provide, free of charge, adequate public service time which is
23 reasonable and sufficient to enable the government, through the
24 broadcasting stations or facilities of the grantee, to reach the
25 pertinent populations or portions thereof, on important public issues
26 and relay important public announcements and warnings
27 concerning public emergencies and calamities, as necessity,
28 urgency, or law may require; provide at all times sound and
29 balanced programming; promote public participation; assist in the

1 functions of public information and education; conform to the ethics
2 of honest enterprise; promote audience sensibility and
3 empowerment including closed captioning; and not use its stations
4 or facilities for the broadcasting of obscene or indecent language,
5 speech, act, or scene; or for the dissemination of deliberately false
6 information or willful misrepresentation, to the detriment of public
7 interest; or to incite, encourage, or assist in subversive or
8 treasonable acts.

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

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

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

1 agency of the government, upon due compensation to the grantee,
2 for the use of said stations or facilities during the period when these
3 shall be so operated.

4 SEC. 6. *Term of Franchise.* - This franchise shall be in effect
5 for a period of twenty-five (25) years, unless sooner revoked or
6 cancelled. This franchise shall be deemed *ipso facto* revoked in the
7 event the grantee fails to comply with any of the following
8 conditions:

9 (a) Commence operations within one (1) year from the
10 approval of its operating permit by the NTC;

11 (b) Commence operations within three (3) years from the
12 effectivity of this Act; and

13 (c) Operate continuously for two (2) years.

14 SEC. 7. *Renewal or Extension of Franchise.* - The grantee
15 shall apply for the renewal or extension of its franchise five (5)
16 years before its expiration date which shall be reckoned fifteen (15)
17 days after the publication of the franchise in the *Official Gazette* or
18 in a newspaper of general circulation.

19 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* -
20 The grantee shall not require any previous censorship of any
21 speech, play, act, or scene, or other matter to be broadcast from its
22 stations: *Provided*, That the grantee, during any broadcast, shall
23 cut off from the air the speech, play, act, or scene, or other matter
24 being broadcast if the tendency thereof is to propose and/or incite
25 treason, rebellion or sedition; or the language used therein or the
26 theme thereof is indecent or immoral: *Provided, further*, That
27 willful failure to do so shall constitute a valid cause for the
28 cancellation of this franchise.

1 SEC. 9. *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. 10. *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 (SEC) annually.

18 SEC. 11. *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
28 requirements stipulated in other statutes: *Provided, That*] ^Aany
29 person or entity to which this franchise is sold, transferred, or

1 assigned shall be subject to the same conditions, terms, restrictions,
2 and limitations of this Act.

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

15 SEC. 13. *Reportorial Requirement.* – During the term of its
16 franchise, the grantee shall submit an annual report to the
17 Congress of the Philippines, through the Committee on Legislative
18 Franchises of the House of Representatives and the Committee on
19 Public Services of the Senate, on its compliance with the terms and
20 conditions of the franchise and on its operations on or before April
21 30 of every year.

22 The annual report shall include an update on the roll-out,
23 development, operation, or expansion of business; audited financial
24 statements; latest General Information Sheet officially submitted to
25 SEC (if applicable); certification of the NTC on the status of its
26 permits and operations; and an update on the dispersal of
27 ownership undertaking, if applicable.

1 The reportorial compliance certificate issued by Congress
2 shall be required before an application for permit, certificate, or any
3 equivalent thereof, is accepted by the NTC.

4 SEC. 14. *Fine.* – Failure of the grantee to submit the
5 requisite annual report to Congress shall be penalized by a fine of
6 Five hundred pesos (P500.00) per working day of noncompliance.
7 The fine shall be collected by the NTC from the delinquent franchise
8 grantee separate from the reportorial penalties imposed by the NTC
9 and the same shall be remitted to the National Treasury.

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

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

24 SEC. 17. *Separability Clause.* – If any of the sections or
25 provisions of this Act is held invalid, all other provisions not
26 affected thereby shall remain valid.

27 SEC. 18. *Repealing Clause.* – All laws, decrees, orders,
28 resolutions, instructions, rules and regulations, and other issuances

1 or parts thereof which are inconsistent with the provisions of this
2 Act are hereby repealed, amended, or modified accordingly.

3 SEC. 19. *Effectivity.* - This Act shall take effect fifteen (15)
4 days after its publication in the *Official Gazette* or in a newspaper of
5 general circulation.

Approved,

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