

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



'19 FEB -4 P5:11

**SENATE**

**COMMITTEE REPORT NO. 630**  
**FEB - 4 2019**

Submitted by the Committee on Public Services on \_\_\_\_\_.

Re: House Bill no. 8237

Recommending the approval of HBN 8237 with amendments.

Sponsor: Senator Grace Poe

**MR. PRESIDENT:**

The Committee on Public Services to which was referred House Bill No. 8237 introduced by Representatives Savellano, Alvarez (F.), Pimentel, Violago, Relampagos, Pancho, Garbin, Tambunting, Tejada, and Bravo (A.), entitled:

**"AN ACT**

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO SOLIDNORTH BROADCASTING SYSTEM,  
INC. UNDER REPUBLIC ACT NO. 8089, ENTITLED "AN ACT  
GRANTING THE SOLIDNORTH BROADCASTING SYSTEM A  
FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN  
COMMERCIAL RADIO BROADCASTING STATIONS IN THE  
PHILIPPINES, AND FOR OTHER PURPOSES"**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 8237 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 6, after the word "Philippines" insert a period (.) and delete the colon (:) and phrase "Provided, That such transfer, sale or issuance is in accordance with any applicable constitutional limitation: Provided, finally, 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 6 capitalize letter "a" in the word "any";
3. On page 7, line 23, before the word "Any", insert the phrase **"EXCEPT FOR TAXES AND CUSTOMS DUTIES,"**.

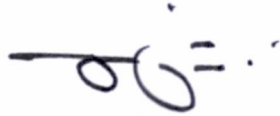
RESPECTFULLY SUBMITTED



**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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**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. 8237

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BY REPRESENTATIVES SAVELLANO, ALVAREZ (F.), PIMENTEL,  
VIOLAGO, RELAMPAGOS, PANTOJA, GARCIA, TAMBUNTING,  
TEJADA AND BRAVO (A.), PER COMMITTEE REPORT NO. 859

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)  
YEARS THE FRANCHISE GRANTED TO SOLIDNORTH  
BROADCASTING SYSTEM, INC. UNDER REPUBLIC  
ACT NO. 8089, ENTITLED "AN ACT GRANTING THE  
SOLIDNORTH BROADCASTING SYSTEM A FRANCHISE  
TO CONSTRUCT, ESTABLISH, OPERATE AND  
MAINTAIN COMMERCIAL RADIO BROADCASTING  
STATIONS IN THE PHILIPPINES, AND FOR OTHER  
PURPOSES"

*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 Solidnorth Broadcasting  
4 System, Inc., hereunder referred to as the grantee, its successors or  
5 assignees, under Republic Act No. 8089, to construct, install,  
6 establish, maintain, and operate in the public interest and for  
7 commercial purposes, radio broadcasting stations, through  
8 microwave, satellite or whatever means, as well as the use of any

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1 new technology in radio systems, with the corresponding  
2 technological auxiliaries and facilities, special broadcast and other  
3 program and distribution services and relay stations in the  
4 Philippines, is hereby renewed for another twenty-five years (25)  
5 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 spectrum  
20 without authorization from the NTC.

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 population/s or portions thereof on important public  
26 issues and relay important public announcements and warnings  
27 concerning public emergencies and calamities, as necessity,

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

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

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

25 A special right is hereby reserved to the President of the  
26 Philippines, in times of war, rebellion, public peril, calamity,  
27 emergency, disaster, or disturbance of peace and order: to

1 temporarily take over and operate the stations or facilities of the  
2 grantee; to temporarily suspend the operation of any station or  
3 facility in the interest of public safety, security and public welfare;  
4 or to authorize the temporary use and operation thereof by any  
5 agency of the government, upon due compensation to the grantee,  
6 for the use of said stations or facilities during the period when these  
7 shall be so operated.

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

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

18       SEC. 8. *Self-regulation by and Undertaking of the Grantee.* -  
19 The grantee shall not require any previous censorship of any  
20 speech, play, act, or scene, or other matter to be broadcast from its  
21 stations, but if any such speech, play, act, or scene, or other matter  
22 should constitute a violation of the law or infringement of a private  
23 right, the grantee shall be free from any liability, civil or criminal,  
24 for such speech, play, act, or scene, or other matter from its stations:  
25 *Provided*, That the grantee, during any broadcast, shall cut off  
26 from the air the speech, play, act, or scene, or other matter being  
27 broadcast if the tendency thereof is to propose and/or incite treason.

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

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

22 SEC. 11. *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  
27 merge with any other corporation or entity, nor the controlling

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1 interest of the grantee be transferred, whether as a whole or in part,  
2 and whether simultaneously or contemporaneously, to any such  
3 person, firm, company, corporation, or entity without the prior  
4 approval of the Congress of the Philippines: *Provided*, That such  
5 transfer, sale or issuance is in accordance with any applicable  
6 constitutional limitation: *Provided, finally*, That any person or  
7 entity to which this franchise is sold, transferred or assigned shall  
8 be subject to the same conditions, terms, restrictions, and  
9 limitations of this Act.

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

22 SEC. 13. *Compliance with Labor Standards.* - The grantee,  
23 its successors or assignees shall comply with the applicable labor  
24 standards under existing labor laws, rules and regulations and such  
25 other issuances as may be promulgated by the Department of Labor  
26 and Employment, taking into consideration the nature and  
27 peculiarities of the broadcasting industry.

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1        SEC. 14. *Reportorial Requirement.* - The grantee shall  
2        submit an annual report to the Congress of the Philippines, through  
3        the Committee on Legislative Franchises of the House of  
4        Representatives and the Committee on Public Services of the  
5        Senate, on its compliance with the terms and conditions of the  
6        franchise and on its operations on or before April 30 of every year  
7        during the term of its franchise.

8        The annual report shall include an update on the roll-out,  
9        development, operation and/or expansion of business; audited  
10       financial statements; latest GIS officially submitted to SEC (if  
11       applicable); certification of the NTC on the status of its permits and  
12       operations; and an update on the dispersal of ownership  
13       undertaking, if applicable.

14       The reportorial compliance certificate issued by Congress  
15       shall be required before any application for permit or certificate is  
16       accepted by the NTC.

17       SEC. 15. *Fine.* - Failure of the grantee to submit the  
18       requisite annual report to Congress shall be penalized by a fine of  
19       Five hundred pesos (P500.00) per working day of noncompliance.  
20       The fine shall be collected by the NTC from the delinquent franchise  
21       grantee separate from the reportorial penalties imposed by the NTC  
22       and the same shall be remitted to the National Treasury.

23       SEC. 16. *Equality Clause.* - Any advantage, favor, privilege,  
24       exemption, or immunity granted under existing franchises, or  
25       which may hereafter be granted for radio and/or television  
26       broadcasting, upon prior review and approval of Congress, shall  
27       become part of this franchise and shall be accorded immediately

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1 and unconditionally to the herein grantee: *Provided*, That the  
2 foregoing shall neither apply to nor affect provisions of broadcasting  
3 franchises concerning territorial coverage, the term, or the type of  
4 service authorized by the franchise.

5 SEC. 17. *Repealability and Nonexclusivity Clause.* - This  
6 franchise shall be subject to amendment, alteration, or repeal by the  
7 Congress of the Philippines when the public interest so requires and  
8 shall not be interpreted as an exclusive grant of the privileges  
9 herein provided for.

10 SEC. 18. *Separability Clause.* - If any of the sections or  
11 provisions of this Act is held invalid, all other provisions not  
12 affected thereby shall remain valid.

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

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

Approved,

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