

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



'19 FEB -4 P5 :12

SENATE

RECEIVED _____

COMMITTEE REPORT NO. 632

FEB - 4 2019

Submitted by the Committee on Public Services on _____.

Re: House Bill no. 8176

Recommending the approval of HBN 8176 with amendments.

Sponsor: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 8176 introduced 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, Romulado, Vargas, Revilla, Bravo (M.V.), Ferrer (L.), Belmonte (R.), Batocabe, Velarde, Romero, Madrona, Cua, Tugna, Marcoleta, Almario, Oaminal and Olivarez, entitled:

**"AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO RADIOWORLD BROADCASTING
CORPORATION UNDER REPUBLIC ACT NO. 8219, ENTITLED AN ACT
GRANTING RADIOWORLD BROADCASTING CORPORATION, A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH. OPERATE AND
MAINTAIN RADIO AND TELEVISION BROADCASTING 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. 8176 be approved with the following amendments:

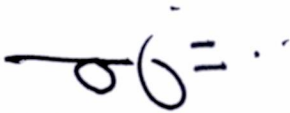
1. On page 5, lines 26 and 27, delete the phrase "whether as a whole or in part, and whether";
2. On page 6, lines 2 to 3, after the word "Philippines" insert a period (.) and delete the phrase "and compliance with legal requirements stipulated in other statutes: *Provided That*" and in lieu thereof 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 3 capitalize letter "a" in the word "any";
3. On page 7, line 7, 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



HOUSE OF REPRESENTATIVES

H. No. 8176

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 AND OLIVAREZ, PER COMMITTEE REPORT NO. 846

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO RADIOWORLD BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8219, ENTITLED "AN ACT GRANTING RADIOWORLD BROADCASTING CORPORATION, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING 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 to Radioworld Broadcasting
4 Corporation, hereunder referred to as the grantee, its successors or

1 assignees, under Republic Act No. 8219, to construct, install,
2 establish, operate, and maintain for commercial purposes and in the
3 public interest, radio and/or television broadcasting stations,
4 including digital television system, through microwave, satellite or
5 whatever means, as well as the use of any new technology in
6 television and radio systems, with the corresponding technological
7 auxiliaries and facilities, special broadcast and other program and
8 distribution services and relay stations in the Philippines, is hereby
9 renewed for another twenty-five (25) years from the effectivity of
10 this Act.

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

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

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

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

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

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

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

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

1 willful failure to do so shall constitute a valid cause for the
2 cancellation of this franchise.

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

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

20 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
21 *Assignment of Franchise.* – The grantee shall not sell, lease,
22 transfer, grant the usufruct of, nor assign this franchise or the
23 rights and privileges acquired thereunder to any person, firm,
24 company, corporation or other commercial or legal entity, nor merge
25 with any other corporation or entity, nor shall transfer the
26 controlling interest of the grantee, whether as a whole or in part,
27 and whether simultaneously or contemporaneously, to any person,

1 firm, company, corporation, or entity without the prior approval of
2 the Congress of the Philippines. [and compliance with legal ^{insert}
3 requirements stipulated in other statutes: *Provided, That*] any
4 person or entity to which this franchise is sold, transferred, or
5 assigned shall be subject to the same conditions, terms, restrictions,
6 and limitations of this Act.

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

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

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

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

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

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

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

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

Approved,

O