

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



Senate
Office of the Secretary

'19 FEB -4 P5:17

SENATE

RECEIVED

COMMITTEE REPORT NO. 635
FEB - 4 2019

Submitted by the Committee on Public Services on _____.

Re: House Bill no. 8268

Recommending the approval of HBN 8268 with amendments.

Sponsor: Senator Grace Poe

MR. PRESIDENT:

The Committee on Public Services to which was referred House Bill No. 8268 introduced by Representatives Enverga, Alvarez (F.) and Maceda, entitled:

"AN ACT

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO RADIO AUDIENCE DEVELOPERS
INTEGRATED ORGANIZATION, INC. UNDER REPUBLIC ACT NO.
8083, ENTITLED AN ACT GRANTING THE RADIO AUDIENCE
DEVELOPERS INTEGRATED ORGANIZATION, INC., A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN
COMMERCIAL RADIO STATIONS IN THE PHILIPPINES"**

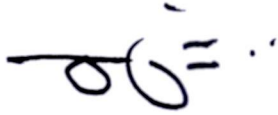
has considered the same and has the honor to report it back to the Senate with the recommendation that the attached H.B. No. 8268 be approved with the following amendments:

1. On page 5, lines 14 and 15, delete the phrase "whether as a whole or in part, and whether";
2. On the same page, lines 17 to 18, 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 18 capitalize letter "a" in the word "any";
3. On page 6, line 20, 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

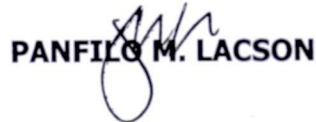


FRANCIS "Chiz" G. ESCUDERO
Vice-Chairperson
Committee on Public Services

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PANFILO M. LACSON

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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. 8268

BY REPRESENTATIVES ENVERGA, ALVAREZ (F.) AND MACEDA, PER
COMMITTEE REPORT NO. 873

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO RADIO AUDIENCE
DEVELOPERS INTEGRATED ORGANIZATION, INC.
UNDER REPUBLIC ACT NO. 8083, ENTITLED "AN ACT
GRANTING THE RADIO AUDIENCE DEVELOPERS
INTEGRATED ORGANIZATION, INC., A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND
MAINTAIN COMMERCIAL RADIO 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. 8083
4 to Radio Audience Developers Integrated Organization, Inc.,
5 hereunder referred to as the grantee, its successors or assignees, to
6 construct, install, establish, operate, and maintain for commercial
7 purposes and in the public interest, radio broadcasting stations,
8 through microwave, satellite or whatever means, as well as the use
9 of any new technology in radio systems, with the corresponding

1 technological auxiliaries and facilities, special broadcast and other
2 program and distribution services and relay stations in the
3 Philippines, is hereby renewed for another twenty-five (25) years
4 from the effectivity of this Act.

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

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

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

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

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

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

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

1 or to authorize the temporary use and operation thereof by any
2 agency of the government, upon due compensation to the grantee,
3 for the use of said stations or facilities during the period when these
4 shall be so operated.

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

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

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

26 SEC. 9. *Commitment to Provide and Promote the Creation of*
27 *Employment Opportunities.* – The grantee shall create employment
28 opportunities and shall allow on-the-job trainings in their franchise
29 operation: *Provided*, That priority shall be accorded to the residents

1 in areas where any of its offices is located: *Provided, further,* That
2 the grantee shall follow the applicable labor standards and
3 allowance entitlement under existing labor laws, rules and
4 regulations and similar issuances: *Provided, finally,* That the
5 employment opportunities or jobs created shall be reflected in the
6 General Information Sheet to be submitted to the Securities and
7 Exchange Commission annually.

8 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
9 *Assignment of Franchise.* - The grantee shall not sell, lease,
10 transfer, grant the usufruct of, nor assign this franchise or the
11 rights and privileges acquired thereunder to any person, firm,
12 company, corporation or other commercial or legal entity, nor merge
13 with any other corporation or entity, nor shall transfer the
14 controlling interest of the grantee, whether as a whole or in part,
15 and whether simultaneously or contemporaneously, to any person,
16 firm, company, corporation, or entity without the prior approval of
17 the Congress of the Philippines and compliance with legal
18 requirements stipulated in other statutes: *Provided,* That any
19 person or entity to which this franchise is sold, transferred, or
20 assigned shall be subject to the same conditions, terms, restrictions,
21 and limitations of this Act.

22 SEC. 11. *Dispersal of Ownership.* - In accordance with the
23 constitutional provision to encourage public participation in public
24 utilities, the grantee shall offer to Filipino citizens at least thirty
25 percent (30%) or a higher percentage that may hereafter be
26 provided by law of its outstanding capital stock in any securities
27 exchange in the Philippines within five (5) years from the
28 commencement of its operations: *Provided,* That in cases where
29 public offer of shares is not applicable, the grantee shall apply other

1 methods of encouraging public participation by citizens and
2 corporations operating public utilities as allowed by law.
3 Noncompliance therewith shall render the franchise *ipso facto*
4 revoked.

5 SEC. 12. *Reportorial Requirement.* - The grantee shall
6 submit an annual report to the Congress of the Philippines, through
7 the Committee on Legislative Franchises of the House of
8 Representatives and the Committee on Public Services of the
9 Philippine Senate, on its compliance with the terms and conditions
10 of the franchise and on its operations on or before April 30 of every
11 year during the term of its franchise. The reportorial compliance
12 certificate issued by Congress shall be required before any
13 application for permit or certificate is accepted by the NTC.

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

20 SEC. 14. *Equality Clause.* - Any advantage, favor, privilege,
21 exemption, or immunity granted under existing franchises, or which
22 may hereafter be granted for radio and/or television broadcasting,
23 upon prior review and approval of Congress, shall become part of
24 this franchise and shall be accorded immediately and
25 unconditionally to the herein grantee: *Provided, That* the foregoing
26 shall neither apply to nor affect provisions of broadcasting
27 franchises concerning territorial coverage, the term, or the type of
28 service authorized by the franchise.

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

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

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

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

Approved,

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