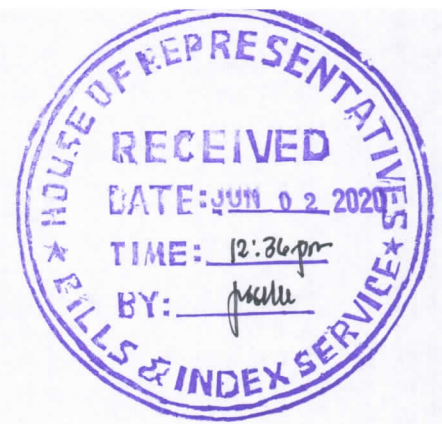


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 348

Submitted by the Committee on Legislative Franchises on JUN 02 2020

Re: House Bill No. 6919

Recommending its approval in substitution of House Bill No. 6351

Sponsors: Representatives Franz E. Alvarez, Yedda Marie K. Romualdez and Ferdinand Martin G. Romualdez

Mr. Speaker:

The Committee on Legislative Franchises to which was referred House Bill No. 6351, authored by Reps. Yedda Marie K. Romualdez and Ferdinand Martin G. Romualdez entitled:

“AN ACT AMENDING THE FRANCHISE GRANTED TO PHILIPPINE COLLECTIVE MEDIA CORPORATION UNDER REPUBLIC ACT NO. 9773 TO EXPAND THE COVERAGE OF THE FRANCHISE GRANTED AND FOR OTHER PURPOSES”

has considered the same and recommends that the attached House Bill No. , entitled:

“AN ACT AMENDING THE FRANCHISE GRANTED TO PHILIPPINE COLLECTIVE MEDIA CORPORATION UNDER REPUBLIC ACT NO. 9773, ENTITLED ‘AN ACT GRANTING THE PHILIPPINE COLLECTIVE MEDIA CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN REGION VIII (EASTERN VISAYAS)’

be approved in substitution of House Bill No. 6351 with Reps. Yedda Marie K. Romualdez, Ferdinand Martin G. Romualdez and Franz E. Alvarez, as authors thereof.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'Franz E. Alvarez', is written over a faint rectangular stamp.

FRANZ E. ALVAREZ

Chairperson

Committee on Legislative Franchises

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6919
(In substitution of House Bill No. 6351)

Introduced by REPS. YEDDA MARIE K. ROMUALDEZ, FERDINAND MARTIN G. ROMUALDEZ
and FRANZ E. ALVAREZ

AN ACT

AMENDING THE FRANCHISE GRANTED TO PHILIPPINE COLLECTIVE MEDIA CORPORATION UNDER REPUBLIC ACT NO. 9773, ENTITLED "AN ACT GRANTING THE PHILIPPINE COLLECTIVEMEDIA CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN REGION VIII (EASTERN VISAYAS)"

SECTION 1. Section 1 of Republic Act No. 9773 is hereby amended to read as follows:

"SECTION. 1. Nature and Scope of Franchise. — Subject to the provisions of the

Constitution and applicable laws, rules and regulations, there is hereby granted to Philippine Collective Media Corporation, hereunder referred to as the grantee, its successor- or assignees, a franchise to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in [Region VIII (Eastern Visayas)] THE PHILIPPINES, where frequencies and/or channels are still available for radio and/or television broadcasting, INCLUDING DIGITAL TELEVISION SYSTEM, through microwave, satellite or whatever means, AS WELL AS the use of any new technologY[ies] in TELEVISION AND radio [and television broadcasting] SYSTEMS, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations."

SEC. 2. Section 3 of Republic Act No. 9773 is hereby amended to read as follows:

"SEC. 3. Prior Approval of the National Telecommunications Commission. — The grantee shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses for the construction and operation of its stations OR [and] facilities and shall not use any frequency in the radio/television spectrum without AUTHORIZATION [having been authorized from] BY the NTC [Commission]. The NTC [Commission], however, shall not unreasonably withhold or delay the grant of any such authority."

THE GRANTEE SHALL NOT DISPOSE OR LEASE ITS FACILITIES EXCEPT TO ENTITIES WITH A RADIO OR TELEVISION BROADCASTING FRANCHISE: *PROVIDED*, THAT THE GRANTEE SHALL INFORM AND SECURE WRITTEN AUTHORIZATION FROM THE NTC TO PROCEED WITH SUCH

DISPOSAL OR LEASE, AND REPORT THE TRANSACTION TO THE NTC WITHIN SIXTY (60) DAYS AFTER ITS COMPLETION: *PROVIDED, FURTHER*, THAT THE NTC SHALL DETERMINE THE CORRESPONDING SANCTION FOR ANY VIOLATION OF THIS PROVISION.

THE NTC SHALL HAVE AUTHORITY TO REVOKE OR SUSPEND, AFTER DUE PROCESS, THE PERMITS OR LICENSES OF THE GRANTEE FOR ANY VIOLATION OF THE PROVISIONS OF THE FRANCHISE, AND MAY RECOMMEND TO CONGRESS THE REVOCATION OF THE FRANCHISE FOR ANY VIOLATION OF THE PROVISIONS THEREOF.

SEC. 3. Section 4 of Republic Act No. 9773 is hereby amended to read as follows:

"SEC 4. Responsibility to the Public. — The grantee shall provide, FREE OF CHARGE, adequate public service time WHICH IS REASONABLE AND SUFFICIENT to enable the government, through the [said] GRANTEE'S broadcasting stations or facilities, to reach the PERTINENT populationS OR PORTIONS THEREOF, on important public issues, AND RELAY IMPORTANT PUBLIC ANNOUNCEMENTS AND WARNINGS CONCERNING PUBLIC EMERGENCIES AND CALAMITIES, AS NECESSITY, URGENCY OR THE LAW MAY REQUIRE; provide at all times sound and balanced programming; PROMOTE PUBLIC PARTICIPATION; assist in the functions of public information and education; conform to the ethics of honest enterprise; PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED CAPTIONING; and not use its stations [and] OR facilities for the broadcasting of obscene [and] OR indecent language, speech, act or scene; or for the dissemination of deliberately false information or willful misrepresentation, to the detriment of the public interest[,]; or to incite, encourage or assist in subversive or treasonable acts.

"PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE EQUIVALENT TO A MAXIMUM AGGREGATE OF TEN (10%) PERCENT OF THE PAID COMMERCIALS OR ADVERTISEMENTS WHICH SHALL BE ALLOCATED BASED ON NEED TO THE EXECUTIVE AND LEGISLATIVE BRANCHES, THE JUDICIARY, CONSTITUTIONAL COMMISSIONS, AND INTERNATIONAL HUMANITARIAN ORGANIZATIONS DULY RECOGNIZED BY STATUTES: PROVIDED, THAT THE NTC SHALL INCREASE THE PUBLIC SERVICE TIME IN CASE OF EXTREME EMERGENCY OR CALAMITY. THE NTC SHALL ISSUE RULES AND REGULATIONS FOR THIS PURPOSE, THE EFFECTIVITY OF WHICH SHALL COMMENCE UPON APPLICABILITY WITH OTHER SIMILARLY SITUATED BROADCAST NETWORK FRANCHISE HOLDERS."

PURSUANT TO REPUBLIC ACT NO. 8370, OTHERWISE KNOWN AS THE "CHILDREN'S TELEVISION ACT OF 1997", THE GRANTEE SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT (15%) OF THE DAILY TOTAL AIR TIME OF EACH BROADCASTING NETWORK TO CHILD-FRIENDLY SHOWS WITHIN ITS REGULAR PROGRAMMING.

SEC. 4. A new Section 15 is hereby inserted to read as follows:

"SEC. 15. COMMITMENT TO PROVIDE AND PROMOTE THE CREATION OF EMPLOYMENT OPPORTUNITIES. — THE GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITIES AS WELL AS ACCEPT ON-THE-JOB TRAINEES IN THEIR FRANCHISE OPERATIONS: PROVIDED, THAT PRIORITY SHALL BE ACCORDED TO THE RESIDENTS OF THE PLACE WHERE THE PRINCIPAL OFFICE OF THE GRANTEE IS LOCATED: PROVIDED FURTHER, THAT THE GRANTEE SHALL COMPLY WITH THE APPLICABLE LABOR STANDARDS AND ALLOWANCE ENTITLEMENT UNDER EXISTING LABOR LAWS, RULES AND REGULATIONS AND SIMILAR ISSUANCES: PROVIDED, FINALLY, THAT THE EMPLOYMENT OPPORTUNITIES OR JOBS

CREATED SHALL BE REFLECTED IN THE GENERAL INFORMATION SHEET (GIS) TO BE SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION (SEC) ANNUALLY."

SEC. 5. Section 15 of Republic Act No. 9773 is hereby renumbered as Section 16, and amended to read as follows:

"SEC. 1[5]6. *Reportorial Requirement.* — The grantee shall submit an annual report to the Congress of the Philippines, THROUGH THE COMMITTEE ON LEGISLATIVE FRANCHISES OF THE HOUSE OF REPRESENTATIVES AND THE COMMITTEE ON PUBLIC SERVICES OF THE SENATE, on its compliance with the terms and conditions of the franchise and on [its operations within sixty (60) days from the end] OR BEFORE APRIL 30 of every year DURING THE TERM OF ITS FRANCHISE.

"THE ANNUAL REPORT SHALL INCLUDE AN UPDATE ON THE ROLL-OUT, DEVELOPMENT, OPERATION AND/OR EXPANSION OF BUSINESS; AUDITED FINANCIAL STATEMENTS; LATEST GIS OFFICIALLY SUBMITTED TO THE SEC, IF APPLICABLE; CERTIFICATION OF THE NTC ON THE STATUS OF ITS PERMITS AND OPERATIONS; AND AN UPDATE ON THE DISPERSAL OF OWNERSHIP UNDERTAKING, IF APPLICABLE.

"THE REPORTORIAL COMPLIANCE CERTIFICATE ISSUED BY CONGRESS SHALL BE REQUIRED BEFORE ANY APPLICATION FOR PERMIT OR CERTIFICATE IS ACCEPTED BY THE NTC."

SEC. 6. A new Section 17 is hereby inserted to read as follows:

"SEC. 17. *FINE.* — FAILURE OF THE GRANTEE TO SUBMIT THE REQUISITE ANNUAL REPORT TO CONGRESS SHALL BE PENALIZED BY A FINE OF FIVE HUNDRED PESOS (P500.00) PER WORKING DAY OF NONCOMPLIANCE. THE FINE SHALL BE COLLECTED BY THE NTC FROM THE DELINQUENT FRANCHISE GRANTEE SEPARATE FROM THE REPORTORIAL PENALTIES IMPOSED BY THE NTC AND THE SAME SHALL BE REMITTED TO THE BUREAU OF TREASURY."

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

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

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

SEC. 10. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,

FACT SHEET

House Bill No. 6919
In substitution of House Bills No. 6351
(As approved on 2 June 2020)

AN ACT

AMENDING THE FRANCHISE GRANTED TO PHILIPPINE COLLECTIVE MEDIA CORPORATION UNDER REPUBLIC ACT NO. 9773, ENTITLED "AN ACT GRANTING THE PHILIPPINE COLLECTIVEMEDIA CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN REGION VIII (EASTERN VISAYAS)"

*Introduced by: **REPS. YEDDA MARIE K. ROMUALDEZ and
FERDINAND MARTIN G. ROMUALDEZ***

*Committee Referral: **LEGISLATIVE FRANCHISES**
Committee Chairperson: **REP. FRANZ E. ALVAREZ***

OBJECTIVE:

- To allow the effective public service of the Philippine Collective Media Corporation (PCMC), through continuous radio/television broadcast.

KEY PROVISIONS:

- Allows PCMC to continuously operate and maintain radio and television broadcasting facilities, including digital television systems, not only in Region VIII (Eastern Visayas) but in the entire Philippines, for the duration of its remaining franchise term;
- Requires the grantee to provide the government adequate public service time to enable it to reach the population on important public issues and assist in the functions of public information and education;
- Prohibits the grantee to use its stations for the broadcasting of obscene and indecent language, speech, act or scene or for the dissemination of deliberately false information or willful misrepresentation; or to incite, encourage or assist in subversive or treasonable acts;
- Requires the grantee to create employment opportunities and allow on-the-job trainings in their franchise operation for residents of the place where any of its offices is located subject to applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances;

- Requires the grantee to submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year, which shall include an update on the roll-out, development, operation and/or expansion of business; audited financial statements; latest General Information Sheet officially submitted to the SEC, if applicable; certification of the NTC on the status of its permits and operations; and an update on the dispersal of ownership undertaking, if applicable; and
- Imposes a fine of Five hundred pesos per working day for non-compliance with the reportorial requirement of Congress.

RELATED LAWS:

- REPUBLIC ACT NO. 9773 - AN ACT GRANTING THE PHILIPPINE COLLECTIVE MEDIA CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN REGION VIII (EASTERN VISAYAS)