



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

17 MAY 17 P 3:37

RECEIVED BY: *[Signature]*

S E N A T E

COMMITTEE REPORT NO. 90

Submitted by the Committee on Public Services on MAY 17 2017

RE : H.B. No. 5212

Recommending its approval with amendments

Sponsor : Senator Grace Poe

MR. PRESIDENT:

The Senate Committee on Public Services to which was referred **H.B. No. 5212**, introduced by Representatives Del Mar, Abellanosa, Gullas, Caminero, Garcia (G.), Salimbangon, Durano, Cortes, Calderon, Radaza, Alvarez (F.), Quimbo, Garbin, Tejada, Abayon, Aggabao, Batocabe, Belmonte (R.), Mercado, Roque (H.), De Vera, Marcoleta, Chipeco, Montoro, Oaminal, Romualdo and Maceda, entitled:

**"AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO FILIPINAS
BROADCASTING ASSOCIATION, INC., PRESENTLY
KNOWN AS WORD BROADCASTING CORPORATION,
UNDER REPUBLIC ACT NO. 7485, ENTITLED "AN ACT
GRANTING FILIPINAS BROADCASTING ASSOCIATION,
INC. A FRANCHISE TO CONSTRUCT, OPERATE AND
MAINTAIN FOR COMMERCIAL PURPOSES RADIO
BROADCASTING AND TELEVISION STATIONS IN THE
VISAYAS AND MINDANAO 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. 5212** be approved with the following amendments, *to wit*:

1. On page 2 line 4, after the word “satellite” and before the word “or”, insert the word **“TERRESTRIAL”**;
2. On page 2, line 6, delete the word “technological”;
3. On the same page, from lines 22 to 29, delete the lines:

“The NTC, 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 radio or television franchise: *Provided*, That the grantee shall inform and secure written authorization to proceed from the NTC, 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”;

4. On page 3 line 2, after the word “provide” and before the word “adequate”, insert the phrase **“, FREE OF CHARGE,”**;
5. Still on page 3 line 2, after the word “time” and before the word “to”, insert the phrase **“WHICH IS REASONABLE AND SUFFICIENT”**;
6. On page 3 line 3, after the word “facilities” and before the comma (,), insert the phrase **“OF THE GRANTEE”**;
7. Still on page 3 line 3, delete the word “population” and replace it with the phrase **“PERTINENT POPULATION(S) OR PORTIONS THEREOF”**;
8. On page 3 line 4, after the word “issues” and before the comma (,), insert the phrase **“AND RELAY IMPORTANT PUBLIC ANNOUNCEMENTS AND WARNINGS AS NECESSITY, URGENCY OR LAW MAY REQUIRE”**;

9. On page 3 line 5, after the word “participation”, delete the phrase “such as in community programming”;
10. On page 3 line 6, after the word “enterprise” and the semi-colon (;), insert the phrase **“PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT THROUGH, BUT NOT LIMITED TO CLOSED CAPTIONING”**;
11. On page 3 line 11, after the word “acts”, insert a new paragraph to read as follows:

“PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE EQUIVALENT TO TEN (10%) PERCENT OF THE PAID COMMERCIALS OR ADVERTISEMENTS WHICH SHALL BE ALLOCATED BASED ON NEED TO THE EXECUTIVE, LEGISLATIVE, JUDICIARY, CONSTITUTIONAL COMMISSIONS AND INTERNATIONAL HUMANITARIAN ORGANIZATIONS DULY RECOGNIZED BY STATUTES; PROVIDED, THAT THE NTC SHALL INCREASE THE PUBLIC SERVICE TIME IN CASE OF 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.”;

Hence, the entire Section 4 shall now read as:

“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 broadcasting stations or facilities of the grantee, to reach the pertinent population/s or portions thereof on important public issues and relay important public announcements and warnings as necessity, urgency or 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 through, but not limited to, closed captioning; and not use its stations or facilities for the broadcasting of obscene or indecent language, speech, act, or scene; or for the dissemination of deliberately false information or willful misinterpretation, 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 ten (10%) percent of the paid commercials or advertisements which shall be allocated based on need to the executive, legislative, judiciary, constitutional commissions and international humanitarian organizations duly recognized by statutes: Provided, that the NTC shall increase the public service time in case of 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.”;

12. On page 3 line 12, insert a new section to read as follows:

“COMPLIANCE WITH LABOR STANDARDS. – THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES SHALL COMPLY WITH THE APPLICABLE LABOR STANDARDS UNDER EXISTING LABOR LAWS, RULES AND REGULATIONS AND SUCH OTHER ISSUANCE AS MAY BE PROMULGATED BY THE DEPARTMENT OF LABOR AND EMPLOYMENT, TAKING INTO CONSIDERATION THE NATURE AND PECULIARITIES OF THE BROADCAST INDUSTRY.”;

13. On page 4 line 6, insert a new section to read as follows:

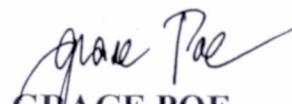
“TAX PROVISIONS – THE GRANTEE, ITS SUCCESSORS OR ASSIGNS SHALL CONTINUE TO BE SUBJECT TO ALL APPLICABLE TAXES, DUTIES, FEES OR CHARGES AND OTHER IMPOSITIONS UNDER REPUBLIC ACT NO. 8424, OTHERWISE KNOWN AS ‘THE NATIONAL INTERNAL REVENUE CODE OF 1997’, AS AMENDED, REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE ‘LOCAL GOVERNMENT CODE OF 1991’, AS AMENDED, AND OTHER APPLICABLE LAWS.”;

14. On page 5 line 1, after the word “Philippines”, delete the colon (:) and replace it with a semi-colon (;); Furthermore, still on page 5 line 1 to page 5 line 7, delete the following lines:

"Provided, That 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 said transaction: *Provided, further,* that failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked:”;

15. On page 5 line 7, after the word “*Provided*”, delete the word “*finally*”;
16. On page 6 line 3, delete lines 3 to 7;
17. On page 6 line 8, delete the phrase “Except for taxes and customs duties,” and capitalize “a” of the word “any”;
18. On page 6, delete lines 22 to 24;
19. Rerumber all sections accordingly.

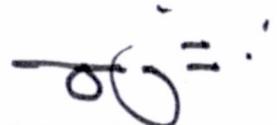
Respectfully submitted:



GRACE POE
Chairperson

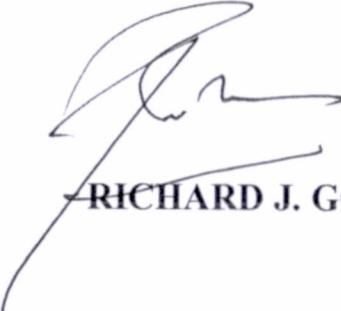


FRANCIS "CHIZ" G. ESCUDERO
Vice Chairperson



JOSEPH VICTOR G. EJERCITO
Vice Chairperson

LOREN B. LEGARDA



RICHARD J. GORDON

PANFILO M. LACSON



JUAN MIGUEL "MIGZ" F. ZUBIRI

ANTONIO "SONNY" F. TRILLANES IV

JOEL VILLANUEVA

Risa Hontiveros Barengul

RISA HONTIVEROS

PAOLO BENIGNO "BAM" AQUINO IV

*May interpellate }
propose amendments.*

Ex-Officio Members:

J. Franklin M. Drilon

FRANKLIN M. DRILON

Minority Leader

Vicente C. Sotto III

VICENTE C. SOTTO III

Majority Leader

RALPH G. RECTO

Senate President Pro Tempore

The Honorable Senate President

AQUILINO "KOKO" PIMENTEL III

CONGRESS OF THE PHILIPPINES
SEVENTEENTH CONGRESS
First Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 5212

BY REPRESENTATIVES DEL MAR, ABELLANOSA, GULLAS, CAMINERO,
GARCIA (G.), SALIMBANGON, DURANO, CORTES, CALDERON, RADAZA,
ALVAREZ (F.), QUIMBO, GARBIN, TEJADA, ABAYON, AGGABAO,
BATOCABE, BELMONTE (R.), MERCADO, ROQUE (H.), DE VERA,
MARCOLETA, CHIPECO, MONTORO, OAMINAL, ROMUALDO AND
MACEDA, PER COMMITTEE REPORT NO. 156

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FILIPINAS BROADCASTING ASSOCIATION, INC., PRESENTLY KNOWN AS WORD BROADCASTING CORPORATION, UNDER REPUBLIC ACT NO. 7485, ENTITLED "AN ACT GRANTING FILIPINAS BROADCASTING ASSOCIATION, INC. A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO BROADCASTING AND TELEVISION STATIONS IN THE VISAYAS AND MINDANAO AND FOR OTHER PURPOSES"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION I. *Nature and Scope of Franchise.* — Subject to the
2 provisions of the Constitution and applicable laws, rules and regulations, the
3 franchise granted to Filipinas Broadcasting Association, Inc., presently known
4 as Word Broadcasting Corporation, hereunder referred to as the grantee, its
5 successors or assignees under Republic Act No. 7485, entitled "An Act
6 Granting Filipinas Broadcasting Association, Inc. a Franchise to Construct,
7 Operate and Maintain for Commercial Purposes Radio Broadcasting and
8 Television Stations in the Visayas and Mindanao and for Other Purposes", to

1 construct, install, establish, operate, and maintain for commercial purposes and
2 in the public interest, radio and/or television broadcasting stations in the
3 Visayas and Mindanao, including digital television system, through
4 microwave, satellite or whatever means, as well as the use of any new
5 technology in television and radio systems, with the corresponding
6 technological auxiliaries or facilities, special broadcast and other programs,
7 and distribution services and relay stations, is hereby renewed for another
8 twenty-five (25) years from the effectivity of this Act.

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

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

24 The grantee shall not dispose or lease its facilities except to entities with
25 a radio or television franchise: *Provided*, That the grantee shall inform and
26 secure written authorization to proceed from the NTC, and report the
27 transaction to the NTC within sixty (60) days after its completion: *Provided,*
28 *further*, That the NTC shall determine the corresponding sanction for any
29 violation of this provision.

1 SEC. 4. *Responsibility to the Public.* – The grantee shall provide
2 adequate public service time to enable the government, through the said
3 broadcasting stations or facilities, to reach the population on important public
4 issues; provide at all times sound and balanced programming; promote public
5 participation such as in community programming; assist in the functions of
6 public information and education; conform to the ethics of honest enterprise;
7 and not use its stations or facilities for the broadcasting of obscene and
8 indecent language, speech, act or scene; or for the dissemination of
9 deliberately false information or willful misrepresentation to the detriment of
10 the public interest; or to incite, encourage, or assist in subversive or
11 treasonable acts.

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

16 A special right is hereby reserved to the President of the Philippines, in
17 times of war, rebellion, public peril, calamity, emergency, disaster, or
18 disturbance of peace and order: to temporarily take over and operate the
19 stations or facilities of the grantee; to temporarily suspend the operation of any
20 station or facility in the interest of public safety, security and public welfare;
21 or to authorize the temporary use and operation thereof by any agency of the
22 government, upon due compensation to the grantee, for the use of said stations
23 or facilities during the period when these shall be so operated.

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

28 SEC. 7. *Acceptance and Compliance.* – Acceptance of this new
29 franchise shall be given in writing to the Congress of the Philippines, through

1 the Committee on Legislative Franchises of the House of Representatives
2 and the Committee on Public Services of the Senate, within sixty (60) days
3 from the effectivity of this Act. Upon giving such acceptance, the grantee
4 shall exercise the privileges granted under this Act. Nonacceptance shall
5 render the franchise void.

6 SEC. 8. *Self-regulation by and Undertaking of Grantee.* – The grantee
7 shall not require any previous censorship of any speech, play, act or scene,
8 or other matter to be broadcast from its stations but if any such speech, play,
9 act or scene, or other matter should constitute a violation of the law or
10 infringement of a private right, the grantee shall be free from any liability,
11 civil or criminal, for such speech, play, act or scene, or other matter:
12 *Provided,* That the grantee, during any broadcast, shall cut off from the
13 air the speech, play, act or scene, or other matter being broadcast if the
14 tendency thereof is to propose and/or incite treason, rebellion or sedition; or
15 the language used therein or the theme thereof is indecent or immoral:
16 *Provided, further,* That willful failure to do so shall constitute a valid cause
17 for the revocation and cancellation of this franchise.

18 SEC. 9. *Warranty in Favor of National and Local Governments.* –
19 The grantee shall hold the national, provincial, city, and municipal
20 governments of the Philippines free from all claims, liabilities, demands, or
21 actions arising out of accidents, causing injury to persons or damage to
22 properties, during the construction or operation of the stations of the grantee.

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

1 without the prior approval of the Congress of the Philippines: *Provided*, That
2 Congress shall be informed of any sale, lease, transfer, grant of usufruct or
3 assignment of franchise or the rights and privileges acquired thereunder, or of
4 the merger or transfer of the controlling interest of the grantee, within
5 sixty (60) days after the completion of said transaction: *Provided, further*, That
6 failure to report to Congress such change of ownership shall render the
7 franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to
8 which this franchise is sold, transferred or assigned, shall be subject to the
9 same conditions, terms, restrictions, and limitations of this Act.

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

20 SEC. 12. *General Broadcast Policy Law*. – The grantee shall comply
21 with and be subject to the provisions of a general broadcast policy law, which
22 Congress may hereafter enact.

23 SEC. 13. *Reportorial Requirement*. – The grantee shall submit an
24 annual report to the Congress of the Philippines, through the Committee
25 on Legislative Franchises of the House of Representatives and the Committee
26 on Public Services of the Senate, on its compliance with the terms and
27 conditions of the franchise and on its operations on or before April 30 of every
28 year during the term of its franchise. The reportorial compliance certificate

1 issued by Congress shall be required before any application for permit or
2 certificate is accepted by the NTC.

3 SEC. 14. *Penalty Clause.* – Failure of the grantee to submit the
4 requisite annual report to Congress shall be penalized by a fine of five hundred
5 pesos (P500.00) per working day of noncompliance. The fine shall be
6 collected by the NTC from the delinquent franchisee grantee separate from the
7 reportorial penalties imposed by the NTC.

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

16 SEC. 16. *Separability Clause.* – If any section or provision of this Act
17 is held invalid, all other provisions not affected thereby shall remain valid.

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

22 All other laws, orders, issuances, rules and regulations or parts thereof
23 inconsistent with this Act are hereby repealed, amended, or modified
24 accordingly.

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

Approved,