

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

17 MAY 17 P 3:40

S E N A T E

RECEIVED BY: *[Signature]*

COMMITTEE REPORT NO. 93

Submitted by the Committee on Public Services on MAY 17 2017

RE : H.B. No. 5175

Recommending its approval with amendments

Sponsor : Senator Grace Poe

MR. PRESIDENT:

The Senate Committee on Public Services to which was referred **H.B. No. 5175**, introduced by Representatives Go (M.), Alvarez (F.) and Violago, entitled:

“AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO BETA BROADCASTING
CORPORATION UNDER REPUBLIC ACT NO. 8026,
ENTITLED “AN ACT GRANTING THE BETA
BROADCASTING CORPORATION A FRANCHISE TO
CONSTRUCT, OPERATE AND MAINTAIN RADIO
BROADCASTING STATIONS IN THE ISLAND OF LUZON,
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. 5175** be approved with the following amendments, *to wit*:

1. On page 1, line 8, after the word “satellite”, insert the word **“TERRESTRIAL”**;
2. On the same page, line 10, delete the word “technological”;
3. On page 2, line 15, after “NTC.” delete the word, “the”;
4. On the same page, delete lines 16 to 23;
5. On page 2 line 24, after the word “provide” and before the word “adequate”, insert the phrase **“, FREE OF CHARGE,”**;
6. On page 2 line 25, after the word “time” and before the word “to”, insert the phrase **“WHICH IS REASONABLE AND SUFFICIENT”**;
7. On page 2 line 26, after the word “facilities” and before the comma (,), insert the phrase **“OF THE GRANTEE”**;
8. Still on page 2 line 26, delete the word “population” and replace it with the phrase **“PERTINENT POPULATION(S) OR PORTIONS THEREOF”**;
9. On page 2 line 27, 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”**;
10. On page 2 line 28, delete the phrase “such as in community programming”;
11. On page 2 line 29, after the word “enterprise” and the semi-colon (;), insert the phrase **“PROMOTE AUDIENCE SENSIBILITY AND EMPOWERMENT THROUGH, BUT NOT LIMITED TO CLOSED CAPTIONING”**;
12. On page 3 line 5, 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:

“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 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.”;

13. On page 3 line 6, insert a new section to read as follows:

“COMPLIANCE WITH LABOR STANDARDS. – THE GRANTEE, ITS SUCCESSORS OR ASSIGNS 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.”;

14. On page 3 line 19, delete the word “approval” and replace it with “EFFECTIVITY”;
15. On page 3 line 28, 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.”;

16. On page 4 line 25, after the word “Philippines”, delete the colon (:) and replace it with a semi-colon (;); Furthermore, still on page 4 line 25 to page 5 line 15, 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: *Provided, finally,* That such transfer,

sale or issuance is in accordance with any applicable constitutional limitation.”;

17. On page 5 line 15, before the word “Any”, insert the words “*Provided, That*”. Furthermore, still on page 5 line 15, delete the word “Any” and replace it with “any”;
18. On page 6, delete lines 12 to 16;
19. On page 6 line 17, delete the phrase “Except for taxes and customs duties,” and capitalize “a” of the word “any”;
20. Rerun all sections accordingly.

Respectfully submitted:



Grace Poe
Chairperson

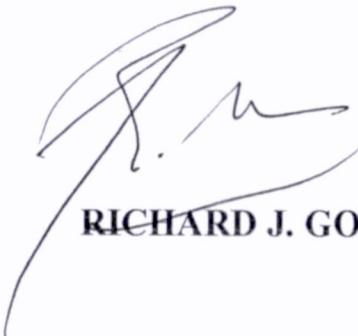


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ANTONIO "SONNY" F. TRILLANES IV

JOEL VILLANUEVA

Risa Hontiveros Zaragoza
RISA HONTIVEROS PAOLO BENIGNO "BAM" AQUINO IV
play interpellation
propose amendment.

Ex-Officio Members:

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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

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HOUSE OF REPRESENTATIVES

H. No. 5175

BY REPRESENTATIVES GO (M.), ALVAREZ (F.) AND VIOLAGO, PER COMMITTEE
REPORT NO. 148

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO BETA BROADCASTING
SYSTEM, INC., UNDER REPUBLIC ACT NO. 8026, ENTITLED
"AN ACT GRANTING THE BETA BROADCASTING SYSTEM
CORPORATION A FRANCHISE TO CONSTRUCT, OPERATE
AND MAINTAIN RADIO BROADCASTING STATIONS IN THE
ISLAND OF LUZON, 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 Philippine Constitution and applicable laws, rules and
3 regulations, the franchise granted to Beta Broadcasting System, Inc.,
4 hereunder referred to as the grantee, its successors or assignees under Republic
5 Act No. 8026, to construct, install, establish, operate, and maintain for
6 commercial purposes and in the public interest, radio broadcasting stations in
7 the Island of Luzon, where frequencies are still available for radio
8 broadcasting, through microwave, satellite or whatever means, as well as the
9 use of any new technology in radio system, with the corresponding
10 technological auxiliaries and facilities, special broadcast, and other program

1 and distribution services and relay stations, is hereby renewed for another
2 twenty-five (25) years from the effectivity of this Act.

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

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

18 The grantee shall not dispose or lease its facilities except to entities with
19 radio or television franchise: *Provided*, That the grantee shall inform and
20 secure written authorization to proceed from the NTC, and report the
21 transaction to the NTC within sixty (60) days after its completion: *Provided,*
22 *further*, That the NTC shall determine the corresponding sanction for any
23 violation of this provision.

24 SEC. 4. *Responsibility to the Public.* – The grantee shall provide
25 adequate public service time to enable the government, through the said
26 broadcasting stations or facilities, to reach the population on important public
27 issues; provide at all times sound and balanced programming; promote public
28 participation such as in community programming; assist in the functions of
29 public information and education; conform to the ethics of honest enterprise;

1 and not use its stations or facilities for the broadcasting of obscene and
2 indecent language, speech, act or scene; or for the dissemination of
3 deliberately false information or willful misrepresentation, to the detriment of
4 the public interest; or to incite, encourage, or assist in subversive or
5 treasonable acts.

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

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

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

22 SEC. 7. *Acceptance and Compliance.* – Acceptance of this new
23 franchise shall be given in writing to the Congress of the Philippines, through
24 the Committee on Legislative Franchises of the House of Representatives and
25 the Committee on Public Services of the Senate, within sixty (60) days from
26 the effectivity of this Act. Upon giving such acceptance, the grantee shall
27 exercise the privileges granted under this Act. Nonacceptance shall render the
28 franchise void.

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

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

18 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*
19 – The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign
20 this franchise or the rights and privileges acquired thereunder to any person,
21 firm, company, corporation, or other commercial or legal entity, nor merge
22 with any other corporation or entity, nor the controlling interest of the grantee
23 be transferred, whether as a whole or in parts, and whether simultaneously or
24 contemporaneously, to any such person, firm, company, corporation, or entity
25 without the prior approval of the Congress of the Philippines: *Provided*, That
26 the foregoing limitations shall not apply to: (a) any transfer or issuance of
27 shares to any investor, pursuant to or in connection with any increase in the
28 grantee's authorized capital stock, which shall result in the dilution of the
29 stockholdings of the grantee's then existing stockholders; (b) any transfer or

1 sale of shares to an investor or investors; (c) any sale, transfer, or assignment
2 by the stockholders of the grantee in favor of a holding company whose
3 stockholders are identical to the stockholders of the grantee; (d) any
4 combination thereof where such transfer, sale or issuance is effected in order
5 to enable the grantee to raise the necessary capital or financing for the
6 provision of any of the services authorized by this Act and/or to carry out any
7 of the purposes for which the grantee has been incorporated or organized:
8 *Provided, further,* That Congress shall be informed of any sale, lease, transfer,
9 grant of usufruct, or assignment of franchise or the rights and privileges
10 acquired thereunder, or of the merger, or transfer of the controlling interest of
11 the grantee, within sixty (60) days after the completion of said transaction:
12 *Provided, furthermore,* That failure to report to Congress such change of
13 ownership shall render the franchise *ipso facto* revoked: *Provided, finally,*
14 That such transfer, sale or issuance is in accordance with any applicable
15 constitutional limitation. Any person or entity to which this franchise is sold,
16 transferred or assigned shall be subject to all the same conditions, terms,
17 restrictions, and limitations of this Act.

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

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

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

12 SEC. 14. *Penalty Clause.* – Failure of the grantee to submit the
13 requisite annual report to Congress shall be penalized by a fine of five hundred
14 pesos (P500.00) per working day of noncompliance. The fine shall be
15 collected by the NTC from the delinquent franchise grantee separate from the
16 reportorial penalties imposed by the NTC.

17 SEC. 15. *Equality Clause.* – Except for taxes and customs duties, any
18 advantage, favor, privilege, exemption, or immunity granted under existing
19 franchises, or which may hereafter be granted for radio broadcasting, upon
20 prior review and approval of Congress, shall become part of this franchise and
21 shall be accorded immediately and unconditionally to the herein grantee:
22 *Provided,* That the foregoing shall neither apply to nor affect the provisions of
23 broadcasting franchises concerning territorial coverage, the term, or the type of
24 service authorized by the franchise.

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

1 SEC. 17. *Repealability and Nonexclusivity Clause.* — This franchise
2 shall be subject to amendment, alteration, or repeal by the Congress of the
3 Philippines when the public interest so requires and shall not be interpreted as
4 an exclusive grant of the privileges herein provided for.

5 All other laws, orders, issuances, rules and regulations or parts thereof
6 inconsistent with this Act are hereby repealed, amended or modified
7 accordingly.

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

Approved,

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