

H. No. 6919

Republic of the Philippines
Congress of the Philippines
Metro Manila
Eighteenth Congress
Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand twenty.

[REPUBLIC ACT NO. 11508]

AN ACT AMENDING THE FRANCHISE GRANTED TO PHILIPPINE COLLECTIVEMEDIA 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)"

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

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 Collectivemedia Corporation, hereunder referred to as the grantee, its successors 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 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 in television and radio 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 facilities and shall not use any frequency in the radio/television spectrum without authorization by the NTC. 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 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 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 or facilities for the broadcasting of obscene 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 percent (10%) 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. Section 11 of Republic Act No. 9773 is hereby amended as follows:

"SEC. 11. *Nontransferability of Franchise.* - The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in parts, whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines.

"Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise, or the rights and privileges acquired thereunder, or 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.

"Any person or entity to which this franchise is sold, transferred or assigned, shall be subject to the same conditions, terms, restrictions and limitations of this Act."

SEC. 5. Section 12 of Republic Act No. 9773 is hereby amended as follows:

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

SEC. 6. 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. 7. Section 15 of Republic Act No. 9773 is hereby renumbered as Section 16, and amended to read as follows:

"SEC. 16. *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 on 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. 8. 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 the Treasury."


SEC. 9. *Repealability and Nonexclusivity 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. 10. *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. 11. *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. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

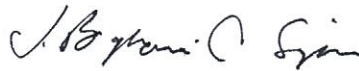
Approved,


VICENTE C. SOTTO III
President of the Senate


LORD ALLAN JAY Q. VELASCO
Speaker of the House of Representatives

This Act which originated in the House of Representatives was passed by the House of Representatives on June 5, 2020, amended by the Senate of the Philippines on October 5, 2020, and which amendments were concurred in by the House of Representatives in a special session on October 16, 2020.


MYRA MARIE D. VILLARICA
Secretary of the Senate


JOCELIA BIGHANI C. SIPIN
Secretary General House of Representatives

Approved:

DEC 21 2020

passed into law on
without the signature of the President, in accordance with Article VI, Section 27 (1) of the Constitution

RODRIGO ROA DUTERTE
President of the Philippines

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DIRECTOR IV 12.29.2020