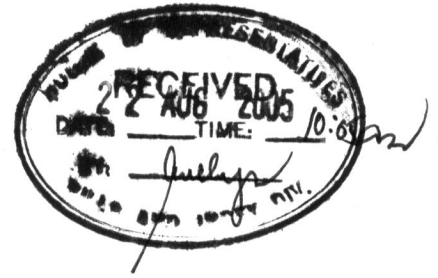


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

Thirteenth Congress  
Second Regular Session

**HOUSE BILL NO. 4634**



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**Introduced by Honorable Eladio M. Jala**

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**EXPLANATORY NOTE**

The bill seeks to facilitate the disposition of government shares in Radio Philippines Network, Inc. (RPN 9), which are intended for privatization, by amending Section 13 of Republic Act No. 9250 (An Act Granting the Radio Philippines Network, Inc. a Franchise To Construct, Install, Establish, Operate and Maintain Radio and Television Broadcasting Stations in the Philippines).

Said Section 13 provides, *inter alia*, that "*the controlling interest of the grantee [shall not] be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines.*"

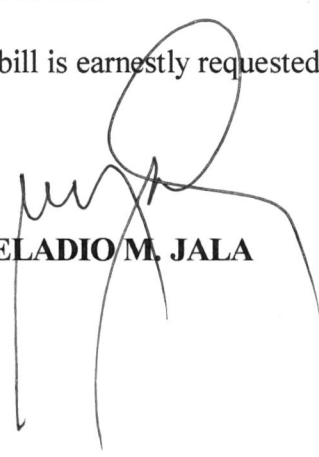
Radio Philippines Network, Inc. (RPN 9) is one of the assets surrendered to the National Government by the Presidential Commission on Good Government (PCGG). The government, thru the PCGG, has 72.4% controlling interest in RPN 9 (composed of 32.4% surrendered shares not involve in any case, and 40% surrendered shares subject of pending cases at the Sandiganbayan).

In view of Section 13, the government's controlling interest in RPN 9 may be disposed only with prior approval of the congress of the Philippines. The requirement might unnecessarily complicate the disposition process considering that under existing laws there is already a government body, the Privatization Council (PrC), which is responsible for approving the disposition of government assets.

Under Executive Order No. 323 s. 2000, in relation to Proclamation No. 50, as amended, the PrC serves as the central agency of the government's privatization program. As such, it designates the disposition entity for all assets intended for privatization, including all assets and properties recovered by the PCGG. Every sale or disposition is required to be approved by the PrC with respect to the buyer and price.

This bill aims to simplify the disposition of government shares or controlling interest in RPN 9 by effectively delegating the mandatory congressional approval to the PrC. However, congressional approval shall be retained with respect to any controlling interest which may be held in the future by the private sector.

In view of the foregoing, the approval of this bill is earnestly requested.



**ELADIO M. JALA**

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
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AN ACT

AMENDING REPUBLIC ACT NUMBERED NINETY-TWO HUNDRED AND FIFTY ENTITLED "AN ACT GRANTING THE RADIO PHILIPPINES NETWORK, INC. A FRANCHISE TO CONTRUCT, INSTALL, ESTABLISH. OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"

*Be enacted by the Senate and the House of Representatives of the Philippines in Congress Assembled:*

SECTION 1. Section 13 of Republic Act No. 9250 is hereby amended to read as follows:

"Sec. 13. Sale, Lease, Transfer, Usufruct, Etc. – The grantee shall not lease, transfer, grant the usufruct of, sell or 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 and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines[.]: *PROVIDED, HOWEVER, THAT ANY CONTROLLING INTEREST HELD BY THE GOVERNMENT IN THE GRANTEE CORPORATION MAY BE DISPOSED OR TRANSFERRED IN WHATEVER MANNER TO ANY PERSON, NATURAL OR JURIDICAL, ONLY WITH THE PRIOR APPROVAL OF THE PRIVATIZATION COUNCIL CREATED UNDER EXECUTIVE ORDER NO. 323 S. 2000.* 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. 2. All laws, proclamations, executive orders, rules and regulations or parts thereof inconsistent with the provision of this Act are hereby repealed, modified or amended accordingly.

SEC. 3. This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,