

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

21 NOV 2012

6:10 PM

8 November 2012

MEMORANDUM

**FOR : THE DEPUTY SECRETARY GENERAL FOR
OPERATIONS**

**ATTENTION : THE EXECUTIVE DIRECTOR
PLENARY AFFAIRS BUREAU**

**THE SERVICE DIRECTOR
BILLS AND INDEX SERVICE**

**FROM : THE DEPUTY SECRETARY GENERAL
FOR COMMITTEE AFFAIRS**

6703

**SUBJECT : COMMITTEE REPORT ON HOUSE BILL NO. _____ in
substitution of House Bill Nos. 5061 and 5147, entitled: "An Act
Amending Republic Act No. 7306 Entitled "An Act Providing For The
Establishment Of The People's Television Network, Incorporated,
Defining Its Powers And Functions, Providing For Its Sources Of Funding
And For Other Purposes"**

OK 2472

We are respectfully transmitting herewith six (6) copies of the Committee Report on House Bill No. 6703, in substitution of House Bill Nos. 5061 and 5147, entitled: "An Act Amending Republic Act No. 7306 Entitled An Act Providing For The Establishment Of The People's Television Network, Incorporated, Defining Its Powers And Functions, Providing For Its Sources Of Funding And For Other Purposes"

For your appropriate action


ATTY. ARLENE DADA-ARNALDO



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

FIFTEENTH CONGRESS
Third Regular Session

21 NOV 2012
6:16 PM
[Signature]

COMMITTEE REPORT No. 2472

Submitted by the Committee on Government Enterprises & Privatization and Committee on Public Information on 21 NOV 2012

RE: House Bill No. 6703

Recommending its approval in substitution of House Bill Nos. 5061 and 5147

Sponsors: Representatives Erico Basilio A. Fabian, Ben P. Evardone, Antonio L. Tinio, Lucy Marie Torres-Gomez, Dakila Carlo E. Cua, Bernadette R. Herrera-Dy, Raymond V. Palatino, Leopoldo N. Bataoil, Antonio T. Kho, and Rachel Marguerite B. Del Mar

Mr. Speaker:

The Committee on Government Enterprises & Privatization and the Committee on Public Information, to which were referred House Bill No. 5061, introduced by Representative Lucy Marie Torres-Gomez, entitled:

“AN ACT
AMENDING REPUBLIC ACT NO. 7306 - AN ACT PROVIDING FOR THE
ESTABLISHMENT OF THE PEOPLE'S TELEVISION NETWORK, INC.,
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS SOURCES
OF FUNDING AND FOR OTHER PURPOSES”

and House Bill No. 5147, introduced by Representative Dakila Carlo E. Cua, entitled:

“AN ACT
AMENDING REPUBLIC ACT NO. 7306 - AN ACT PROVIDING FOR THE
ESTABLISHMENT OF THE PEOPLE'S TELEVISION NETWORK, INC.,
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS SOURCES
OF FUNDING AND FOR OTHER PURPOSES”

have considered the same and recommend that the attached House Bill No. 6703
entitled:

"AN ACT
AMENDING REPUBLIC ACT NO. 7306 ENTITLED AN ACT
PROVIDING FOR THE ESTABLISHMENT OF THE PEOPLE'S
TELEVISION NETWORK, INCORPORATED, DEFINING ITS POWERS
AND FUNCTIONS, PROVIDING FOR ITS SOURCES OF FUNDING AND
FOR OTHER PURPOSES"

be approved in substitution of House Bill Nos. 5061 and 5147, with Representatives Lucy Marie Torres-Gomez, Dakila Carlo E. Cua, Bernadette R. Herrera-Dy, Raymond V. Palatino, Leopoldo N. Bataoil, Antonio T. Kho, Rachel Marguerite B. Del Mar, Erico Basilio A. Fabian, Ben P. Evardone and Antonio L. Tinio as authors thereof.

Respectfully submitted:



BEN P. EVARDONE
Chairman
Committee on Public Information



ERICO BASILIO A. FABIAN
Chairman
Committee on Government Enterprises &
Privatization

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6703
(In Substitution of House Bill Nos. 5061 and 5147)

Introduced by Representatives Lucy Marie Torres-Gomez, Dakila Carlo E. Cua,
Bernadette R. Herrera-Dy, Raymond V. Palatino, Leopoldo N. Bataoil, Antonio
T. Kho, Rachel Marguerite B. Del Mar, Erico Basilio A. Fabian, Ben P. Ewardone
and Antonio L. Tinio

AN ACT
AMENDING REPUBLIC ACT NO. 7306 ENTITLED "AN ACT
PROVIDING FOR THE ESTABLISHMENT OF THE PEOPLE'S
TELEVISION NETWORK, INCORPORATED, DEFINING ITS POWERS
AND FUNCTIONS, PROVIDING FOR ITS SOURCES OF FUNDING
AND FOR OTHER PURPOSES"

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

1 SECTION 1. Title - This Act shall be known as the "People's Television
2 Network Charter of 2012."
3

4 SEC. 2. Section 2 of RA 7306 is hereby amended to read as follows:
5

6 "SEC. 2. Declaration of Policies. - In consonance with the
7 Constitutional recognition of the vital role of communication and
8 information in nation-building, and the important aspect played by
9 the broadcasting industry, it is hereby declared as the policy of the
10 State to:
11

12 a) xxx
13

14 b) xxx
15

16 c) xxx
17

18 d) xxx
19

20 e) xxx
21

22 f) xxx

1 g) [Detach government television from advertising and commercial
2 interest as far as practicable so as not to unduly compete with the
3 private television sector and ensure that government television
4 shall provide quality alternative programs for the benefit and moral
5 upliftment of the citizenry.] PROVIDE QUALITY
6 ALTERNATIVE PROGRAMS FOR THE BENEFIT AND
7 MORAL UPLIFTMENT OF THE CITIZENRY.”
8

9 SEC. 3. Section 5 of RA 7306 is hereby amended to read as follows:
10

11 “SEC. 5. Domicile – The Network shall have its principal
12 office and domicile in the Metropolitan Manila area. It may also
13 establish offices, branches and/or stations in any [other] part of the
14 Philippines as its Board of Directors may see fit.
15

16 THE GOVERNMENT OF THE PHILIPPINES, THROUGH THE
17 LAND MANAGEMENT BUREAU OF THE DEPARTMENT OF
18 ENVIRONMENT AND NATURAL RESOURCES, SHALL
19 IDENTIFY APPROPRIATE ALIENABLE AND DISPOSABLE
20 LANDS FOR THE NETWORK TO BUILD ITS MAIN
21 BROADCAST CENTER AND MAJOR PROVINCIAL
22 STATIONS.”
23

24 SEC. 4. Subsections (e) and (h) of Section 8 of RA 7306 is hereby
25 amended to read as follows:
26

27 “SEC. 8 Powers of the Network – The Network shall have
28 the following powers:
29

30 a) xxx
31

32 b) xxx
33

34 c) xxx
35

36 d) xxx
37

38 e) to ACQUIRE, purchase, receive, take or grant, hold, convey,
39 sell, lease, pledge, mortgage and otherwise deal with such real and
40 personal property;
41

42 f) xxx
43

44 g) xxx
45

1 h) to raise, borrow or obtain funds, from any source, private or
2 government, foreign or domestic and to enter into any financial or
3 credit arrangements in order to support and carry out its objectives
4 and purposes, subject to the APPROVAL OF THE MONETARY
5 BOARD OF THE BANGKO SENTRAL NG PILIPINAS UPON
6 THE RECOMMENDATION OF THE DEPARTMENT OF
7 FINANCE AND TO OTHER pertinent laws governing public debt
8 and expenditure;
9

10 i) xxx

11
12 j) xxx

13
14 k) xxx

15
16 l) xxx

17
18 SEC. 5. Subsection (e) of Section 9 of RA 7306 is hereby amended to read
19 as follows:

20
21 "SEC. 9. Functions of the Network – The Network shall
22 have the following functions:

23
24 a) xxx

25
26 b) xxx

27
28 c) xxx

29
30 d) xxx

31
32 e) to provide subsidized air time to legitimate people's
33 organizations AND NON-GOVERNMENT ORGANIZATIONS
34 (NGOs) in the promotion of their programs and projects;

35
36 f) xxx

37
38 g) xxx

39
40 SEC. 6. Section 10 of RA 7306 is hereby amended to read as follows:

41
42 "SEC. 10. *The Board of Directors.* — The corporate
43 powers of the Network shall be exercised, all its business
44 conducted and all its property controlled and held by the Board of
45 Directors. It shall be composed of five (5) members who shall be
46 appointed by the President of the Philippines FROM A

1 SHORTLIST PREPARED BY THE GOVERNANCE
2 COMMISSION FOR GOVERNMENT-OWNED OR
3 CONTROLLED CORPORATIONS (GCG). The Board shall be
4 made up of the following:

5
6 (a) [two (2) members from the Government sector] THE
7 CHAIRPERSON;

8
9 (B) THE CHIEF EXECUTIVE OFFICER (CEO);

10
11 [(b)] (C) two (2) members from the private sector, one (1) of
12 whom shall have at least ten (10) years of experience in the
13 broadcast industry; and

14
15 (D) one (1) member from the educational sector.

16
17 SEC. 7. Insert a new Section 10-A which shall read:

18
19 "SEC. 10-A. *The Advisory Council.* — SIXTY (60) DAYS
20 FROM THEIR APPOINTMENT, THE BOARD OF DIRECTORS
21 SHALL PREPARE A LIST OF ITS RECOMMENDED
22 NOMINEES FOR THE MEMBERS OF THE ADVISORY
23 COUNCIL AND WHICH SHALL BE SUBMITTED TO THE
24 SECRETARY OF THE PRESIDENTIAL COMMUNICATIONS
25 OPERATIONS OFFICE (PCOO) FOR CONSIDERATION AND
26 APPROVAL. THE NOMINEES FOR THE ADVISORY
27 COUNCIL SHALL BE CHOSEN FROM ASSOCIATIONS AND
28 ORGANIZATIONS REPRESENTING VARIOUS
29 STAKEHOLDERS FROM DIFFERENT INDUSTRIES, SUCH
30 AS BUT NOT LIMITED TO CINEMA, CULTURE AND ARTS,
31 PRINT AND BROADCAST. THEY SHALL SERVE A FIXED
32 TERM OF ONE (1) YEAR.

33
34 THE ADVISORY COUNCIL SHALL BE COMPOSED OF
35 SEVEN (7) MEMBERS WITH AT LEAST FIVE (5) YEARS OF
36 WIDE EXPERIENCE AND EXPERTISE IN THEIR
37 RESPECTIVE FIELDS OF WORK. THE ADVISORY COUNCIL
38 SHALL PROPOSE AND RECOMMEND POLICIES
39 RELATING TO THE NETWORK'S OPERATIONS,
40 PROGRAMMING, BROADCASTING, TECHNICAL AND
41 CREATIVE PRODUCTION AND MANAGEMENT, WHICH
42 SHALL BE SUBJECT TO THE APPROVAL OF THE BOARD
43 OF DIRECTORS.

1 THE MEMBERS OF THE ADVISORY COUNCIL SHALL
2 ELECT FROM AMONG THEMSELVES A CHAIRPERSON.
3 THE CHAIRPERSON OF THE BOARD OF DIRECTORS
4 SHALL SIT AS AN EX-OFFICIO MEMBER OF THE
5 ADVISORY COUNCIL.

6
7 THE MEMBERS OF THE ADVISORY COUNCIL SHALL
8 RENDER VOLUNTARY SERVICE TO THE NETWORK. NO
9 MEMBER SHALL BE PAID ANY HONORARIA,
10 ALLOWANCES AND OTHER PERSONNEL BENEFITS.

11
12 SEC. 8. Section 12 of RA 7306 is hereby amended to read as follows:

13
14 "SEC. 12 Term of the Members of the Board [The initial
15 appointees of the President of the Philippines shall have the
16 following terms:

- 17
18 a) Three (3) directors, one from each sector, for two (2) years, and
19
20 b) The other two (2) directors, one (1) each from the government
21 and private sector, for four (4) years.

22
23 Subsequent appointees shall serve a term of four (4) years, without
24 reappointment.] THE TERM OF OFFICE OF EACH
25 APPOINTIVE DIRECTOR SHALL BE ONE (1) YEAR,
26 UNLESS SOONER REMOVED FOR CAUSE. Appointment to
27 any vacancy in the Board shall be for the unexpired portion of the
28 term of the predecessor.

29
30 The members shall elect FROM among themselves one who will
31 serve as [Chairman] CHAIRPERSON of the Board. The board
32 shall meet at least twice a month to discuss matters of policy in
33 order to effectively carry out the provisions of this Act."

34
35 SEC. 9. Section 14 of RA 7306 is hereby amended to read as follows:

36
37 "SEC. 14. The Network General Manager. The Network
38 General Manager shall be elected ANNUALLY by the Board, of
39 which he need not be a member. In the latter case, he shall serve as
40 an ex officio member of the Board. He shall also be the Chief
41 Operating Officer of the Network, who shall be responsible for the
42 proper administration and management of the Network in
43 accordance with the policies laid down by the Board. THE
44 GENERAL MANAGER SHALL BE SUBJECT TO THE
45 DISCIPLINARY POWERS OF THE BOARD AND MAY BE
46 REMOVED BY THE BOARD FOR CAUSE."

SEC. 10. Section 17 of RA 7306 is hereby amended to read as follows:

"SEC. 17. Use of Blocktimers – The use of blocktimers shall be allowed but limited to education, [and] sports, TOURISM, QUALITY ENTERTAINMENT PROGRAMS AND SUCH programs [only] WHICH PROMOTE PUBLIC INTEREST, SUBJECT TO QUALITY STANDARDS SET BY THE BOARD OF DIRECTORS. The Network shall assume solidary liability with each of the individual producers for the content of all programs shown by blocktimers."

SEC. 11. Section 18 of RA 7306 is hereby amended to read as follows:

"SEC. 18. Capitalization – The authorized capital stock of the Network shall be [One] SIX Billion Pesos [(P1,000,000,000.00)] (P6,000,000,000.00) divided into [one] six million [(1,000,000)] (6,000,000) shares with a par value of One Thousand Pesos (P1,000.00) per share, which shall be subscribed in full by the Government.

[The initial paid-up capital shall be One Hundred Million Pesos (P100,000,000.00) which shall be released from funds of the National Treasury upon the effectivity of this Act. The sums of One Hundred Million Pesos (P100,000,000.00) and Three Hundred Million Pesos (P300,000,000.00) are authorized to be appropriated as paid-up capital in the General Appropriations Act of the second and third years following the date of effectivity of this Act, respectively.]

OF THE ADDITIONAL PAID-UP CAPITAL OF FIVE BILLION PESOS (P5,000,000,000.00), TWO BILLION PESOS (P2,000,000,000.00) SHALL BE TAKEN FROM THE PROCEEDS OF THE PRIVATIZATION OF RADIO PHILIPPINES NETWORK (RPN 9) AND INTERCONTINENTAL BROADCASTING CORPORATION (IBC 13). THE REMAINING THREE BILLION PESOS (P3,000,000,000.00) SHALL BE APPROPRIATED UNDER THE ANNUAL GENERAL APPROPRIATIONS ACTS.

[The unpaid balance of the authorized capital stock shall be appropriated as and when deemed necessary by Congress in the subsequent years.]"

1 SEC. 12. Section 19 of RA 7307 is hereby amended to read as follows:

2
3 "SEC. 19. Revenue Generation – The Network shall be
4 allowed to generate funds from advertising and air time sales in
5 accordance with the policies and rates set by the Board of
6 Directors[: Provided, that in the three (3) year period after the
7 effectivity of this Act and every three (3) years thereafter,
8 advertising sales shall not exceed seventy-five (75%), fifty percent
9 (50%), and twenty-five percent (25%), respectively, of the average
10 advertising sales of individual commercial stations: Provided,
11 further, that no commercial advertising shall be allowed nine (9)
12 years after the effectivity of this Act: Provided, finally, that
13 institutional advertising and blocktime sales shall not be covered
14 by this limitations.] SUBJECT TO EXISTING LAWS. All fees or
15 other revenues collected or received by the Network shall be
16 retained by it and utilized solely for its operations AND CAPITAL
17 EXPENDITURE PROGRAM."
18

19 SEC. 13. Section 23 of RA 7306 is hereby amended to read as follows:

20
21 "SEC. 23. Salary Scale for Officials and Employees. – [The rates
22 of compensation and classes of positions in the Network shall not be
23 covered by Republic Act 6758 and the Compensation and Position
24 Classification Board (CPCB).] PURSUANT TO THE PROVISIONS OF
25 RA NO. 10149, THE GCG SHALL DEVELOP A COMPENSATION
26 AND POSITION CLASSIFICATION SYSTEM WHICH SHALL
27 APPLY TO ALL OFFICERS AND EMPLOYEES OF THE NETWORK
28 SUBJECT TO THE APPROVAL OF THE PRESIDENT OF THE
29 PHILIPPINES."
30

31 SEC. 14. Redesignate Section 25 to Section 26, and Section 26 to Section
32 27 and the other sections accordingly and insert new Sections 25 and 26. The new
33 Sections 25 and 26 shall read as follows:
34

35 "SEC. 25. REORGANIZATION OF THE NETWORK.
36 NINETY (90) DAYS AFTER THE APPROVAL OF THIS ACT,
37 THE BOARD OF DIRECTORS IS HEREBY EMPOWERED TO
38 REORGANIZE THE NETWORK TO MAKE IT MORE
39 EFFECTIVE AND INNOVATIVE. FOR THIS PURPOSE, THE
40 BOARD MAY ABOLISH OR CREATE OFFICES, TRANSFER
41 FUNCTIONS, EQUIPMENT, PROPERTIES, RECORDS AND
42 PERSONNEL, INSTITUTE COST-CUTTING AND OTHER
43 RELATED MEASURES TO CARRY OUT THE SAID
44 OBJECTIVES, SUBJECT TO THE PROVISIONS OF
45 REPUBLIC ACT 10149, OTHERWISE KNOWN AS THE
46 "GOCC GOVERNANCE ACT OF 2011,"; PROVIDED, THAT

1 ANY OFFICIAL OR EMPLOYEE OF THE NETWORK WHO
2 MAY BE AFFECTED BY REASON OF THE
3 REORGANIZATION SHALL HAVE THE OPTION TO RETIRE
4 UNDER EXISTING RETIREMENT LAWS OR AVAIL OF THE
5 BENEFITS PROVIDED UNDER THE PERTINENT
6 PROVISIONS OF EXECUTIVE ORDER NO. 366, SERIES OF
7 2004.
8

9 SEC. 26. IMPLEMENTING RULES AND
10 REGULATIONS. - WITHIN NINETY (90) DAYS FROM THE
11 EFFECTIVITY OF THIS ACT, THE PRESIDENTIAL
12 COMMUNICATIONS OPERATIONS OFFICE (PCOO) SHALL
13 DRAFT THE IMPLEMENTING RULES AND REGULATIONS
14 (IRR) OF THIS ACT, IN CONSULTATION WITH THE
15 VARIOUS STAKEHOLDERS, GOVERNMENT AND NON
16 GOVERNMENT SECTORS.”
17

18 SEC. 15. Separability Clause. - If any provision or part of this Act is
19 declared invalid or unconstitutional, the remainder shall not be affected thereby
20 and shall continue to be full force and effect.
21

22 SEC. 16. Repealing Clause - All laws, decrees, executive orders,
23 administrative orders, rules and regulations and other issuances or parts thereof
24 inconsistent herewith are hereby repealed, amended or modified accordingly.
25

26 SEC. 17. Effectivity Clause. This Act shall take effect fifteen (15) days
27 after its publication in two (2) national newspapers of general circulation.
28

29 Approved,
30
31
32

FACT SHEET

House Bill No. 6703
(As Approved On _____)

"AN ACT AMENDING REPUBLIC ACT NO. 7306 ENTITLED AN ACT PROVIDING FOR THE ESTABLISHMENT OF THE PEOPLE'S TELEVISION NETWORK, INC., DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS SOURCES OF FUNDING AND FOR OTHER PURPOSES"

Introduced by:

REPRESENTATIVES LUCY MARIE TORRES-GOMEZ, DAKILA CARLO E. CUA,
BERNADETTE R. HERRARA-DY, RAYMOND V. PALATINO, LEOPOLDO N. BATAOIL,
ANTONIO T. KHO, RACHEL MARGUERITE B. DEL MAR, ERICO BASILIO A. FABIAN,
BEN P. EVARDONE AND ANTONIO L. TINIO

*Committee Referral: COMMITTEE ON GOVERNMENT ENTERPRISES &
PRIVATIZATION (Primary)*

Committee Chairperson: Rep. ERICO BASILIO A. FABIAN

Committee Referral: COMMITTEE ON PUBLIC INFORMATION (Secondary)

Committee Chairperson: Rep. BEN P. EVARDONE

OBJECTIVES

- To allow the People's Television Network to generate revenues from advertising and airtime sales for self-sufficiency and commercial viability
- To enhance the network's role as a government arm in nation-building in the communications and information industry

KEY PROVISIONS:

- Seeks to enable PTV-4 to maximize revenues from advertising and airtime sales to make it self-sufficient and financially viable
- Mandates an increase in the authorized capital of the network to P6,000,000,000.00 to enable it to upgrade its equipment and facilities
- Provides for the reorganization of the network to make it more effective and innovative

RELATED LAWS:

- Republic Act No. 7306
- Republic Act No. 10142

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Second Regular Session

MINUTES OF THE JOINT MEETING OF THE COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION AND THE COMMITTEE ON PUBLIC INFORMATION HELD ON 6 JUNE 2012, 9:30 A.M. AT CONFERENCE ROOM NOS. 3 & 4, RAMON V. MITRA, JR. BLDG., HOUSE OF REPRESENTATIVES, QUEZON CITY

GUESTS:

1. Atty. Leslie Cordero – Assistant Secretary, Presidential Communications and Operations Office (PCOO)
2. Mr. Philippe Cortes - PCOO
3. Mr. Cleo Dongga – General Manager, PTV 4
4. Mr. Larry Andes – Head, Corporate Affairs, PTV 4
5. Atty. Sonny Matula – Federation of Free Workers (FFW)

I. CALL TO ORDER

The Chairman of the Committee on Government Enterprises and Privatization, Rep. Erico Basilio A. Fabian, and Chairman of the Committee on Public Information, Rep. Ben P. Evardone, called the meeting to order at 10:00 am. Rep. Antonio L. Tinio moved to dispense with the calling of the roll. The motion was duly seconded and approved.

II. DELIBERATION

Rep. Antonio L. Tinio, Chairman of the technical working committee (TWC), presented the draft substitute bill, entitled: "An Act Amending Republic Act No. 7306 Entitled An Act Providing For The Establishment Of The People's Television Network, Incorporated, Defining Its Powers And Functions, Providing For Its Sources Of Funding And For Other Purposes". The substitute bill is a consolidation of House Bill Nos. 5061 and 5147, authored by Rep. Lucy Torres-Gomez and Rep. Dakila Cua, respectively. It seeks to revitalize PTV 4 in order to sustain its operations and be able to serve as the main broadcast and information dissemination arm of government agencies for its programs, policies, and projects and ultimately transforming it into a public service network. Rep. Bernadette Herrera-Dy moved to approve the substitute bill, which was duly seconded. The Committees approved the substitute bill to House Bill Nos. 5061 and 5147, subject to style.

1. ADJOURNMENT

The joint committee hearing was adjourned at 10:25 a.m.

Prepared by:

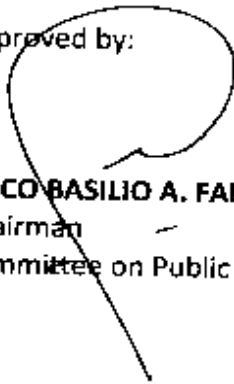

MA. CHERRYLL L. POSADAS
SLSO II

Certified Correct:


CORA BARRIA-RIGOR
Committee Secretary


CATHERINE N. MACAPAGAL
Committee Secretary

Approved by:


ERICO BASILIO A. FABIAN
Chairman
Committee on Public Information


BEN P. EVARDONE
Chairman
Committee on Government
Enterprises and Privatization



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

HON. JOSEPH EMILIO A. ABAYA

*Congressman, 1st District, Cavite
Chairman, Committee on Appropriations*

October 15, 2012

HON. ERICO BASILIO A. FABIAN

*Chairperson
Committee on Government Enterprises and Privatization
House of Representatives*

Dear Chairperson Fabian:

Please be informed that the Committee on Appropriations in its meeting held today at Conference Rooms 14 and 15, Ramon V. Mitra Bldg., approved to report out Substitute Bill to House Bill Nos. 5061 and 5147, titled, **"AN ACT AMENDING REPUBLIC ACT NO 7306, ENTITLED "AN ACT PROVIDING FOR THE ESTABLISHMENT OF THE PEOPLE'S TELEVISION NETWORK, INCORPORATED, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FOR ITS SOURCES OF FUNDING AND FOR OTHER PURPOSES"** with the following amendments:

1. On page 2, between lines 25 and 26, insert a new section to read as follows and renumber subsequent sections accordingly:

"SEC. 3. Section 4 of RA 7306 is hereby amended to read as follows:

"SECTION 4. Corporate Existence. – The legal existence of the Network shall be for a period of fifty (50) years from the effectivity of [this Act] **RA NO. 7306, SUBJECT TO R.A. NO. 10149 OR THE "GOCC GOVERNANCE ACT OF 2011" AND OTHER RELEVANT LAWS.**";
2. On the same page, line 41, between the numerical "4" and the letter "(e)", add the letter "s" to the word "Subsection" and between the letter "e" and the preposition "of" insert the phrase **AND (h)** ;
3. On page 3, Subsection (h) of Section 8 of RA 7306, line 27, between the article "the" and the word "pertinent", insert the phrase **APPROVAL OF THE MONETARY BOARD OF THE BANGKO SENTRAL NG PILIPINAS UPON THE RECOMMENDATION OF THE DEPARTMENT OF FINANCE AND OTHER** ;

4. On page 5, Sec. 6, line 3, between the word "Philippines" and the period (.), insert the phrase **FROM A SHORTLIST PREPARED BY THE GOVERNANCE COMMISSION FOR GOVERNMENT -OWNED OR CONTROLLED CORPORATIONS (GCG)**;

5. On page 6, Sec. 7, between lines 4 and 5, insert a new paragraph to read as follows:

THE MEMBERS OF THE ADVISORY COUNCIL SHALL RENDER VOLUNTARY SERVICE TO THE NETWORK. NO MEMBER SHALL BE PAID ANY HONORARIA, ALLOWANCES AND OTHER PERSONNEL BENEFITS. ;

6. On the same page, between lines 27 and 28, insert a new section to read as follows and renumber subsequent sections accordingly:

"SEC. ____ . Section 14 of RA No. 7306 is hereby amended to read as follows:

"SEC. 14. The Network General Manager. The Network General Manager shall be elected **ANNUALLY** by the Board, of which he need not be a member. In the latter case, he shall serve as an ex officio member, of the Board. He shall also be the Chief Operating Officer of the Network, who shall be responsible for the proper administration and management of the Network in accordance with the policies laid down by the Board. **THE GENERAL MANAGER SHALL BE SUBJECT TO THE DISCIPLINARY POWERS OF THE BOARD AND MAY BE REMOVED BY THE BOARD FOR CAUSE.;**

7. On the same page, Section 10, line 44, between the preposition "of" and the word "TEN", delete the opening and closing brackets ([]) in the word "One" and between the words "[One]" and "Thousand" delete the word "TEN";
8. On the same page and Section, line 45, delete the opening and closing brackets ([]) in the numerical "[P1,000]" and delete the numerical "(P10,000)";
9. On page 7, same Section, lines 11 and 12, add the preposition OF before the word "THE" and after the numerical (P5,000,000,000.00) delete the period (.) and substitute it with a comma (,);
10. On the same Section and page, between lines 17 to 24, delete the provision starting with the word "ANOTHER" up to the word "ACT" and in lieu thereof, insert the following:

THE REMAINING THREE BILLION PESOS (P3,000,000,000.00) SHALL BE APPROPRIATED UNDER THE ANNUAL GENERAL APPROPRIATIONS ACTS.;

11. On the same page and Section, lines 28-31, delete the last sentence starting from the article "THE" up to the year "2014";
12. On page 8, between lines 16 and 17, insert a new section to amend Section 23 of R.A. No. 7306 and renumber subsequent sections accordingly:

Sec. ____ Section 23 of R.A. 7306 is hereby amended to read as follows:

SECTION 23. Salary Scale for Officials and Employees. – [The rates of compensation and classes of positions in the Network shall not be covered by Republic Act 6758 and the Compensation and Position Classification Board (CPCB)]. PURSUANT TO THE PROVISIONS OF R.A. NO. 10149, THE GCG SHALL DEVELOP A COMPENSATION AND POSITION CLASSIFICATION SYSTEM WHICH SHALL APPLY TO ALL OFFICERS AND EMPLOYEES OF THE NETWORK SUBJECT TO APPROVAL BY THE PRESIDENT OF THE PHILIPPINES. ;

13. On the same page, Section 25, lines 28 to 30 between the year "2011" and the word "PROVIDED" , delete the phrase starting with the word "AND" up to the word "LAW" ;
14. On the same page and Section, between lines 33 and 34, delete the provision starting with the word "AUTHORIZED" up to the word "LAW/S" and in lieu thereof insert the phrase **SHALL HAVE THE OPTION TO RETIRE UNDER EXISTING RETIREMENT LAWS OR AVAIL OF THE BENEFITS PROVIDED UNDER THE PERTINENT PROVISIONS OF EXECUTIVE ORDER NO. 366, SERIES OF 2004. ;**
15. On the same page and Section, delete lines 36 to 46.

Very truly yours,


JOSEPH EMILIO AGUINALDO ABAYA

cc: Hon. Lucy Marie Torres-Gomez
Hon. Dakila Carlo E. Oua
Hon. Antonio L. Tinio
Hon. Ben P. Evardone

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO 5061

Introduced by Honorable Lucy Marie Torres-Gomez

EXPLANATORY NOTE

The People's Television Network Inc. (PTNI) is the flagship television network owned by the Philippine Government. PTNI began operations in 1974 as Government Television (GTV-4) and was the broadcast arm of the National Media Production Center (NMPC). In 1980, GTV-4 evolved into the Maharlika Broadcasting System (MBS). Following the People Power Revolution in 1986, MBS was renamed Peoples' Television (PTV).

In 1992, the network became a government-owned and controlled corporation known as People's Network, Inc. (PTBI) by virtue of Republic Act No. 7306 signed by President Corazon C. Aquino.

On July 16, 2001, PTNI adopted the name National Broadcasting Network (NBN) as its call name, in recognition of the need to develop a new image in line with its new programming thrusts.

Since 1992, PTNI has been operating on revenues it generates on its own. It generates its revenue through airtime sales, commercial spots co-productions, inter-agency collaborative programs and equipment rental. In July 2001, the Network stopped airing commercial advertisements, as stipulated in its Charter. To augment its operational requirements, PTNI has received government subsidies released as needed based on requests made by the Network from the National Government.

Thus, there is an urgent need to regenerate and improve the information mechanisms of government. Under its Charter, the Network does not receive annual appropriation for operations. After 2001, PTNI/NBN by express provision of law, specifically, section 19 of Title VII of RA 7306, cannot engaged in commercial advertising which has made it difficult to meet its daily operational expenses. Currently,

PTNI/NBN is under financial rehabilitation and is in serious need of capital infusion to be able to move towards it being self-sufficient and commercially viable once again.

This bill seeks to amend the PTV Charter to do the following (a) to allow the network to generate funds from advertising and airtime sales and the same shall be utilized by PTV solely for its operations and capital expenditure; (b) the government to approve a capital infusion to jumpstart the rehabilitation of the network; and (c) for the network to adopt other measures that will help restore the viability of the network operations.

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


LUCY TORRES-GOMEZ

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session
5061

Introduced by Honorable Lucy Marie Torres-Gomez

AN ACT
AMENDING REPUBLIC ACT NO. 7306 -
AN ACT PROVIDING FOR THE ESTABLISHMENT OF THE PEOPLE'S TELEVISION
NETWORK, INCORPORATED, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING
FOR ITS SOURCES OF FUNDING AND FOR OTHER PURPOSES

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

TITLE I. — GENERAL PROVISIONS

1 SECTION 1. *Title.* — This Act shall be known as the "Amended Charter of the People's
2 Television Network, Incorporated".

3 SECTION 2. *Declaration of Policies.* — In consonance with the Constitutional recognition of
4 the vital role of communication and information in nation-building, and the important aspect
5 played by the broadcasting industry, it is hereby declared as the policy of the State to:

6 a) Fully develop communication structures suitable to the needs and aspirations of the nation
7 and in accordance with a policy that respects the freedom of speech and of the press;

8 b) Give priority to education, science and technology, arts, culture, and sports to foster
9 patriotism and nationalism, accelerate social progress, and promote total human liberation and
10 development;

11 c) Develop the broadcasting industry as a medium for the development, promotion and
12 advancement of Filipino nationalism, culture and values that serve as an instrument in the
13 struggle for Filipino sovereignty, identity, national unity and integration;

14 d) Harness the resources of the government and the private sector towards a close, continuous
15 and balanced cooperation in order to take advantage of technological advances in the
16 broadcasting industry;

17 e) Maintain a broadcast industry system that serves as a vital link for participative democracy
18 and effective government information dissemination through developmental communication,
19 free from any political or partisan influence and held accountable directly to the people;

20 f) Encourage the development and broadcast of balanced programs which feature, among
21 others, educational, wholesome entertainment, cultural, public affairs and sports; and

22 G) ENSURE THAT THE GOVERNMENT TELEVISION SHALL NOT UNDULY
23 COMPETE WITH THE PRIVATE TELEVISION SECTOR FOR ADVERTISING AND
24 COMMERCIAL INTEREST AS FAR AS PRACTICABLE;

25 H) PROVIDE QUALITY ALTERNATIVE PROGRAMS FOR THE BENEFIT AND
26 MORAL UPLIFTMENT OF THE CITIZENRY.

TITLE II. — CREATION AND DOMICILE

1 SECTION 3. *Creation.* — There shall be created a body corporate to be called "The "People's
2 Television Network, Incorporated," hereinafter referred to as the "Network," which shall engage
3 in television broadcasting in the Philippines. The Network shall be government-owned and
4 controlled corporation under a Board of Directors to be appointed by the President of the
5 Philippines.

6 SECTION 4. *Corporate Existence.* — The legal existence of the Network shall be for a period
7 of fifty (50) years from the effectivity of RA 7306, **NOTWITHSTANDING ANY**
8 **PROVISION OF LAW TO THE CONTRARY: PROVIDED, HOWEVER, THAT AT THE**
9 **END OF THE SAID PERIOD, THE NETWORK SHALL AUTOMATICALLY**
10 **CONTINUE TO EXIST FOR ANOTHER FIFTY (50) YEARS, UNLESS OTHERWISE**
11 **PROVIDED BY LAW.**

12 SECTION 5. *Domicile.* — The Network shall have its principal office and domicile in the
13 Metropolitan Manila area. It may also establish offices, branches and/or stations in any part of
14 the Philippines as its Board of Directors may see fit.

15 **SECTION 5-A. — THE GOVERNMENT OF THE PHILIPPINES, THROUGH THE**
16 **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND THE**
17 **BUREAU OF LANDS, SHALL IDENTIFY AND APPROPRIATE ALIENABLE**
18 **GOVERNMENT LAND FOR THE NETWORK TO ESTABLISH AND BUILD ITS**
19 **MAIN BROADCAST CENTER AND MAJOR PROVINCIAL STATIONS.**

TITLE III. — FRANCHISE AND LICENSE TO OPERATE

20 SECTION 6. *Franchise Grant.* — Subject to the provision of the Constitution, laws, orders,
21 decrees not inconsistent herewith, the network is hereby granted a franchise to construct,
22 maintain and operate television broadcasting stations and satellite receiving and transmitting
23 facilities in the Philippines for a period co-termines with the corporate existence of the Network.

24 SECTION 7. *License to Operate.* — The National Telecommunications Commission (NTC)
25 shall forthwith cause the issuance to the Network of the corresponding license to operate upon
26 compliance with all its requirements.

TITLE IV. — POWERS AND FUNCTIONS

27 SECTION 8. *Powers of the Network.* — The Network shall have the following powers:

- 28 a) to sue or be sued in its corporate name;
- 29 b) to have continuous succession in its corporate name;
- 30 c) to adopt and use a corporate seal;
- 31 d) to adopt by-laws not contrary to law, morals, or public policy, and to amend or repeal the
32 same in accordance with the provisions of existing laws;
- 33 e) to **ACQUIRE**, purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage
34 and otherwise deal with such real and personal property;
- 35 f) to establish, purchase, install, construct, use and maintain national, regional, provincial and
36 community stations and facilities for television broadcasting throughout and in any part of the
37 country;

38. g) to enter into joint ventures or partnerships with other broadcasting authorities and stations or
39 international agencies or private organizations for the purpose of promoting its broadcasting

1 services;

2 h) to raise, borrow or obtain funds, from any source, private or government, foreign or
3 domestic and to enter into any financial or credit arrangements in order to support carry out its
4 objectives and purposes, subject to the pertinent laws governing public debt and expenditure;

5 i) to receive donations and grants from any source whether local or foreign and avail of official
6 development assistance and concessional loans provided by foreign governments, foundations or
7 financial institutions;

8 j) to enter into, make, perform and carry out contracts of any kind and description in
9 furtherance of the corporate purpose with any person, firm, association or corporation;

10 k) to accept corporate institutional support for developmental programs and to determine the
11 conditions subject to which the said programs may be accepted for television transmission; and

12 l) to exercise the general powers outlined in the Corporation Code of the Philippines, as well as
13 such other incidental powers as may be necessary to carry on its activities.

14 SECTION 9. *Functions of the Network.* — The Network shall have the following functions:

15 a) to serve primarily as a vehicle for the State for purposes of education, science and
16 technology, arts, culture, and sports in order to foster national pride and identity;

17 b) to serve as a vehicle for bringing the Government closer to the people in order to enhance
18 their awareness of the programs, policies, thrusts, and directions of the Government;

19 c) to ensure that the programs broadcast by the Network maintain a high general standard in all
20 respects, and in particular, in respect to their content and quality and proper balance of
21 educational, news, public affairs, entertainment, and sports programs;

22 d) to serve as an effective outlet for alternative programming;

23 **e) TO PROVIDE AIRTIME TO LEGITIMATE PEOPLE'S ORGANIZATIONS AND**
24 **NGOS IN THE PROMOTION OF THEIR PROGRAMS AND PROJECTS;**

25 f) to serve as an effective medium for national unity and political stability by reaching as much
26 of the Filipino population as possible through the effective use of modern broadcasting
27 technology; and

28 g) to ensure that nothing is included in the programs broadcast by the Network which shall;

29 1) offend public morals, good taste, or decency;

30 2) offend any racial group or promote ill-will between different races or different public
31 groups, prescribing such programs as would promote strictly partisan politics and propaganda;

32 3) offend the followers of any religious faith, sect, or order, or

33 4) outrage public feeling in general.

TITLE V. — CORPORATE STRUCTURE

34 SECTION 10. *The Board of Directors.* — The corporate powers of the Network shall be
35 exercised, all its business conducted and all its property controlled and held by the Board of

Directors. It shall be composed of five (5) members who shall be appointed by the President of the Philippines. The Board shall be made up of the following:

- a) two (2) members from the Government sector;
- b) two (2) members from the private sector, one (1) of whom shall have at least ten (10) years of experience in the broadcast industry; and
- c) one (1) member from the educational sector.

SECTION 10-A. *The Advisory Board.* — THE PRESIDENT OF THE PHILIPPINES SHALL APPOINT SEVEN (7) SECTORAL MEMBERS WITH WIDE EXPERIENCE AND EXPERTISE IN THEIR RESPECTIVE FIELDS OF WORK TO CONSTITUTE THE ADVISORY BOARD.

THE MEMBERS OF THE ADVISORY BOARD MAY BE CHOSEN FROM AMONG NOMINEES OF ASSOCIATIONS AND ORGANIZATIONS REPRESENTING VARIOUS STAKEHOLDERS IN THE BROADCAST INDUSTRY AND THEY SHALL SERVE WITH A FIXED TERM OF SIX (6) YEARS.

THE ADVISORY BOARD SHALL SERVE AS THE STRATEGIC AND POLICY-MAKING BODY THAT WILL FORMULATE POLICIES TO GOVERN THE NETWORK. THE CHAIRMAN OF THE BOARD OF DIRECTORS SHALL BE AN EX-OFFICIO MEMBER OF THE ADVISORY BOARD.

SECTION 11. *Qualifications of the Members of the Board.* — The members of the Board shall be of proven and unquestionable probity, integrity, honesty, impartiality, reputation, and knowledgeable of the broadcast industry. They shall not be, in any way, connected with any other broadcasting corporation or hold any position that may conflict with their functions and duties as Directors of the Network.

If a member shall be appointed to another government office or runs for any elective position, he shall be deemed to have vacated membership in the Board on the day of his appointment or filing of his candidacy, as the case may be.

SECTION 12. *Term of the Members of Board.* — The initial appointees of the President of the Philippines shall have the following terms:

- a) Three (3) directors, one from each sector, for two (2) years, and
- b) The other two (2) directors, one (1) each from the government and private sector, for four (4) years.

Subsequent appointees shall serve a term of four (4) years, without reappointment. Appointment to any vacancy in the Board shall be for the unexpired portion of the term of the predecessor.

THE MEMBERS SHALL ELECT AMONG THEMSELVES ONE WHO WILL SERVE AS CHAIRMAN OF THE BOARD. THE BOARD SHALL MEET AT LEAST TWICE A MONTH TO DISCUSS MATTERS OF POLICY IN ORDER TO EFFECTIVELY CARRY OUT THE PROVISIONS OF THIS ACT.

SECTION 13. *Functions and Duties of the Board of Directors.* — The general functions and duties of the Board of Directors shall be as follows:

- a) to carry out the provisions of this Act;
- b) to exercise the corporate powers, and conduct all business of the Network;
- c) to decide matters of policy; and
- d) to submit to the President of the Philippines and the Congress a comprehensive annual

41. report on the operation of the Network within the first sixty (60) days of the fiscal year.

1 SECTION 14. *The Network General Manager.* — The Network General Manager shall be
2 elected by the Board, of which he need not be a member. In the latter case, he shall serve as an
3 ex officio member of the Board. He shall also be the Chief operating Officer of the Network,
4 who shall be responsible for the proper administration and management of the Network in
5 accordance with the policies laid down by the Board.

6 If the Network General Manager is absent, or is incapacitated by reason of illness or for any
7 other cause, is temporarily unable to perform his duties, the Board of Directors may designate an
8 officer-in-charge to act in his place and stead during such absence from duty.

9 SECTION 15. *Powers and Functions of the Network General Manager.* — Subject to the
10 control and supervision of the Board, the Network General Manager shall have the following
11 powers and functions:

12 a) submit policy recommendations and propose measures necessary to carry out the objectives
13 and functions of the Network for the consideration of the Board;

14 b) recommend to the Board for approval an organizational structure and plantilla for personnel
15 of the Network, in accordance with existing laws, rules and regulations;

16 c) execute, administer and implement policies and measures approved by the Board;

17 d) Submit to the Board an annual budget and such supplemental budgets as may be necessary
18 for its consideration and approval;

19 e) represent the Network, its dealings with other persons, entities, agencies and institutions,
20 whether public or private, domestic or foreign, subject to the limitations and conditions herein
21 provided;

22 f) appoint, subject to the confirmation by the Board, discipline or remove for cause, officer and
23 personnel of the Network in accordance with the Civil Service Law, rules and regulations; and

24 g) perform such other functions and duties which may be assigned to him by the Board.

TITLE VI. — PROGRAM STANDARDS

25 SECTION 16. *General Program Standards.* — The Board of Directors is mandated to set up a
26 Code of Standards, inclusive of the following aspects:

27 a) Presentations of News

28 b) Public Affairs Programs and Commentaries

29 c) Public Service Programs

30 d) Educational Programs

31 e) Children's Programs

32 f) Agriculture and Livelihood Programs

33 g) Women and Youth Issues

34 h) Locally-produced and foreign produced programs.

1 SECTION 17. *USE OF BLOCKTIMERS.* — THE USE OF BLOCKTIMERS SHALL
2 BE ALLOWED BUT LIMITED TO EDUCATION, SPORTS, QUALITY
3 ENTERTAINMENT PROGRAMS, AND SUCH PROGRAMS WHICH PROMOTES
4 NATIONAL INTEREST, SUBJECT TO QUALITY STANDARDS SET BY THE BOARD
5 OF DIRECTORS. THE NETWORK SHALL ASSUME SOLIDARY LIABILITY WITH
6 EACH OF THE INDIVIDUAL PRODUCERS, FOR THE CONTENT OF ALL
7 PROGRAMS SHOWN BY BLOCKTIMERS.

TITLE VII. — FINANCIAL PROVISIONS

8 SECTION 18. *CAPITALIZATION.* — THE ADDITIONAL AUTHORIZED CAPITAL
9 STOCK OF THE NETWORK SHALL BE SUBJECT TO APPROPRIATION IN THE
10 GENERAL APPROPRIATIONS ACT.

11 SECTION 19. *REVENUE GENERATION.* — THE NETWORK SHALL BE ALLOWED TO
12 GENERATE FUNDS FROM ADVERTISING AND AIRTIME SALES IN
13 ACCORDANCE WITH THE POLICIES AND RATES SET BY THE BOARD OF
14 DIRECTORS. SUBJECT TO EXISTING LAWS, ALL FEES OR OTHER REVENUES
15 COLLECTED OR RECEIVED BY THE NETWORK SHALL BE RETAINED BY IT
16 AND UTILIZED SOLELY FOR ITS OPERATIONS AND CAPITAL EXPENDITURES.

17 SECTION 19-A. *EXEMPTION FROM RA No. 7656.* - THE NETWORK SHALL BE
18 EXEMPT FROM REMITTING FIFTY PERCENT (50%) OF ITS ANNUAL NET
19 EARNINGS AS PROVIDED BY RA No. 7656, SUBJECT TO THE APPROVAL OF THE
20 DEPARTMENT OF FINANCE, AND PROVIDED, THAT THE ANNUAL NET
21 EARNINGS BE USED SOLELY FOR ITS OPERATIONS AND CAPITAL
22 EXPENDITURES.

TITLE VIII. — ADMINISTRATIVE PROVISIONS

23 SECTION 20. *Record of Transactions.* — The Network shall keep proper accounts and records
24 of all its transactions and affairs, and shall do all things necessary to ensure that all payments
25 made out of its moneys are correctly made and properly authorized, and that adequate control is
26 maintained over the assets of, or in the custody of, the Network and the expenditures incurred by
27 the Network. The Network shall be subject to audit by the Commission on Audit.

28 SECTION 20-A. *TAX CREDITS FOR AFFILIATE STATIONS.* - SUBJECT TO THE
29 PROVISIONS OF THE NATIONAL INTERNAL REVENUE CODE, PRIVATE
30 COMPANIES, WHICH ARE GRANTED A FRANCHISE TO OPERATE A LOCAL
31 TELEVISION STATION OR COMMUNITY TELEVISION AND ARE AFFILIATED
32 WITH THE NETWORK SHALL BE GRANTED COMMENSURATE TAX CREDITS:
33 PROVIDED, THAT UPON TERMINATION OF THE AFFILIATION WITH THE
34 NETWORK, THE TAX CREDITS SHALL CEASE TO BE GRANTED.

TITLE IX. — TAX EXEMPTIONS

35 SECTION 21. *Tax Exemptions on Importations.* — The importations of equipment, apparatus
36 and materials to be actually, directly and exclusively used in the operation of the Network,
37 whether purchased from or donated by any foreign government and/or private entity shall be free
38 from the payment of any and all forms of taxes, license fees and customs duties that may be
39 levied upon them. Such equipment and apparatus shall include cameras, TV monitors and
40 recorders, TV transmitters, electronic tubes, editing machines, and all such necessary equipment
41 required for television broadcasting; provided, that the subsequent importation of the equipment,
42 apparatus and materials shall be subject to review by the Department of Finance: provided,
43 further, that in the event the equipment, apparatus and materials are sold to non-tax exempt
44 persons or entities, the buyers shall be considered the exporters and who shall then be subject to
45 tax.

1 SECTION 21-A. *EXEMPTION FROM REAL PROPERTY TAX.* - SUBJECT TO THE
2 PROVISIONS OF THE LOCAL GOVERNMENT CODE AND THE NATIONAL
3 INTERNAL REVENUE CODE, THE NETWORK SHALL BE EXEMPT FROM REAL
4 PROPERTY TAX PROVIDED THAT SAVINGS FROM REAL PROPERTY TAX
5 EXEMPTION WILL BE USED TO FUND CAPITAL EXPENDITURES AND
6 OPERATIONS FOR THE NETWORK.

TITLE X. — EMPLOYEES OF THE NETWORK

7 SECTION 22. *Civil Service Law Coverage for Employees.* — The hiring, appointment,
8 employment, promotion, disciplinary control, and other terms and conditions of the service of all
9 employees of the Network, and such other matter affecting its employees shall be consistent with
10 the provisions of the Civil Service Law, rules and regulations: **PROVIDED, HOWEVER,**
11 **THAT POSITIONS CONSIDERED AS CREATIVE AND ARTISTIC IN NATURE**
12 **SHALL BE EXEMPTED FROM THE QUALIFICATION STANDARDS AND CIVIL**
13 **SERVICE ELIGIBILITY REQUIREMENTS.**

14 SECTION 23. *Salary Scale for Officials and Employees.* — The rates of compensation and
15 classes of positions in the Network shall not be covered by Republic Act 6758 and the
16 Compensation and Position Classification Board (CPCB).

17 SECTION 24. *GSIS Coverage for Employees.* — All employees hired by the Network shall be
18 deemed members of the Government Service Insurance System (GSIS) for the purpose of
19 employee benefits.

TITLE XI. — MISCELLANEOUS PROVISIONS

20 SECTION 25. *Transition Clause.* — All the powers, functions, assets and liabilities, capital,
21 accounts, contracts, and facilities pertaining to the People's Television - 4 (PTV-4), and all
22 equipment relating to television broadcasting owned by the government shall be transferred to
23 the Network.

24 SECTION 26. *Transitory Provision:* — The Network General Manager shall recommend to the
25 Board of Directors a corporate plan that includes programming direction, budget, organizational
26 plan, and structure, a staffing pattern and compensation plan within ninety (90) days from the
27 effectivity of this Act. Said corporate structure shall be implemented by the Network General
28 Manager within thirty (30) days after its approval by the Board of Directors: provided, that the
29 current and incumbent employees of the People's Television - 4 (PTV-4) shall be absorbed and
30 accommodated by the Network.

31 SECTION 26-A. *REORGANIZATION OF THE NETWORK - NINETY (90) DAYS FROM*
32 *THE APPROVAL OF THIS ACT, THE BOARD OF DIRECTORS IS HEREBY*
33 *EMPOWERED TO REORGANIZE THE NETWORK TO MAKE IT MORE*
34 *EFFECTIVE AND INNOVATIVE. FOR THIS PURPOSE, THE BOARD MAY ABOLISH*
35 *OR CREATE OFFICES, TRANSFER FUNCTIONS, EQUIPMENT, PROPERTIES,*
36 *RECORDS, AND PERSONNEL; INSTITUTE COST-CUTTING AND OTHER*
37 *RELATED MEASURES TO CARRY OUT THE SAID OBJECTIVES. PROVIDED,*
38 *THAT ANY OFFICIAL OR EMPLOYEE OF THE NETWORK WHO MAY BE*
39 *PHASED OUT BY REASON OF THE REORGANIZATION AUTHORIZED HEREIN*
40 *SHALL BE ENTITLED TO SUCH BENEFITS AS MAY BE DETERMINED BY*
41 *EXISTING LAWS.*

42 SECTION 26-B. *OBLIGATIONS.* THE GOVERNMENT OF THE REPUBLIC OF THE
43 PHILIPPINES, THROUGH THE DEPARTMENT OF FINANCE SHALL GUARANTEE
44 ALL PRESENT AND FUTURE FINANCIAL OBLIGATIONS THAT THE NETWORK
45 MAY ENTER INTO WITH LOCAL AND FOREIGN ENTITIES.

1 SECTION 27. *Amendments.* — The provisions of this Act shall be subject to amendments,
2 alteration or repeal by the Congress of the Philippines, when public interest so requires.

3 SECTION 28. *Separability Clause.* — If any provision or part of this Act is declared invalid or
4 unconstitutional, the remainder shall not be affected thereby and shall continue to be in full force
5 and effect.

6 SECTION 29. *Repealing Clause.* — All laws, decrees, executive orders, administrative orders,
7 rules and regulations, and other issuances or parts thereof inconsistent herewith are hereby
8 repealed, amended or modified accordingly.

9 SECTION 30. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its
10 publication in two (2) national newspapers of general circulation.

Approved: _____

REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
QUEZON CITY

FIFTEENTH CONGRESS
SECOND REGULAR SESSION

HOUSE BILL NO. 5147

Introduced by: REP. DAKILA CARLO ENRIQUEZ CUA

**AN ACT
AMENDING REPUBLIC ACT NO. 7306 –
AN ACT PROVIDING FOR THE ESTABLISHMENT OF THE PEOPLE'S TELEVISION
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Thus, there is an urgent need to regenerate and improve the information mechanisms of government. Under its Charter, the Network does not receive annual appropriation for operations. After 2001, PTNI/NBN by express provision of law, specifically, section 19 of Title VII of RA 7306, cannot engage in commercial advertising which has made it difficult to meet its daily operational expenses. Currently, PTNI/NBN is under financial rehabilitation and is in serious need of capital infusion to be able move towards it being self-sufficient and commercially viable once again.

This bill seeks to amend the PTV Charter to do the following: (a) to allow the network to generate funds from advertising and airtime sales and the same shall be utilized by PTV solely for its operations and capital expenditure; (b) for government to approve a capital infusion to jumpstart the rehabilitation of the network; and (c) for the network to adopt other measures that will help restore the viability of the network operations.

Thus, approval of this bill is highly endorsed.

DAKILA CARLO ENRIQUEZ CUA

REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
QUEZON CITY

FIFTEENTH CONGRESS
SECOND REGULAR SESSION

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- g) **ENSURE THAT THE GOVERNMENT TELEVISION SHALL NOT UNDULY COMPETE WITH THE PRIVATE TELEVISION SECTOR FOR ADVERTISING AND COMMERCIAL INTEREST AS FAR AS PRACTICABLE;**
- h) **PROVIDE QUALITY ALTERNATIVE PROGRAMS FOR THE BENEFIT AND MORAL UPLIFTMENT OF THE CITIZENRY.**

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SECTION 5. *Domicile.* — The Network shall have its principal office and domicile in the Metropolitan Manila area. It may also establish offices, branches and/or stations in any part of the Philippines as its Board of Directors may see fit.

SECTION 5-A. - THE GOVERNMENT OF THE PHILIPPINES, THROUGH THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AND THE BUREAU OF LANDS, SHALL IDENTIFY AND APPROPRIATE ALIENABLE GOVERNMENT LAND FOR THE NETWORK TO ESTABLISH AND BUILD ITS MAIN BROADCAST CENTER AND MAJOR PROVINCIAL STATIONS, FOR POSSIBLE EXPANSION.

TITLE III. — FRANCHISE AND LICENSE TO OPERATE

SECTION 6. *Franchise Grant.* — Subject to the provision of the Constitution, laws, orders, decrees not inconsistent herewith, the network is hereby granted a franchise to construct, maintain and operate television broadcasting stations and satellite receiving and transmitting facilities in the Philippines for a period co-terminus with the corporate existence of the Network.

SECTION 7. *License to Operate.* — The National Telecommunications Commission (NTC) shall forthwith cause the issuance to the Network of the corresponding license to operate upon compliance with all its requirements.

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SECTION 8. *Powers of the Network.* — The Network shall have the following powers:

- a) to sue or be sued in its corporate name;
- b) to have continuous succession in its corporate name;
- c) to adopt and use a corporate seal;
- d) to adopt by-laws not contrary to law, morals, or public policy, and to amend or repeal the same in accordance with the provisions of existing laws;
- e) to **ACQUIRE**, purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property;
- f) to establish, purchase, install, construct, use and maintain national, regional, provincial community stations and facilities for television broadcasting throughout and in any part of the country;
- g) to enter into joint ventures or partnerships with other broadcasting authorities and stations or international agencies or private organizations for the purpose of promoting its broadcasting services;
- h) to raise, borrow or obtain funds, from any source, private or government, foreign or domestic and to enter into any financial or credit arrangements in order to support and carry out its objectives and purposes, subject to the pertinent laws governing public debt and expenditure;
- i) to receive donations and grants from any source whether local or foreign and avail of official development assistance and concessional loans provided by foreign governments, foundations or financial institutions;
- j) to enter into, make, perform and carry out contracts of any kind and description in furtherance of the corporate purpose with any person, firm, association or corporation;
- k) to accept corporate institutional support for developmental programs and to determine the conditions subject to which said programs may be accepted for television transmission; and
- l) to exercise the general powers outlined in the Corporation Code of the Philippines, as well as such other incidental powers as may be necessary to carry on its activities.

SECTION 9. *Functions of the Network.* — The Network shall have the following functions:

- a) to serve primarily as a vehicle for the State for purposes of education, science and technology, arts, culture, and sports in order to foster national pride and identity;
- b) to serve as a vehicle for bringing the Government closer to the people in order to enhance their awareness of the programs, policies, thrusts, and directions of the Government;
- c) to ensure that the programs broadcast by the Network maintain a high general standard in all respects, and in particular, in respect to their content and quality and proper balance of educational, news, public affairs, entertainment, and sports programs;
- d) to serve as an effective outlet for alternative programming;
- e) **TO PROVIDE AIRTIME TO LEGITIMATE PEOPLE'S ORGANIZATIONS AND NON GOVERNMENT ORGANIZATIONS IN THE PROMOTION OF THEIR PROGRAMS AND PROJECTS;**
- f) to serve as an effective medium for national unity and political stability by reaching as much of the Filipino population as possible through the effective use of modern broadcasting technology; and

g) to ensure that nothing is included in the programs broadcast by the Network which shall;

1. offend public morals, good taste, or decency;
2. offend any racial group or promote ill-will between different races or different public groups, prescribing such programs as would promote strictly partisan politics and propaganda;
3. offend the followers of any religious faith, sect, or order, or
4. outrage public feeling in general.

TITLE V. — CORPORATE STRUCTURE

SECTION 10. *The Board of Directors.* — The corporate powers of the Network shall be exercised, all its business conducted and all its property controlled and held by the Board of Directors. It shall be composed of five (5) members who shall be appointed by the President of the Philippines. The Board shall be made up of the following:

- a) two (2) members from the Government sector;
- b) two (2) members from the private sector, one (1) of whom shall have at least ten (10) years of experience in the broadcast industry; and
- c) one (1) member from the educational sector.

SECTION 10-A. *The Advisory Board.* — **THE PRESIDENT OF THE PHILIPPINES SHALL APPOINT SEVEN (7) SECTORAL MEMBERS WITH WIDE EXPERIENCE AND EXPERTISE IN THEIR RESPECTIVE FIELDS OF WORK TO CONSTITUTE THE ADVISORY BOARD.**

THE MEMBERS OF THE ADVISORY BOARD MAY BE CHOSEN FROM AMONG NOMINEES OF ASSOCIATIONS AND ORGANIZATIONS REPRESENTING VARIOUS STAKEHOLDERS IN THE BROADCAST INDUSTRY AND THEY SHALL SERVE WITH A FIXED TERM OF ONE (1) YEAR.

THE ADVISORY BOARD SHALL SERVE AS THE STRATEGIC AND POLICY MAKING BODY THAT WILL FORMULATE POLICIES TO GOVERN THE NETWORK. THE CHAIRMAN OF THE BOARD OF DIRECTORS SHALL BE AN EX-OFFICIO MEMBER OF THE ADVISORY BOARD.

SECTION 11. *Qualifications of the Members of the Board.* — The members of the Board shall be of proven and unquestionable probity, integrity, honesty, impartiality, reputation, and knowledgeable of the broadcast industry. They shall not be, in any way, connected with any other broadcasting corporation or hold any position that may conflict with their functions and duties as Directors of the Network.

If a member shall be appointed to another government office or runs for any elective position, he shall be deemed to have vacated membership in the Board on the day of his appointment or filing of his candidacy, as the case may be.

SECTION 12. *Term of the Members of Board.* — The initial appointees of the President of the Philippines shall have the following terms:

- a) three (3) directors, one from each sector, for two (2) years, and
- b) the other two (2) directors, one (1) each from the government and private sector, for four (4) years.

Subsequent appointees shall serve a term of **ONE (1) YEAR TERM SUBJECT TO REAPPOINTMENT BY THE PRESIDENT.** Appointment to any vacancy in the Board shall be for the unexpired portion of the term of the predecessor.

THE MEMBERS SHALL ELECT AMONG THEMSELVES ONE WHO WILL SERVE AS CHAIRMAN OF THE BOARD. THE BOARD SHALL MEET AT LEAST TWICE A MONTH TO DISCUSS MATTERS OF POLICY IN ORDER TO EFFECTIVELY CARRY OUT THE PROVISIONS OF THIS ACT.

SECTION 13. *Functions and Duties of the Board of Directors.* — The general functions and duties of the Board of Directors shall be as follows:

- a) to carry out the provisions of this Act,
- b) to exercise the corporate powers, and conduct all business of the Network;
- c) to decide matters of policy; and
- d) to submit to the President of the Philippines and the Congress a comprehensive annual report on the operation of the Network within the first sixty (60) days of the fiscal year.

SECTION 14. *The Network General Manager.* — The Network General Manager shall be elected by the Board, of which he need not be a member. In the latter case, he shall serve as an ex-officio member of the Board. He shall also be the Chief operating Officer of the Network, who shall be responsible for the proper administration and management of the Network in accordance with the policies laid down by the Board.

If the Network General Manager is absent, or is incapacitated by reason of illness or for any other cause, is temporarily unable to perform his duties, the Board of Directors may designate an officer-in-charge to act in his place and stead during such absence from duty.

SECTION 15. *Powers and Functions of the Network General Manager.* — Subject to the control and supervision of the Board, the Network General Manager shall have the following powers and functions:

- a) submit policy recommendations and propose measures necessary to carry out the objectives and functions of the Network for the consideration of the Board;
- b) recommend to the Board for approval an organizational structure and plantilla for personnel of the Network, in accordance with existing laws, rules and regulations;
- c) execute, administer and implement policies and measures approved by the Board;
- d) Submit to the Board an annual budget and such supplemental budgets as may be necessary for its consideration and approval;
- e) represent the Network, its dealings with other persons, entities, agencies and institutions, whether public or private, domestic or foreign, subject to the limitations and conditions herein provided;

- d) ~~appoint, subject to the confirmation by the Board, discipline or remove for cause,~~
officer and personnel of the Network in accordance with the Civil Service Law, rules
and regulations; and
g) perform such other functions and duties which may be assigned to him by the Board.

TITLE VI. — PROGRAM STANDARDS

SECTION 16. *General Program Standards.* — The Board of Directors is mandated to set up a Code of Standards, inclusive of the following aspects:

- a) Presentations of News
- b) Public Affairs Programs and Commentaries
- c) Public Service Programs
- d) Educational Programs
- e) Children's Programs
- f) Agriculture and Livelihood Programs
- g) Women and Youth Issues
- h) Locally-produced and foreign produced programs.

SECTION 17. *USE OF BLOCKTIMERS.* — THE USE OF BLOCKTIMERS SHALL BE ALLOWED BUT LIMITED TO EDUCATION, SPORTS, QUALITY ENTERTAINMENT PROGRAMS, AND SUCH PROGRAMS WHICH PROMOTE NATIONAL INTEREST, SUBJECT TO QUALITY STANDARDS SET BY THE BOARD OF DIRECTORS. THE NETWORK SHALL ASSUME SOLIDARY LIABILITY WITH EACH OF THE INDIVIDUAL PRODUCERS, FOR THE CONTENT OF ALL PROGRAMS SHOWN BY BLOCKTIMERS.

TITLE VII. — FINANCIAL PROVISIONS

SECTION 18. *CAPITALIZATION.* — THE ADDITIONAL AUTHORIZED CAPITAL STOCK OF THE NETWORK SHALL BE SUBJECT TO APPROPRIATION IN THE GENERAL APPROPRIATIONS ACT.

SECTION 19. *REVENUE GENERATION.* — THE NETWORK SHALL BE ALLOWED TO GENERATE FUNDS FROM ADVERTISING AND AIRTIME SALES IN ACCORDANCE WITH THE POLICIES AND RATES SET BY THE BOARD OF DIRECTORS. SUBJECT TO EXISTING LAWS, ALL FEES OR OTHER REVENUES COLLECTED OR RECEIVED BY THE NETWORK SHALL BE RETAINED BY IT AND UTILIZED SOLELY FOR ITS OPERATIONS AND CAPITAL EXPENDITURES.

SECTION 19-A. *EXEMPTION FROM RA No. 7656.* — THE NETWORK SHALL BE EXEMPT FROM REMITTING FIFTY PERCENT (50%) OF ITS ANNUAL NET EARNINGS AS PROVIDED BY RA No. 7656, SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF FINANCE, AND PROVIDED, THAT THE ANNUAL NET EARNINGS BE USED SOLELY FOR ITS OPERATIONS AND CAPITAL EXPENDITURES.

TITLE VIII. -- ADMINISTRATIVE PROVISIONS

SECTION 20. *Record of Transactions.* — The Network shall keep proper accounts and records of all its transactions and affairs, and shall do all things necessary to ensure that all payments made out of its moneys are correctly made and properly authorized, and that adequate control is maintained over the assets of, or in the custody of, the Network and the expenditures incurred by the Network. The Network shall be subject to audit by the Commission on Audit.

TITLE IX. — TAX EXEMPTIONS

SECTION 21. *Tax Exemptions on Importations.* — The importations of equipment, apparatus and materials to be actually, directly and exclusively used in the operation of the Network, whether purchased from or donated by any foreign government and/or private entity shall be free from the payment of any and all forms of taxes, license fees and customs duties that may be levied upon them. Such equipment and apparatus shall include cameras, TV monitors and recorders, TV transmitters, electronic tubes, editing machines, and all such necessary equipment required for television broadcasting: provided, that the subsequent importation of the equipment, apparatus and materials shall be subject to review by the Department of Finance: provided, further, that in the event the equipment, apparatus and materials are sold to non-tax exempt persons or entities, the buyers shall be considered the exporters who shall then be subject to tax.

SECTION 21-A. EXEMPTION FROM REAL PROPERTY TAX. — SUBJECT TO THE PROVISIONS OF THE LOCAL GOVERNMENT CODE AND THE NATIONAL INTERNAL REVENUE CODE, THE NETWORK SHALL BE EXEMPT FROM REAL PROPERTY TAX PROVIDED THAT SAVINGS FROM REAL PROPERTY TAX EXEMPTION WILL BE USED TO FUND CAPITAL EXPENDITURES AND OPERATIONS FOR THE NETWORK.

TITLE X. — EMPLOYEES OF THE NETWORK

SECTION 22. *Civil Service Law Coverage for Employees.* — The hiring, appointment, employment, promotion, disciplinary control, and other terms and conditions of the service of all employees of the Network, and such other matters affecting its employees shall be consistent with the provisions of the Civil Service Law, rules and regulations: **PROVIDED, HOWEVER, THAT POSITIONS CONSIDERED AS CREATIVE AND ARTISTIC IN NATURE SHALL BE EXEMPTED FROM THE QUALIFICATION STANDARDS AND CIVIL SERVICE ELIGIBILITY REQUIREMENTS.**

SECTION 23. *Salary Scale for Officials and Employees.* — The rates of compensation and classes of positions in the Network shall not be covered by Republic Act 6758 and the Compensation and Position Classification Board (CPCB).

SECTION 24. *GSIS Coverage for Employees.* — All employees hired by the Network shall be deemed members of the Government Service Insurance System (GSIS) for the purpose of employee benefits.

----- TITLE XL MISCELLANEOUS PROVISIONS -----

SECTION 25. *Transition Clause.* — All the powers, functions, assets and liabilities, capital, accounts, contracts, and facilities pertaining to the People's Television (PTV), and all equipments relating to television broadcasting owned by the government shall be transferred to the Network.

SECTION 26. *Transitory Provision.* — The Network General Manager shall recommend to the Board of Directors a corporate plan that includes programming direction, budget, organizational plan and structure, a staffing pattern and compensation plan within ninety (90) days from the effectivity of this Act. Said corporate structure shall be implemented by the Network General Manager within thirty (30) days after its approval by the Board of Directors: provided, that the current and incumbent employees of the People's Television (PTV) shall be absorbed and accommodated by the Network.

SECTION 26-A. REORGANIZATION OF THE NETWORK. - NINETY (90) DAYS FROM THE APPROVAL OF THIS ACT, THE BOARD OF DIRECTORS IS HEREBY EMPOWERED TO REORGANIZE THE NETWORK TO MAKE IT MORE EFFECTIVE AND INNOVATIVE. FOR THIS PURPOSE, THE BOARD MAY ABOLISH OR CREATE OFFICES, TRANSFER FUNCTIONS, EQUIPMENT, PROPERTIES, RECORDS, AND PERSONNEL, INSTITUTE COST-CUTTING AND OTHER RELATED MEASURES TO CARRY OUT THE SAID OBJECTIVES. PROVIDED, THAT ANY OFFICIAL OR EMPLOYEE OF THE NETWORK WHO MAY BE PHASED OUT BY REASON OF THE REORGANIZATION AUTHORIZED HEREIN SHALL BE ENTITLED TO SUCH BENEFITS AS MAYBE DETERMINED BY EXISTING LAWS.

SECTION 27. *Amendments.* — The provisions of this Act shall be subject to amendments, alteration or repeal by the Congress of the Philippines, when public interest so requires.

SECTION 28. *Separability Clause.* — If any provision or part of this Act is declared invalid or unconstitutional, the remainder shall not be affected thereby and shall continue to be in full force and effect.

SECTION 29. *Repealing Clause.* — All laws, decrees, executive orders, administrative orders, rules and regulations, and other issuances or parts thereof inconsistent herewith are hereby repealed, amended or modified accordingly.

SECTION 30. *Effectivity Clause.* — This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved: _____