

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. **5460**



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

The Constitution recognizes the vital role of communication and information in nation-building. Public information inevitably creates awareness of significant issues and can also be a mechanism for the transparency of policies and programs of the government if used effectively. Being a critical part of democracy, it can only be efficiently channeled through a truly independent media.

In our country, media has been undeniably dominated by commercial or privately-owned companies that depend on advertising to be able to sustain itself. Consequently, the growth and the independence of our journalists are encumbered by practices and schemes that are primarily dictated by the economic interests of their proprietors or advertisers. The existing public broadcast system, on the other hand, does not enjoy the trust of the people as it is perceived as a propaganda vehicle of the incumbent administrations and hence, is deemed inutile in the effective delivery of broadcasting as a public good. Thus, important concepts of transparency and accountability are unquestionably compromised by the situation.

Recognizing the need to assert the idea of highest journalistic standards and the preservation of press freedom, this bill aims to establish a public service broadcasting system which shall function wholly independent of the governmental and commercial influences and free from political or other bias or interference. Through this measure, the Public Service Broadcast System (PSBS) shall be independent in all matters concerning the content of its output, the times and manner in which this is supplied, and in the management of its affairs. Moreover, this bill grants fiscal autonomy to the PSBS such that appropriations for the PSBS may not be reduced by the Legislature below the amount appropriated for the previous year, and after approval shall be automatically and regularly released. Further, this bill creates a Board of

Directors whose membership is not appointed by the President. With the aforementioned provisions, this measure seeks to create a healthy distance between the media and the potential meddling arm of the State and commercial private interests. Of twin importance is the measure's provision of general program standards. Broadcasters must ensure that due impartiality and truthfulness are observed in news and other issues of public importance.

This bill, in essence, seeks to promote high quality public service broadcasting, the free flow of information in the public interest, and the responsible exercise of journalism through a broadcast channel that will fill the gap in the ratings-driven, commercially-dominated Philippine broadcast media and propaganda-driven state broadcasting system.

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



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AN ACT
ESTABLISHING AN INDEPENDENT BROADCAST SYSTEM IN THE COUNTRY,
PROVIDING FUNDS THEREFOR, 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 "Public Service Broadcast
2 System Act."

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

- 7
8 a) promote the provision of high-quality broadcast programming to the public at large;
9
10 b) promote and guarantee the independence of the public service broadcaster from
11 political or commercial interference within a framework of accountability to the
12 public;
13
14 c) fully develop communication structures suitable to the needs and aspirations of the
15 nation and in accordance with a policy that respects the freedom of speech and of the
16 press;
17
18 d) harness the resources of the government and the private sector towards a close,
19 continuous and balanced cooperation in order to take advantage of technological
20 advances in the broadcasting industry;
21
22 e) maintain a broadcast industry system that serves as a vital link for participative
23 democracy and effective government information dissemination through
24 developmental communication, free from any political or partisan influence and held
25 accountable directly to the people; and
26

- 1 f) encourage the development and broadcast of balanced programs which feature public
2 affairs;

3
4 **SEC 3. Definition of Terms.** - In this Act, unless the context otherwise requires:

- 5
6 a) The term "advertisement" refers to any public announcement intended to promote the
7 sale, purchase or rental of a product or service, to advance a cause or idea or to bring
8 about some other effect desired by the advertiser, for which broadcasting time has
9 been given up to the advertiser for remuneration or similar consideration;
- 10
11 b) The term "facilities and equipment" refers to apparatus necessary for production,
12 interconnection, captioning, broadcast, or other distribution of programming,
13 including, but not limited to, studio equipment, cameras, microphones, audio and
14 video storage or reproduction equipment or both, signal processors and switchers,
15 towers, antennas, transmitters, translators, microwave equipment, industrial utility
16 vehicle and appropriate mobile equipment, satellite communications equipment,
17 instructional television fixed service equipment, subsidiary communications
18 authorization transmitting and receiving equipment, cable television equipment, video
19 and audio cassettes and discs, optical fiber communications equipment, and other
20 means of transmitting, emitting, storing, and receiving images and sounds, or
21 intelligence: *Provided*, That such term does not include the buildings to house such
22 apparatus (other than small equipment shelters which are part of satellite earth
23 stations, translators, microwave interconnection facilities, and similar facilities).

24
25 **TITLE II**
26 **CREATION AND DOMICILE**

27
28 **SEC. 4. Creation.** - There shall be created a body corporate to be called the Public
29 Service Broadcast System hereinafter referred to as the PSBS, which shall engage in
30 television broadcasting in the Philippines. The PSBS shall have the independence of a
31 Constitutional Commission under a Board of Directors (hereinafter referred to as the Board):
32 *Provided*, That no member of the Board shall be appointed by the President of the
33 Philippines.

34
35 The PSBS shall run news and public affairs coverage, and commentaries for twenty-
36 four hours, seven days a week, for television and radio broadcasting. Further, it shall provide
37 equal coverage of both local and national events. Furthermore, foreign events shall also be
38 covered by the PSBS.

39
40 **SEC. 5. Domicile.** - The PSBS shall have its principal office and domicile in the
41 Metropolitan Manila area. It may also establish offices, branches and/or stations in any part
42 of the Philippines as its Board may see fit.

43
44 **TITLE III**
45 **FRANCHISE AND LICENSE TO OPERATE**

46
47 **SEC. 6. Franchise Grant.** - Subject to the provision of the Constitution, laws, orders,
48 decrees not inconsistent herewith, the PSBS is hereby granted a franchise to construct,
49 maintain and operate television broadcasting stations and satellite receiving and transmitting
50 facilities in the Philippines for a period co-terminus with the corporate existence of the PSBS.

1
2 **SEC. 7. License to Operate.** - The National Telecommunications Commission (NTC)
3 shall forthwith cause the issuance to the PSBS of the corresponding license to operate upon
4 compliance with all its requirements.
5

6 **TITLE IV**
7 **POWERS AND FUNCTIONS**
8

9 **SEC. 8. Powers of the PSBS.** - The PSBS shall have the following powers:
10

- 11 a) to establish, install, use, and maintain national, regional, provincial and community-
12 stations for television and radio broadcasting throughout and in any part of the
13 country;
14
15 b) to provide, equip, and maintain studios and other premises for television and radio
16 production and broadcasting purposes;
17
18 c) to accept advertising materials for television and radio broadcasting upon payment of
19 such charges as may be determined from time to time by the PSBS, and to determine
20 the conditions subject to which the said advertisements may be accepted for
21 transmission;
22
23 d) to adopt and use a PSBS seal;
24
25 e) to adopt by-laws, not contrary to law, morals, or public policy, and to amend or repeal
26 the same in accordance with the provisions of existing laws;
27
28 f) to purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and
29 otherwise deal with such real and personal property;
30
31 g) to establish, purchase, install, construct, use and maintain national, regional,
32 provincial and community stations and facilities for television broadcasting
33 throughout and in any part of the country;
34
35 h) to enter into joint ventures or partnerships with other broadcasting authorities and
36 stations or international agencies or private organizations for the purpose of
37 promoting its broadcasting services; and
38
39 i) to exercise such other powers as may be necessary to carry-out the purpose for which
40 the PSBS was established or which from time to time may be declared by the Board
41 of Directors to be necessary, useful, incidental or auxiliary to accomplish such
42 purposes.
43

44 **SEC. 9. Independence of the PSBS.** - The PSBS shall be independent in all matters
45 concerning the content of its output, the times and manner in which this is supplied, and in
46 the operational management of its affairs, such that the Oversight Committee provided for in
47 Section 12 of this Act may not question the PSBS on matters relating to the aforementioned.
48
49
50

SEC. 10. *Functions of the PSBS.* - The PSBS shall have the following functions:

- a) to serve the public interest;
- b) to serve primarily as a vehicle for communicating the news and public affairs to the public; and
- c) to provide subsidized airtime to legitimate people's organizations and NGOs in the promotion of their programs and projects.

TITLE V

CORPORATE STRUCTURE

SEC. 11. *The Board of Directors.* - The PSBS shall be governed by the PSBS Board of Directors, hereinafter referred to as the Board.

The Board shall be composed of fifteen (15) members. The members of the Board shall be elected from the following organizations:

- a) Seven (7) directors, representing each of the seven (7) biggest national broadcast media organizations in the country, in terms of membership: *Provided*, That the three (3) directors shall represent each of the three (3) biggest regional broadcast media organizations in Luzon, Visayas, and Mindanao, respectively, in terms of membership;
- b) Two (2) directors representing each of the two (2) biggest investigative media organizations in the country, in terms of membership;
- c) Five (5) directors representing each the five (5) biggest national newsprint media organizations in the country, in terms of membership; and
- d) The Dean of the University of the Philippines College of Mass Communication will serve as a director, representing the academe.

The initial members of the Board shall have a two (2) - year term. Subsequent directors shall serve a term of four (4) years: *Provided*, That they shall be eligible for re-election for another term of four (4) years. Replacement for any vacancy in the Board shall be for the unexpired portion of the term of the predecessor. Except for the Dean of the UP College of Mass Communications, the Directors of the Board for the subsequent terms shall be duly elected by members of their respective organizations. The Directors 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 provision of this Act.

The Chairman of the Board shall have a salary grade equivalent to a Cabinet Secretary. The other members of the Board shall carry a salary grade equivalent to a Cabinet Undersecretary.

1 **SEC. 12. *Qualifications of the Members of the Board.*** - The members of the Board
2 shall be of proven and unquestionable probity, integrity, honesty, impartiality, reputation, and
3 knowledgeable of the broadcast industry. They shall not be holding key positions with other
4 broadcasting corporation or hold any position that may conflict with their functions and
5 duties as Directors of the PSBS.

6
7 If a member shall be appointed or employed as employee or consultant to another
8 government office, political party, or shall run for any elective position, he shall be deemed to
9 have vacated membership in the Board on the day of his appointment or filing of his
10 candidacy, as the case may be.

11
12 **SEC. 13. *Powers and Functions of the Board.*** - The Board shall have the following
13 powers and functions:

- 14
15 a) The Board shall elect the Officers of the PSBS, hereinafter referred to as the Officers:
16 *Provided,* That the officers shall be chosen from among the duly accredited broadcast
17 organizations in the country.
18
19 b) The Board has overall responsibility for the determination of internal policy, for
20 ensuring compliance with all policies set out in this Act, for ensuring that the PSBS
21 meets the highest standards of decency, integrity and value for money, for
22 appointment of senior staff, including the members of the Board, and for setting the
23 overall strategy of PSBS.
24
25 c) The Board shall have the power to fix the other allowances and fringe benefits of its
26 officers and employees, subject to the provisions of pertinent compensation laws and
27 regulations.
28
29 d) The Board shall not interfere with the day-to-day management of the PSBS or with
30 the editorial independence of the staff, although it does have responsibility for
31 ensuring the overall editorial policy respects of the PSBS.
32

33 All members of the Board shall be independent and impartial in the exercise of their
34 functions and shall, at all times, seek to promote the policies as declared in Section 2 of this
35 Act. Board members shall act at all times in the overall public interest and shall not use their
36 appointment to advance their personal interests, or the personal interests of any other party or
37 entity.

38
39 **SEC. 14. *The Officers of the PSBS.*** - The Officers of the PSBS, hereinafter referred
40 to as the Officers, shall be elected by the Board, of which the latter shall not be members of.
41 The initial Officers shall have a three (3) - year term. Subsequent Officers shall serve a term
42 of four (4) years: *Provided,* That they shall be eligible for re-election for another term of four
43 (4) years. The elected President shall carry the salary grade equivalent to a Cabinet
44 Undersecretary. The other officers shall carry the salary grade equivalent to an Assistant
45 Secretary.
46

47 Other broadcast media organizations not represented in the Board shall be given an
48 opportunity to make representations. All nominations and the corresponding positions to be
49 filled in shall be submitted to the Board for review and selection before the deadline set by
50 the Board. Each member of the Board is entitled to one (1) vote.

1
2 **SEC. 15. Positions.** - The following positions shall be created and filled up for the
3 proper and effective functioning of the Office:

- 4
5 a) One (1) President;
6
7 b) One (1) Vice President for Finance;
8
9 c) One (1) Vice President for Marketing;
10
11 d) One (1) Vice President for Human Resource Development;
12
13 e) One (1) Vice President for Operations;
14
15 f) One (1) Vice President for Legal Affairs; and
16
17 g) One (1) Vice President for News and Current Affairs.

18
19 **SEC. 16. Powers and Functions of the Officers of the PSBS.** - Subject to the control
20 and supervision of the Board, the Officers shall have the following powers and functions:

- 21
22 a) submit policy recommendations and propose measures necessary to carry out the
23 objectives and functions of the PSBS for the consideration of the Board, and propose
24 guidelines that liberate rather than restrict program makers;
25
26 b) recommend to the Board, for approval, an organizational structure and plantilla for
27 personnel of the PSBS, in accordance with existing laws, rules and regulations;
28
29 c) execute, administer and implement policies and measures approved by the Board;
30
31 d) submit to the Board an annual budget and such supplemental budgets as may be
32 necessary for its consideration and approval;
33
34 e) represent the PSBS, its dealings with other persons, entities, agencies and institutions,
35 whether public or private, domestic or foreign, subject to the limitations and
36 conditions herein provided;
37
38 f) appoint, subject to the confirmation by the Board, discipline or remove for cause,
39 officer and personnel of the PSBS in accordance with the Civil Service Law, Rules
40 and Regulations; and
41
42 g) perform such other functions and duties which may be assigned to them by the Board.

43
44 **TITLE VI**
45 **PROGRAM STANDARDS**
46

47 **SEC. 17. General Program Standards.** - Broadcasters must ensure that due
48 impartiality and truthfulness are observed in news and public affairs issues of public
49 importance. Due impartiality requires programs producers to deal even-handedly when
50 opposing points of view are presented in a program. On matters of public importance, balance

1 should be sought through the presentation, as far as possible, of principal viewpoints.
2 Programs should not be slanted by the exclusion of facts or by misleading emphasis. Every
3 reasonable effort must be made to ensure that the factual content of programs is accurate.

4
5 **SEC. 18. *Use of Block-timers.*** - The use of block-timers shall be allowed but limited
6 to education and sports programs only. The PSBS shall assume solidary liability with each of
7 the individual producers, for the content of all programs shown by block-timers.

8 9 **TITLE VII** 10 **FINANCIAL PROVISIONS**

11
12 **SEC. 19. *Initial Appropriation.*** - The authorized initial funding of the PSBS shall be
13 One Billion, Five Hundred Million Pesos (P1,500,000,000.00) for facilities and equipment
14 modernization, which shall be released from funds of the National Treasury upon the
15 effectivity of this Act: *Provided*, That the sum of Two Hundred Million Pesos
16 (P200,000,000.00) in addition to the current fiscal appropriation for the National
17 Broadcasting Network (NBN-4), absorbed by the PSBS, shall be allocated from the National
18 Budget of the year following the approval of this Act.

19
20 **SEC. 20. *Revenue Generation.*** - The PSBS shall be allowed to generate funds from
21 advertising and air time sales in accordance with the policies and rates set by the Board of
22 Directors.

23
24 The National Government shall have fifty percent (50%) share from all fees and
25 revenues collected or received by the PSBS. Forty-five percent (45%) shall be retained by the
26 PSBS and utilized solely for facilities and equipment modernization. The remaining five
27 percent (5%) shall be earmarked for additional expenditure to the PSBS employees' benefits.

28
29 Further, the PSBS may sell the content of its news and current affairs programs to
30 foreign stations.

31
32 **SEC. 21. *Fiscal Autonomy.*** - The PSBS shall enjoy fiscal autonomy. Appropriations
33 for the PSBS may not be reduced by the Legislature below the amount appropriated for the
34 previous year, and after approval shall be automatically and regularly released.

35
36 Further, there shall be a ten percent (10%) automatic increase in the budget of the
37 PSBS every five (5) years: *Provided*, That there was no increase in its annual budget for five
38 (5) consecutive fiscal years.

39
40 The salary of the Board and Officers of the PSBS shall be fixed by law. During their
41 continuance in office, their salary shall not be decreased.

42 43 **TITLE VIII** 44 **ADMINISTRATIVE PROVISIONS**

45
46 **SEC. 22. *Record of Transactions.*** - The PSBS shall keep proper accounts and records
47 of all its transactions and affairs, and shall do all things necessary to ensure that all payments
48 made out of its moneys are correctly made and properly authorized, and that adequate control
49 is maintained over the assets of, or in the custody of, the PSBS and the expenditures incurred
50 by the PSBS. The PSBS shall be subject to audit by the Commission on Audit.

**TITLE IX
EMPLOYEES OF THE PSBS**

SEC. 23. *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 PSBS, and such other matter affecting its employees shall be consistent with the provisions of the Civil Service Law, Rules and Regulations.

SEC. 24. *Salary Scale for Officials and Employees.* - The rates of compensation and classes of positions in the PSBS shall be covered by the Salary Standardization Law.

SEC. 25. *GSIS Coverage for Employees.* - All employees hired by the PSBS shall be deemed members of the Government Service Insurance System (GSIS) for the purpose of employee benefits.

**TITLE X
OVERSIGHT**

SEC. 26. *Oversight Committee.* - The House of Representatives and Senate chairman of the Committee on Public Information and Mass Media shall have authority to hold public hearings on matters relating to financial management of the PSBS. The PSBS must at all reasonable times upon demand, allow the Committee to examine any of its accounts and furnish the Committee with all forecasts, estimates, reconciliations, information and documents, which the Committee may require, in such format as the Committee may require, with financial transactions and engagements of the PSBS.

**TITLE XI
MISCELLANEOUS PROVISIONS**

SEC. 27. *Transition Clause.* - All the powers, functions, assets and liabilities, capital, accounts, contracts, and facilities pertaining to the National Broadcasting Network (NBN-4), and all equipment relating to television broadcasting owned by the government shall be transferred to the PSBS.

SEC. 28. *Transitory Provision.* - The Officers 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 Officers within thirty (30) days after its approval by the Board of Directors: *Provided, that* the current career employees of the National Broadcasting Network (NBN-4) shall be absorbed and accommodated by the PSBS.

SEC. 29. *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.

SEC. 30. *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.

SEC. 31. *Repealing Clause.* - Republic Act 7306, and all other laws, presidential decrees, executive orders, rules and regulations or proclamations and other issuances,

1 contrary or inconsistent with the provisions of this Act are hereby repealed or amended
2 accordingly.

3

4 **SEC. 32. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days following its
5 publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,