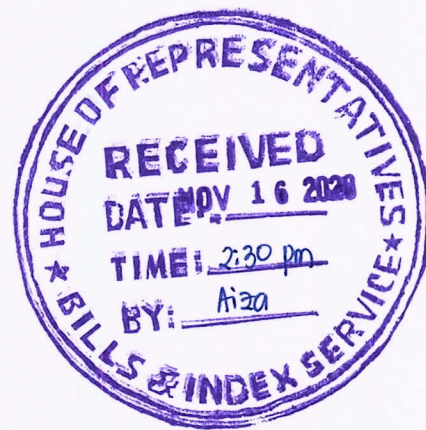


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 8012



Introduced by: **REP. PROSPERO A. PICHAY, JR.**

EXPLANATORY NOTE

The People's Television Network, Inc. (PTNI) is the flagship government television owned by the Philippine Government under the Presidential Communications Operations Office (PCOO). It began operations on April 1974 as Government Television (GTV-4) and was later renamed Maharlika Broadcasting System in 1980, when it began broadcasting in full color and expanded nationwide.

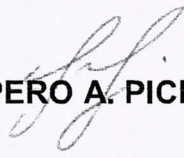
Following the People Power Revolution in 1986, the network was renamed and rebranded as People's Television (PTV), and thereafter functioned under the guise of its legal framework - Republic Act 7306 - enacted in 1992. Since then, PTV has been generating its own revenue as the law disallowed the appropriation of funds for the network. Despite the lack of funds, the network earned several awards from what it was able to broadcast since then. However, like any other networks, it has to enhance its broadcasting capabilities.

In March 2013, Republic Act 10390 revised the old Charter, stipulating the reorganization of the network into PTNI, and infused Five (5) Billion pesos to PTV to regenerate the station.

Nevertheless, with its plans to rehabilitate PTV stations in other provinces nationwide, and to continue its modernization program to be at par with that of the BBC of UK, NHK of Japan, PBS of USA, amongst others, there is an urgent need to update the existing PTV charter.

This bill, therefore, seeks to overhaul PTNI into the People's Broadcasting Corporation (PBC) and do the following: (a) include radio and TV broadcasting in the charter; (b) assert the independence of the corporation; (c) establish secondary broadcast hubs in Luzon, Visayas and Mindanao; and (d) assure annual appropriations for at least 10 years.

In view of the foregoing, the immediate enactment of this measure is earnestly sought.


PROSPERO A. PICHAY, JR.

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HOUSE BILL NO. 8012

Introduced by: **REP. PROSPERO A. PICHAY, JR.**

**AN ACT ESTABLISHING THE PEOPLE'S BROADCASTING
CORPORATION, ABOLISHING THE PEOPLE'S TELEVISION
NETWORK, INC., AND FOR OTHER PURPOSES**

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

SECTION 1. *Short Title* – This Act shall be known as the “People’s Broadcasting Corporation Charter”.

TITLE I. INCORPORATION AND PURPOSE

SECTION 2. *Declaration of Policies* – In recognition of the important role of communication and information in nation building and of the broadcast industry, it is hereby declared the policy of the State to:

- (a) Fully develop communication structures suitable to the needs and aspirations of the nation and in accordance with a policy that respects the freedom of speech and of the press;
- (b) Give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, stimulate creativity, accelerate social progress, and promote total human liberation and development;
- (c) Develop the broadcasting industry as a medium for the development, promotion, and advancement of Filipino nationalism, culture and values that serve as an instrument in the struggle for Filipino identity, national unity and integration;

- (d) Harness the resources of the government and the private sector towards a close, continuous, and balanced cooperation in order to take advantage of technological advances in the broadcasting industry and help deliver to the public the benefit of emerging communications technologies and services;
- (e) Maintain a broadcast industry system that serves as a vital tool for participative democracy and effective government information dissemination through developmental communication, free from any political or partisan influence and directly accountable to the people;
- (f) Encourage the development and broadcast of balanced programs which feature, among others, educational, informational and wholesome entertainment, culture, public affairs and sports; and
- (g) Provide quality alternative programs for the benefit and moral upliftment of the citizenry.

SECTION 3. *Creation* – There shall be created a body corporate to be called “People’s Broadcasting Corporation” referred to as “PBC,” which shall engage in radio and television broadcasting in the Philippines. PBC shall be a government-owned and controlled corporation under a Board of Directors to be appointed by the President of the Philippines.

SECTION 4. *Independence* – PBC 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, subject to this charter and other laws.

SECTION 5. *Corporate Existence* – The Network shall have perpetual existence unless abolished by a subsequent law.

SECTION 6. *Domicile* – PBC shall have its principal office and domicile in the Metropolitan Manila area. It shall also have secondary broadcast hubs in Luzon, Visayas and Mindanao. Furthermore, it may establish offices, branches and/or stations in any part of the Philippines as its Board of Directors may see fit.

The President, upon the recommendation of the Department of Environment and Natural Resources and its agencies particularly the Land Management Bureau and the National Mapping and Resource Information Authority, shall identify and appropriate alienable and disposable lands for PBC to establish and build its main broadcast center, its secondary broadcast hubs, and other stations.

TITLE II – FRANCHISE AND LICENSE TO OPERATE

SECTION 7. *Franchise Grant* – Subject to the provision of the Constitution, laws, orders, decrees not inconsistent herewith, PBC is hereby granted a franchise to construct, maintain and operate radio and television broadcasting stations and satellite receiving and transmitting facilities in the Philippines for a period co-terminous with the corporate existence of the PBC.

SECTION 8. *License to Operate* – The National Telecommunications Commission (NTC) shall forthwith cause the issuance to PBC of the corresponding licenses to operate upon compliance with all its requirements.

TITLE III. – POWERS AND FUNCTIONS

SECTION 9. *Powers of PBC* – PBC 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 and community stations and facilities for radio and 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 approval of the Monetary Board of the Bangko Sentral ng Pilipinas upon the recommendation of the Department of Finance and to other 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 the 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 10. *Functions* - PBC shall have the following functions:

- a) to serve primarily as a vehicle for the State for purposes of education, information, entertainment, science and technology, arts, culture, and sports in order to foster national pride and identity and a culture of disaster preparedness and climate change adaptation;
- 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 to be broadcast by PBC 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, information, entertainment, and sports programs;
- d) to serve as an effective outlet for alternative programming;
- e) 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
- f) 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 IV. – CORPORATE STRUCTURE

SECTION 11. *The Board of Directors* – The corporate powers of PBC shall be exercised, all its business conducted and all its property controlled and held by the Board of Directors. The Board shall be composed of seven (7) members who shall be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for Government-owned and Controlled

Corporations (GCG). The Board shall be made up of the following:

- (a) three (3) members from the government sector;
- (b) three (3) members from the private sector; and
- (c) one (1) member from the educational sector.

The members shall elect from among themselves their Chairperson. They shall meet at least twice a month to discuss matters of policy in order to effectively carry out the provisions of this Act.

SECTION 12. *Qualifications of the Members of the Board* – The members of the Board shall be of proven and unquestionable probity, integrity, honesty, impartiality, reputation, and with knowledge 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 PBC. A member who is later appointed to another government office or runs for any elective position shall be deemed to have vacated membership in the Board on the day of appointment or filing of candidacy, as the case maybe.

The Members of the Board must have been engaged in the practice of Radio and TV operations, Journalism, Creatives, TV and Radio network engineering, Broadcast Industry, or TV and Radio Programming for at least ten (10) years prior to appointment.

SECTION 13. *Term of Office of the Members of the Board* – The term of office of the Members of the Board first appointed upon enactment of this charter shall be for a fixed term of four (4) years, to ensure continuity in the establishment of the Corporation, unless sooner removed for cause, subject to reappointment by the President.

After the four-year term of office of the first set of Members of the Board, the term of office, whether new appointments and reappointments, of the subsequent Members of the Board, shall be for one (1) year, unless sooner removed for cause: provided, however, that the members of the board shall continue to hold office until the successor is appointed.

SECTION 14. *Election and Removal of Board Officers* – The members of the Board shall elect from among themselves the Chairperson and Vice- Chairperson of the Board.

Such elected Chairperson or Vice-Chairperson, as the case may be, may be removed as officers, without affecting their membership to the board, at any time

for a cause, upon the concurrence of majority of all the members of the Board, in a meeting specifically called for such purpose.

SECTION 15. *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 charter;
- 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 Congress a comprehensive annual report on the operation of PBC within the first sixty (60) days of the fiscal year.

SECTION 16. *The General Manager* – The members of the Board shall elect from among themselves a General Manager. He shall also be the Chief Operating Officer of PBC, who shall be responsible for the proper administration and management of PBC 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.

If the General Manager is absent, incapacitated by reason of illness, or for any other cause temporarily unable to perform his duties, the Board of Directors, or the PCOO in case there is no duly constituted Board, may designate an officer-in-charge to act in his place and stead during such absence from duty.

SECTION 17. *Powers and Functions of the General Manager* – Subject to the control and supervision of the Board, the 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 PBC for the consideration of the Board;
- b) recommend to the Board for approval an organizational structure and plantilla for personnel of PBC, 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 PBC, its dealings with other persons, entities, agencies and institutions, whether public or private, domestic or foreign, subject to

- the limitations and conditions herein provided;
- f) appoint, discipline or remove for cause, officers and personnel of PBC in accordance with the Civil Service Law, rules and regulations; provided that, all appointments shall subject to confirmation by the Board; and
 - g) perform such other functions and duties which may be assigned to him by the Board.

TITLE V. – PROGRAM STANDARDS

SECTION 18. *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;
- (i) Trade, service and manufacturing industry programs
- (j) Disaster preparedness and climate change adaptation programs; and
- (j) Programs that inspire nationalism.

SECTION 19. *Use of Blocktimers* – The use of blocktimers shall be allowed but limited to education, information, sports, tourism, entertainment programs, and such programs which promote public interest, subject to quality standards set by the Board of Directors.

TITLE VI. – FINANCIAL PROVISIONS

SECTION 20. *Capitalization* – The authorized capital stock of PBC shall be Eighteen Billion Five Hundred Million Pesos (PhP18,500,000,000.00) divided into Eighteen Million Five Hundred Thousand shares with par value of One Thousand Pesos (PhP1,000.00) per share, which shall be subscribed in full by the government.

Thereafter, Congress shall annually appropriate a subsidy for PBC at an amount not more than the PBC's annual net earnings for the previous year, until the year 2030.

The capitalization shall be available within three (3) years starting from the enactment of this charter in graduated schedule approved by the Congress.

SECTION 21. *Subsidy for Personnel Services* – The expenses for personnel services of the Network shall be wholly subsidized by the Government.

SECTION 22. *Revenue Generation* – PBC shall be allowed to generate funds from production, equipment and facilities rentals, 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 PBC shall be retained by it and utilized solely for its operations and capital expenditure program.

SECTION 23. *Exemption from Republic Act No. 7656* – As provided in Republic Act No. 7656, the President, upon the recommendation by the Secretary of Finance, may adjust the percentage of PBC's annual net earnings to be remitted to the National Treasury: *Provided*, That the annual remaining unremitted net earnings be used solely for its operations and capital expenditures.

SECTION 24. – *Proceeds from the sale and privatization of IBC 13* - Proceeds from the privatization and sale of the Intercontinental Broadcasting Corporation (IBC-13) shall form part of the authorized capital stock of the People's Television Network, Inc. (PTNI) in accordance with Republic Act 10390. Any excess amount from such sale shall be received and recorded in a Special Account or Trust Fund for the purpose of funding, through a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, any proposed improvement of facilities and the purchase of new equipment and technologies to support and enhance the operations of the PTNI "and other capital or operational expenditures that may be needed from time to time."

TITLE VII – ADMINISTRATIVE PROVISIONS

SECTION 25. *Record of Transactions* – PBC 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 money are correctly made and properly authorized, and that adequate control is maintained over the assets of, or in the custody of, PBC and the expenditures incurred by PBC. PBC shall be subject to audit by the Commission on Audit.

TITLE VIII – TAX EXEMPTIONS

SECTION 26. *Tax Exemptions on Importations* – The importations of equipment, apparatus and materials to be actually, directly and exclusively used in the operation of PBC, 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, radio and TV transmitters, electronic tubes, editing machines, and all such necessary equipment required for radio and 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 and who shall then be subject to tax.

SECTION 27. Gifts and donations of real and personal properties of all kinds to PBC shall be exempt from donor's tax and the same shall be considered as an allowable deduction from the gross income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended: *Provided*, That the allowable deduction shall be equivalent to one hundred percent (100%) of the value of such donation: *Provided*, further, That the said donation shall be used exclusively for the production of educational, cultural and historical films and documentaries.

Valuation of assistance, other than the money, shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciated value of property in case said property has been used.

TITLE IX. – EMPLOYEES OF THE NETWORK

SECTION 28. *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 PBC, 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 29. *Salary Scale for Officials and Employees* – Pursuant to the provisions of Republic Act No. 10149, the GCG shall develop a compensation

and position classification system which shall apply to all officers and employees of PBC, subject to the approval of the President of the Philippines. Pending the approval of the CPCS, PBC may adopt on an interim basis the latest Modified Standard Salary Law.

SECTION 30. *GSIS Coverage for Employees* – All employees hired by PBC shall be deemed members of the Government Service Insurance System (GSIS) for the purpose of employee benefits.

TITLE X. – TERMINATION OF PTNI CHARTER

SECTION 31. The charter creating the People's Television Network Inc. (PTNI) is hereby terminated. Republic Act No. 7306, as amended by Republic Act No. 10390, is hereby repealed.

SECTION 32. *Transition Clause* – All the powers, functions, assets and liabilities, capital, accounts, contracts, and facilities pertaining to the People's Television Network Inc. (PTNI), and all equipment relating to television broadcasting owned by the government shall be transferred to the PBC.

SECTION 33. *Organization of PBC* – Ninety (90) days from the approval of this Act, the Board of Directors of PBC is hereby empowered to reorganize the former PTNI. 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, subject to the provisions of Republic Act No. 10149, otherwise known as the "GOCC Governance Act of 2011": *Provided*, That any official or employee of the PTNI who may be affected by reason of the reorganization authorized herein shall be entitled to such benefits.

SECTION 34. *Separation and Retirement Benefits* – In the event an employee is separated by reason of reorganization, abolition, or creation of offices, or institution of cost-cutting and other similar measures, the employee shall be entitled to a separation benefit equivalent to one (1) month salary for every year of service in the government: *Provided*, That the separated or displaced employee has rendered at least one (1) year of service at the time of the effectivity of this CHARTER.

TITLE XI. – MISCELLANEOUS PROVISIONS

SECTION 35. *Implementing Rules and Regulations* – Within ninety (90) days from the effectivity of this Act, the PCOO shall draft, the implementing rules and regulations of this charter in consultation with the various stakeholders from government, and private sectors.

SECTION 36. *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 37. *Repealing Clause* – Republic Act No. 7306, as amended by Republic Act No. 10390, and 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 38. *Effectivity Clause* – This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,