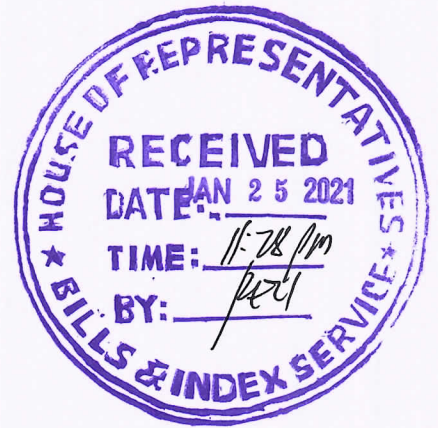




Republic of the Philippines
House of Representatives
Quezon City



EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8505

Introduced by REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

The National Council of Churches in the Philippines (NCCP), established in 1963, is an ecumenical fellowship of non-Roman Catholic denominations in the Philippines.

NCCP's core objective is founded in the promotion of unity in faith and order. NCCP's programs throughout the decades seek to respond to the people's issues, specifically justice and peace, human dignity and rights, and the integrity of creation. It also compels the church to bring about Christian hope to a society weighed down by systemic violence, and degradation. NCCP's mission is clearly that of promoting fellowship, being a channel of united witness, and a vibrant and credible institution for Christian solidarity towards genuine transformation of church and society.

On July 09, 1995, NCCP was granted a twenty-five (25) year franchise to construct, install, operate, and maintain radio broadcasting stations in the Philippines by virtue of Republic Act 8110. Through its Broadcast Ministry, the NCCP been an important channel for information dissemination especially with respect to matters that concern human dignity, human rights, and overall public interest. It has also served as a unifying voice of the ecumenical movement which uplifts the hopes and spirits of ordinary Filipino people.

This franchise expired on July 09, 2020. This said, this bill proposes to renew the franchise of NCCP for another twenty-five years in order to allow the Ministry to continue playing its wholesome and important role in the lives of many Filipinos.

It cannot be denied that the Philippines, being a predominantly Christian country with about ninety-three percent (93%) of the population being adherents to the Christian faith, hinges most of its idea or concept of morals and values on Christian teachings and would usually turn to faith in times of crisis, calamities, and other hardships that may come their way. Thus, renewing the franchise of NCCP to construct, install, operate, and maintain radio broadcasting stations in the Philippines will be for the ultimate benefit of the public more than it will be for the Ministry itself.


ERIC OLIVAREZ



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1
2 **AN ACT RENEWING THE FRANCHISE GRANTED TO THE NATIONAL COUNCIL**
3 **OF CHURCHES IN THE PHILIPPINES (NCCP) TO CONSTRUCT, INSTALL,**
4 **MAINTAIN, AND OPERATE RADIO AND TELEVISION STATIONS IN THE**
5 **PHILIPPINES UNDER REPUBLIC ACT (RA) 8110**
6 **FOR ANOTHER TWENTY-FIVE YEARS**

7 *Be it enacted in the Senate and the House of Representatives of the Republic of the*
8 *Philippines in Congress assembled:*

9 **Section 1. *Nature and Scope of Franchise.*** The franchise granted to the National
10 Council of Churches in the Philippines, hereinafter referred to as the "grantee", its
11 successors or assignees under Republic Act (RA) 8110 otherwise known as "*An Act*
12 *Granting the National Council of Churches in the Philippines a Franchise to Construct,*
13 *Install, Operate and Maintain Radio and Television Broadcasting Stations in the*
14 *Philippines and for Other Purposes*" is hereby renewed for another twenty-five (25) years
15 from the effectivity of this Act for the purpose of constructing, installing, establishing,
16 operating, and maintaining for commercial purposes and for public interest, radio and/or
17 television broadcasting, including digital systems, through microwave, satellite or
18 whatever means, including the use of any new and emergent technologies in television
19 and radio systems, with the corresponding technological auxiliaries and facilities, special
20 broadcast, and other program and distribution services and relay stations in the
21 Philippines.

22 **Sec. 2 *Construction and Operation of Stations and/or Facilities.*** The stations
23 and/or other related facilities of the grantee shall be constructed and operated in such

1 fashion that will result in a minimum interference on the wavelengths or frequencies of
2 existing stations or such other stations yet to be established by law, if any, without
3 diminishing its own privilege to use its assigned wavelengths or frequencies and the
4 quality of transmission or reception thereon to maximize rendition of the grantee's
5 services.

6 **Sec. 3. Application for Permits and Licenses.** The grantee shall apply for and
7 secure the appropriate permits and licenses for the construction and operation of its
8 stations and related facilities from the National Telecommunications Commission (NTC).
9 The grantee is hereby prohibited to use any frequency in the radio/television spectrum
10 without having first secured the proper authorization from the said Commission.

11 **Sec. 4. Approval of the NTC.** The NTC shall process and assess the application
12 of the grantee for permits and licenses to construct and operate its stations and related
13 facilities without undue delay. It shall issue said permits and licenses upon satisfactory
14 finding that the grantee complied with all the requirements.

15 **Sec. 5. Public Service.** The grantee shall provide free airtime for the government
16 in pursuit of public service. Said free airtime must be sufficient in duration so as to enable
17 the government to announce or tackle public issues and ensure that it reaches its target
18 population. The grantee shall also provide at all times sound, balanced, and responsible
19 programming, and relay without delay important public announcements, warnings, and
20 instructions concerning emergencies, calamities, and other occurrences affecting public
21 safety and security. It shall also promote public participation particularly participation of
22 those who belong in the marginalized sectors such as women, persons with disabilities,
23 senior citizens, the urban and rural poor, indigenous people, among others. It shall assist
24 in the functions of public information and education; conform to the guidelines on ethics
25 of an honest enterprise; promote audience sensibility and empowerment including closed
26 captioning; and refrain from broadcasting indecent, immoral, obscene, discriminatory,
27 and inciteful language, speech, act, or scene; as well as from disseminating false
28 information at the expense of public interest; or from assisting, inciting, enabling, or
29 encouraging acts amounting to treason, rebellion, or subversion and other crimes
30 punishable by law.

31 Free public service airtime shall be equivalent to a maximum of ten percent (10%)
32 of the paid commercials or advertisements which shall be allocated based on the need of
33 the government branches namely the executive, legislative, and judiciary, as well as of
34 the constitutional commissions. The NTC shall issue guidelines for this purpose.

35 **Sec. 6. Temporary Government Take-over.** A special right is reserved to the
36 President of the Philippines, in times of war, rebellion, public peril, calamity, pandemic,
37 disaster, or other emergencies, to temporarily take over and operate the stations or
38 facilities of the grantee if found necessary for the protection and preservation of public

1 safety, health, security, and other analogous circumstances upon due compensation to
2 the grantee for such temporary use of the said stations or facilities.

3 **Sec. 7. Term of Franchise.** The franchise hereby granted shall be for a term of
4 twenty-five (25) years from the date of effectivity of this Act, unless sooner revoked or
5 cancelled for valid grounds. Failure to operate continuously for two (2) years shall cause
6 the *ipso facto* revocation of its franchise. Provided, that the franchise hereby granted shall
7 be subject to amendment or repeal by the Congress when the common good or public
8 interest so requires and shall not be interpreted as an exclusive grant of the privileges
9 herein provided for.

10 **Sec. 8. Promotion of Employment Opportunities.** The grantee shall create
11 employment opportunities and shall allow internships and on-the-job trainings in their
12 franchise operation. Provided, that priority shall be accorded to residents in areas where
13 any of its offices is located; Provided further, that the grantee shall not discriminate
14 against persons on account of sex, gender, age, ethnicity, or disability in hiring its
15 employees. The grantee shall comply with the applicable labor standards and allowance
16 entitlements under the existing labor and special laws, rules and regulations, and similar
17 issuances. Provided finally, that the employment opportunities created shall be reflected
18 in the General Information Sheet to be submitted to the Securities and Exchange
19 Commission (SEC) annually.

20 **Sec. 9. Conduct of Gender and Disability Sensitivity Trainings.** The grantee shall
21 commit to conduct gender and disability sensitivity trainings among all of its employees
22 and all the newly hires thereafter. The grantee may coordinate with the Philippine
23 Commission on Women (PCW) and the National Council on Disability Affairs (NCDA) for
24 guidance and technical assistance on the said matter. It may also tap various non-
25 government organizations to aid in the conduct of such trainings.

26 **Sec. 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.** The
27 grantee shall not sell, assign, lease, transfer, or grant the usufruct of this franchise or the
28 rights and privileges acquired thereunder to any person, firm, company, corporation, or
29 other commercial or legal entity. The grantee shall not merge with any other corporation
30 or entity nor shall the controlling interest of the grantee be transferred, whether as a whole
31 or in parts and whether simultaneously or contemporaneously, to any such person, firm,
32 company corporation or entity without the prior approval of Congress. Provided, that the
33 Congress of the Philippines shall be informed of any lease or transfer granting the usufruct
34 thereof, sale or assignment of franchise or rights and privileges acquired hereunder, or
35 the merger, or transfer of the controlling interest, within sixty (6) days after the completion
36 of said transaction. Provided further, that the grantee's failure to report to Congress of
37 such change of ownership shall render the franchise *ipso facto* revoked. Provided finally,
38 that any person or entity to which this franchise is sold, transferred, nor assigned shall be
39 subject to the same conditions, terms, restrictions, and limitations of this Act.

1 **Sec. 11. Dispersal of Ownership.** Pursuant to the constitutional provision
2 encouraging public participation in public utilities, the grantee shall offer to Filipino citizens
3 at least thirty percent (30%) or a higher percentage of its outstanding capital stock that
4 my hereafter be provided by law in any securities exchange in the Philippines within five
5 (5) years from the commencement of its operations: Provided that in cases where public
6 offer of shares is not applicable, establishment of cooperatives and other methods of
7 encouraging public participation by citizens and corporations operating public utilities
8 must be implemented. Non-compliance therewith shall render the franchise *ipso facto*
9 revoked.

10 **Sec. 12. Reportorial Requirement.** The grantee shall, during the term of its
11 franchise, submit an annual report to the Congress through the Committee on Legislative
12 Franchises of the House of Representatives and the Committee on Public Services of the
13 Senate, on its compliance with the terms and conditions of the franchise and on its
14 operations on or before April 30 of every year.

15 The annual report shall include an update on the roll-out, development, operation,
16 or expansion of the business, audited financial statement, latest General Information
17 Sheet officially submitted to SEC, if applicable, certification of the NTC on the status of
18 its permits and operations, and update on the dispersal of ownership undertaking, if
19 applicable.

20 The reportorial compliance certificate issued by Congress shall be required before
21 an application for permit, certificate, or any equivalent thereof is accepted by the NTC.

22 **Sec. 13. Fine.** The failure of the grantee to submit the requisite annual report to
23 Congress on the designated date mentioned in Section 12 hereof shall be meted with a
24 fine of FIVE THOUSAND PESOS (Php 5,000.00) per working day of noncompliance.
25 The fine shall be collected by the NTC from the delinquent franchise grantee separate
26 from the reportorial penalties imposed by the said Commission and the same shall then
27 be remitted to the National Treasury.

28 **Sec. 14. Equality Clause.** Any advantage, favor, privilege, exemption, or
29 immunity granted under existing franchises or which may hereafter be granted for radio
30 broadcasting upon prior review and approval of Congress shall become part of this
31 franchise and shall be accorded immediately and unconditionally to the herein grantee.
32 Provided, that the foregoing shall neither apply to nor affect provisions of broadcasting
33 franchises concerning territorial coverage, the term, or the type of service authorized by
34 the franchise.

35 **Sec. 15. Acceptance and Compliance.** This renewed franchise shall become
36 effective upon acceptance in writing by the grantee. Upon giving such acceptance, the
37 grantee shall exercise the privileges granted under this Act. Nonacceptance shall render
38 the franchise void.

1 **Sec. 16. Tax Provisions.** The grantee, its successors, or assigns shall be liable
2 to pay the same taxes on their real estate, buildings and personal property, exclusive of
3 this franchise, as other persons or corporations are now or hereafter may be required by
4 law to pay. In addition thereto, the grantee, its successors, or assigns shall pay the
5 prevailing franchise tax as determined by the Bureau of Internal Revenue (BIR) of all
6 gross receipts of the radio/television business transacted under this franchise by the
7 grantee, its successors, or assigns: Provided, That the grantee, its successors, or assigns
8 shall continue to be liable for income taxes payable under Title II of the National Internal
9 Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter is
10 amended or repealed, in which case the amendment or repeal shall be applicable thereto.

11 The grantee shall file the return with and pay the tax due thereon to the
12 Commissioner of Internal Revenue or his/her duly authorized representatives in
13 accordance with the National Internal Revenue Code and the return shall be subject to
14 audit by the Bureau of Internal Revenue. Non-payment of taxes shall be considered an
15 automatic revocation of this franchise.

16 **Sec. 17. General Broadcast Policy Law.** The grantee shall comply with a general
17 broadcast policy law which the Congress of the Philippines may hereafter enact.

18 **Sec. 18. Separability Clause.** If any part or provision of this Act is declared invalid
19 or unconstitutional, the other parts thereof not affected thereby shall remain valid.

20 **Sec. 19. Repealing Clause.** All laws, acts presidential decrees, executive orders,
21 administrative orders, rules and regulations inconsistent with or contrary to the provisions
22 of this Act are deemed amended, modified or repealed accordingly.

23 **Sec. 20. .** – This Act shall take effect fifteen (15) days after completion of its
24 publication in the Official Gazette or at least in two (2) newspapers of general circulation.

25 **APPROVED.**