

Republic of the Philippines
CONGRESS OF THE PHILIPPINES
Metro Manila

Fifteenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand twelve.

REPUBLIC ACT No. 10390

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 House of Representatives of the Philippines in Congress assembled:

TITLE I. – GENERAL PROVISIONS

Section 1. *Title.* – This Act shall be known as "An Act Revitalizing the People's Television Network, Incorporated".

Section 2. Section 2 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 2. *Declaration of Policies.* – In consonance with the Constitutional recognition of the vital role of communication and information in nation-building, and the important aspect played by the broadcasting industry, it is hereby declared as 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, 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 sovereignty, 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;

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

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

"(g) Provide quality alternative programs for the benefit and moral upliftment of the citizenry."

TITLE II. – CREATION AND DOMICILE

Section 3. Section 5 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 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.

"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 the Network to establish and build its main broadcast center and major provincial stations."

TITLE IV. – POWERS AND FUNCTIONS

Section 4. Subsections (e) and (h) of Section 8 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 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 and 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 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 5. Subsection (e) of Section 9 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 9. *Functions of the Network.* – The Network shall have the following functions:

"(a) x x x;

"(b) x x x;

"(c) x x x;

"(d) x x x;

"(e) to provide subsidized airtime to legitimate people's organizations and nongovernment organizations (NGOs) in the promotion of their programs and projects;

"(f) x x x; and

"(g) X X X."

TITLE V. – CORPORATE STRUCTURE

Section 6. Section 10 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 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 from a shortlist prepared by the Governance Commission for Government-owned or -controlled corporations (GCG). 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 7. Insert a new Section 10-A which shall read:

"SEC. 10-A. *The Advisory Council.* – Sixty (60) days from their appointment, the Board of Directors shall prepare a list of its recommended nominees for the members of the Advisory Council and which shall be submitted to the Secretary of the Presidential Communications Operations Office (PCOO) for consideration and approval. The nominees for Advisory Council shall be chosen from associations and organizations representing various stakeholders from different industries such as, but not limited to, cinema, culture and arts, print and broadcast. They shall serve a fixed term of one (1) year.

"The Advisory Council shall be composed of seven (7) members with at least five (5) years of wide experience and expertise in their respective fields of work. The Advisory Council shall propose and recommend policies relating to the Network's operation, programming, broadcasting, technical and creative production, development and management, which shall be subject to the approval of the Board of Directors.

"The members of the Advisory Council shall elect from among themselves a Chairperson.

"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."

Section 8. Section 12 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 12. *Term of the Members of the Board.* – The term of office of each director shall be for one (1) year subject to reappointment by the President.

"The members shall elect from among themselves who will serve as Chairperson 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 9. Section 14 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 14. *The Network General Manager.* – The members of the Board shall elect from among themselves a Network General Manager. 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.

"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."

TITLE VI. – PROGRAM STANDARDS

Section 10. Section 16 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 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;
- "(i) Trade, service and manufacturing industry programs; and
- "(j) Programs that inspire nationalism."

Section 11. Section 17 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 17. *Use of Blocktimers.* – The use of blocktimers shall be allowed but limited to education, sports, tourism, quality entertainment programs, and such programs 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."

TITLE VII. – FINANCIAL PROVISIONS

Section 12. Section 18 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 18. *Capitalization.* – The authorized capital stock of the Network shall be Six billion pesos (P6,000,000,000.00) divided into six million (6,000,000) shares with par value of One thousand pesos (P1,000.00) per share, which shall be subscribed in full by the government.

"Of the additional authorized 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 General Appropriations Act."

Section 13. Section 19 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 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 expenditure program."

Section 14. Insert a new Section 19-A which shall read:

"SEC. 19-A. *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 the Network'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."

TITLE IX. – TAX EXEMPTIONS

Section 15. Insert a new Section 21-A which shall read:

"SEC. 21-A. Gifts and donations of real and personal properties of all kinds to the Network 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 X. – EMPLOYEES OF THE NETWORK

Section 16. Section 22 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 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 17. Section 23 of Republic Act No. 7306 is hereby amended to read as follows:

"SEC. 23. *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 the Network subject to the approval of the President of the Philippines."

Section 18. *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, 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 Network who may be affected by reason of the reorganization authorized herein shall be entitled to such benefits.

Section 19. *Separation and Retirement Benefits.* – In the event an employee is separated from the Network 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 Act.

TITLE XI. – MISCELLANEOUS PROVISIONS

Section 20. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Presidential Communications Operations Office (PCOO) shall draft, the implementing rules and regulations of this Act in consultation with the various stakeholders from government, and private sectors.

Section 21. *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. *1âwphi1*

Section 22. *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 23. *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 24. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,

(Sgd.) **JUAN PONCE ENRILE**
President of the Senate

(Sgd.) **FELICIANO BELMONTE JR.**
Speaker of the House of Representatives

This Act which is a consolidation of Senate Bill No. 3316 and House Bill No. 6703 was finally passed by the Senate and the House of Representatives on January 21, 2013 and December 19, 2012, respectively.

(Sgd.) **EMMA LIRIO-REYES**
Secretary of Senate

(Sgd.) **MARILYN B. BARUA-YAP**
Secretary General
House of Representatives

Approved: MAR 14 2013

(Sgd.) **BENIGNO S. AQUINO III**
President of the Philippines