

(AS AMENDED BY THE SENATE)

CONGRESS OF THE PHILIPPINES  
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*First Regular Session*



HOUSE OF REPRESENTATIVES

H. No. 4583

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BY REPRESENTATIVES ROMUALDO AND ALVAREZ (F.), PER COMMITTEE  
REPORT NO. 13

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO BROADCAST ENTERPRISES AND  
AFFILIATED MEDIA, INC. UNDER REPUBLIC ACT NO. 8098  
TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND  
MAINTAIN RADIO AND TELEVISION BROADCASTING  
STATIONS IN THE PHILIPPINES

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

1           SECTION 1. *Nature and Scope of Franchise.* – Subject to the  
2 provisions of the Constitution and applicable laws, rules and  
3 regulations, the franchise granted to Broadcast Enterprises and  
4 Affiliated Media, Inc., hereunder referred to as the grantee, its  
5 successors or assignees, under Republic Act No. 8098, to construct,  
6 install, operate, and maintain, for commercial purposes and in the  
7 public interest, radio and television broadcasting stations, including  
8 cable and digital television systems, pay service, through  
9 microwave, satellite, terrestrial, or broadcasting through any other  
10 means, as well as the use of any new technology in television and  
11 radio systems, with the corresponding auxiliaries and facilities,

1 special broadcast and other program and distribution services and  
2 relay stations in the Philippines, is hereby renewed for another  
3 twenty-five (25) years.

4       SEC. 2. *Manner of Operation of Stations or Facilities.* – The  
5 stations or facilities of the grantee shall be constructed and  
6 operated in a manner as will, at most, result only in the minimum  
7 interference on the wavelengths or frequencies of existing stations  
8 or other stations which may be established by law, without in any  
9 way diminishing its own privilege to use its assigned wavelengths  
10 or frequencies and the quality of transmission or reception thereon  
11 as should maximize rendition of the grantee's services and/or the  
12 availability thereof.

13       SEC. 3. *Prior Approval of the National Telecommunications*  
14 *Commission.* – The grantee shall secure from the National  
15 Telecommunications Commission (NTC) the appropriate permits  
16 and licenses for the construction and operation of its stations or  
17 facilities and shall not use any frequency in the radio/television  
18 spectrum without authorization from the NTC. The NTC, however,  
19 shall not unreasonably withhold or delay the grant of any such  
20 authority.

21       The grantee shall not dispose or lease its facilities except to  
22 entities with radio or television broadcasting franchise: *Provided,*  
23 That the grantee shall inform and secure written authorization to  
24 proceed from the NTC, and report the transaction to the NTC  
25 within sixty (60) days after its completion: *Provided, further,* That  
26 the NTC shall determine the corresponding sanction for any  
27 violation of this provision.

1           IN CASE OF VIOLATION/S OF ANY OF THE PROVISIONS  
2 OF THIS FRANCHISE, THE NTC SHALL HAVE THE  
3 AUTHORITY TO REVOKE OR SUSPEND, AFTER DUE  
4 PROCESS, THE PERMITS, OR LICENSES ISSUED BY THE NTC  
5 PURSUANT TO THE FRANCHISE. NTC MAY RECOMMEND TO  
6 CONGRESS THE REVOCATION OF THE FRANCHISE IF THERE  
7 ARE ANY VIOLATION/S OF THE PROVISIONS OF THE  
8 FRANCHISE.

9           **SEC. 4. *Responsibility to the Public.*** – The grantee shall  
10 provide, free of charge, adequate public service time which is  
11 reasonable and sufficient to enable the government, through the  
12 broadcasting stations or facilities of the grantee, to reach the  
13 pertinent populations or portions thereof, on important public issues  
14 and relay important public announcements and warnings  
15 concerning public emergencies and calamities, as necessity, urgency  
16 or law may require; provide at all times sound and balanced  
17 programming; promote public participation; assist in the functions  
18 of public information and education; conform to the ethics of honest  
19 enterprise; promote audience sensibility and empowerment  
20 including closed captioning; and not use its stations or facilities for  
21 the broadcasting of obscene or indecent language, speech, act or  
22 scene; or for the dissemination of deliberately false information or  
23 willful misrepresentation, to the detriment of public interest; or to  
24 incite, encourage, or assist in subversive or treasonable acts.

25           Public service time referred herein shall be equivalent to a  
26 maximum aggregate of ten percent (10%) of the paid commercials  
27 or advertisements which shall be allocated based on need to the

1 Executive and Legislative branches, the Judiciary, Constitutional  
2 Commissions, and international humanitarian organizations duly  
3 recognized by statutes: *Provided*, That the NTC shall increase  
4 the public service time in case of extreme emergency or calamity.  
5 The NTC shall issue rules and regulations for this purpose, the  
6 effectivity of which shall commence upon applicability with other  
7 similarly situated broadcast network franchise holders.

8 PURSUANT TO REPUBLIC ACT NO. 8370, THE GRANTEE  
9 SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT (15%) OF  
10 THE DAILY TOTAL AIR TIME OF EACH BROADCASTING  
11 NETWORK TO CHILD-FRIENDLY SHOW/S WITHIN ITS  
12 REGULAR PROGRAMMING.

13 SEC. 5. *Right of the Government.* – The radio spectrum is a  
14 finite resource that is part of the national patrimony and the use  
15 thereof is a privilege conferred upon the grantee by the State and  
16 may be withdrawn any time after due process.

17 A special right is hereby reserved to the President of the  
18 Philippines, in times of war, rebellion, public peril, calamity,  
19 emergency, disaster, or disturbance of peace and order: to  
20 temporarily take over and operate the stations or facilities of  
21 the grantee; to temporarily suspend the operation of any station  
22 or facility in the interest of public safety, security and public  
23 welfare; or to authorize the temporary use and operation thereof  
24 by any agency of the government, upon due compensation to the  
25 grantee, for the use of the stations or facilities during the period  
26 when these shall be so operated.

1           SEC. 6. *Term of Franchise.* – This franchise shall be in  
2 effect for a period of twenty-five (25) years from the effectivity  
3 of this Act, unless sooner revoked or cancelled. This franchise  
4 shall be deemed *ipso facto* revoked in the event the grantee fails  
5 to operate continuously for two (2) years.

6           ~~[SEC. 7. *Renewal or Extension of Franchise.* — The grantee  
7 shall apply for the renewal or extension of its franchise five (5)  
8 years before its expiration, reckoned from fifteen (15) days after the  
9 publication of the franchise in the *Official Gazette* or in a newspaper  
10 of general circulation.]~~

11           SEC. [8] 7. *Self-regulation by and Undertaking of Grantee.* – The  
12 grantee shall not require any previous censorship of any speech,  
13 play, act or scene, or other matter to be broadcast from its stations,  
14 but if any speech, play, act or scene, or other matter should  
15 constitute a violation of the law or infringement of a private right,  
16 the grantee shall be free from any liability, civil or criminal, for such  
17 speech, play, act or scene, or other matter: *Provided*, That the  
18 grantee, during any broadcast, shall cut off the airing of speech,  
19 play, act or scene, or other matter being broadcast if the tendency  
20 thereof is to propose and/or incite treason, rebellion or sedition; or  
21 the language used therein or the theme thereof is indecent or  
22 immoral: *Provided, further*, That willful failure to do so shall  
23 constitute a valid cause for the cancellation of this franchise.

24           SEC. [9] 8. *Warranty in Favor of the National and Local*  
25 *Governments.* – The grantee shall hold the national, provincial,  
26 city, and municipal governments of the Philippines free from all  
27 claims, liabilities, demands, or actions arising out of accidents,

1 causing injury to persons or damage to properties, during the  
2 construction or operation of the stations of the grantee.

3 SEC. [19] 9. *Commitment to Provide and Promote the Creation of*  
4 *Employment Opportunities.* – The grantee shall create employment  
5 opportunities and shall allow on-the-job trainings in their  
6 franchise operation: *Provided,* That priority shall be accorded to  
7 the residents of the place where their principal office is located:  
8 *Provided, further,* That the grantee shall follow the applicable  
9 labor standards and allowance entitlement under existing labor  
10 laws, rules and regulations and similar issuances: *Provided, finally,*  
11 That the employment opportunities or jobs created shall be  
12 reflected in the General Information Sheet (GIS) to be submitted  
13 to the Securities and Exchange Commission (SEC) annually.

14 SEC. [11] 10. *Sale, Lease, Transfer, Grant of Usufruct, or*  
15 *Assignment of Franchise.* – The grantee shall not sell, lease,  
16 transfer, grant the usufruct of, nor assign this franchise or the  
17 rights and privileges acquired thereunder to any person, firm,  
18 company, corporation, or other commercial or legal entity, nor  
19 merge with any other corporation or entity, nor the controlling  
20 interest of the grantee be transferred, simultaneously or  
21 contemporaneously, to any person, firm, company, corporation, or  
22 entity without the prior approval of the Congress of the Philippines.  
23 Congress shall be informed of any sale, lease, transfer, grant of  
24 usufruct, or assignment of franchise or the rights and privileges  
25 acquired thereunder, or of the merger or transfer of the controlling  
26 interest of the grantee, within sixty (60) days after the completion of  
27 the said transaction. Failure to report to Congress such change of

1 ownership shall render the franchise *ipso facto* revoked. Any person  
2 or entity to which this franchise is sold, transferred, or assigned  
3 shall be subject to the same conditions, terms, restrictions, and  
4 limitations of this Act.

5 SEC. [12] 11. *Dispersal of Ownership.* – In accordance with the  
6 constitutional provision to encourage public participation in  
7 public utilities, the grantee shall offer to Filipino citizens at least  
8 thirty percent (30%) or a higher percentage that may hereafter be  
9 provided by law of its outstanding capital stock in any securities  
10 exchange in the Philippines within five (5) years from the  
11 commencement of its operations: *Provided*, That in cases where  
12 public offer of shares is not applicable, the grantee shall apply  
13 other methods of encouraging public participation by citizens  
14 and corporations operating public utilities as allowed by law.  
15 Noncompliance therewith shall render the franchise *ipso facto*  
16 revoked.

17 SEC. [13] 12. *Reportorial Requirement.* – The grantee shall  
18 submit an annual report to the Congress of the Philippines,  
19 through the Committee on Legislative Franchises of the House  
20 of Representatives and the Committee on Public Services of  
21 the Senate, on its compliance with the terms and conditions of  
22 the franchise and on its operations on or before April 30 of  
23 every year during the term of its franchise.

24 The annual report shall include an update on the roll-out,  
25 development, operation and/or expansion of business; audited  
26 financial statements; latest GIS officially submitted to the SEC, if  
27 applicable; certification of the NTC on the status of its permits and

1 operations; and an update on the dispersal of ownership  
2 undertaking, if applicable.

3 The reportorial compliance certificate issued by Congress  
4 shall be required before any application for permit or certificate is  
5 accepted by the NTC.

6 SEC. [14] 13. *Fine.* – Failure of the grantee to submit the  
7 requisite annual report to Congress shall be penalized by a fine of  
8 Five hundred pesos (P500.00) per working day of noncompliance.  
9 The fine shall be collected by the NTC from the delinquent franchise  
10 grantee separate from the reportorial penalties imposed by the NTC  
11 and the same shall be remitted to the Bureau of the Treasury.

12 SEC. [15] 14. *Equality Clause.* – Any advantage, favor, privilege,  
13 exemption, or immunity granted under existing franchises, or which  
14 may hereafter be granted for radio and/or television broadcasting,  
15 upon prior review and approval of Congress, shall become part  
16 of this franchise and shall be accorded immediately and  
17 unconditionally to the herein grantee: *Provided*, That the foregoing  
18 shall neither apply to nor affect the provisions of broadcasting  
19 franchises concerning territorial coverage, the term, or the type  
20 of service authorized by the franchise.

21 SEC. [16] 15. *Repealability and Nonexclusivity Clause.* – This  
22 franchise shall be subject to amendment, alteration, or repeal by the  
23 Congress of the Philippines when the public interest so requires and  
24 shall not be interpreted as an exclusive grant of the privileges  
25 herein provided for.



1           SEC. [17] 16. *Separability Clause.* – If any of the sections or  
2 provisions of this Act is held invalid, all other provisions not  
3 affected thereby shall remain valid.

4           SEC. [18] 17. *Repealing Clause.* – All laws, decrees, orders,  
5 resolutions, instructions, rules and regulations, and other issuances  
6 or parts thereof which are inconsistent with the provisions of  
7 this Act are hereby repealed, amended, or modified accordingly.

8           SEC. [19] 18. *Effectivity.* – This Act shall take effect fifteen (15)  
9 days after its publication in the *Official Gazette* or in a newspaper of  
10 general circulation.

Approved,

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