

(AS AMENDED BY THE SENATE)

CONGRESS OF THE PHILIPPINES
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First Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 5490

BY REPRESENTATIVES FORTUNO, MENDOZA, DY (F.) VALERIANO, ACOSTA, VILLAFUERTE, UNABIA, PINEDA, SAVELLANO, GARBIN, VARGAS, GULLAS, DY (F.M.C.), OAMINAL, ROMUALDO, QUIMBO AND ALVAREZ (F.), PER COMMITTEE REPORT No. 77

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BICOL BROADCASTING SYSTEMS, INC. UNDER REPUBLIC ACT NO. 8092, ENTITLED: "AN ACT GRANTING THE BICOL BROADCASTING SYSTEMS, INC. (BBSI), A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL RADIO AND TELEVISION BROADCASTING STATIONS IN REGION V"

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 Bicol Broadcasting Systems,
4 Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 8092, to construct, install,
6 establish, operate, and maintain for commercial purposes and in the
7 public interest, radio and/or television broadcasting stations where
8 frequencies and/or channels are still available for radio and/or
9 television broadcasting, including digital television system, through
10 microwave, satellite or whatever means, as well as the use of
11 any new technology in television and radio systems, with
12 the corresponding technological auxiliaries and facilities, special

1 broadcast and other program and distribution services and
2 relay stations in the Bicol Region, is hereby renewed for another
3 twenty-five (25) years from the effectivity of this Act.

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.

28 IN CASE OF VIOLATION/S OF ANY OF THE PROVISIONS
29 OF THIS FRANCHISE, THE NTC SHALL HAVE THE
30 AUTHORITY TO REVOKE OR SUSPEND, AFTER DUE

1 PROCESS, THE PERMITS, OR LICENSES ISSUED BY THE NTC
2 PURSUANT TO THE FRANCHISE. NTC MAY RECOMMEND TO
3 CONGRESS THE REVOCATION OF THE FRANCHISE IF THERE
4 ARE ANY VIOLATION/S OF THE PROVISIONS OF THE
5 FRANCHISE.

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

22 Public service time referred herein shall be equivalent to a
23 maximum aggregate of ten percent (10%) of the paid commercials or
24 advertisements which shall be allocated based on need to the
25 Executive and Legislative branches, the Judiciary, Constitutional
26 Commissions, and international humanitarian organizations duly
27 recognized by statutes: *Provided*, That the NTC shall increase the
28 public service time in case of extreme emergency or calamity. The
29 NTC shall issue rules and regulations for this purpose, the

1 effectivity of which shall commence upon applicability with other
2 similarly situated broadcast network franchise holders.

3 PURSUANT TO REPUBLIC ACT NO. 8370, THE GRANTEE
4 SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT (15%) OF
5 THE DAILY TOTAL AIR TIME OF EACH BROADCASTING
6 NETWORK TO CHILD-FRIENDLY SHOW/S WITHIN ITS
7 REGULAR PROGRAMMING.

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

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

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

27 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* – The
28 grantee shall not require any previous censorship of any speech,
29 play, act or scene, or other matter to be broadcast from its stations,
30 but if any such speech, play, act or scene, or other matter should

1 constitute a violation of the law or infringement of a private right,
2 the grantee shall be free from any liability, civil or criminal, for such
3 speech, play, act or scene or other matter: *Provided*, That the
4 grantee, during any broadcast, shall cut off the airing of speech,
5 play, act or scene, or other matter being broadcast if the tendency
6 thereof is to propose and/or incite treason, rebellion or sedition; or
7 the language used therein or the theme thereof is indecent or
8 immoral: *Provided, further*, That willful failure to do so shall
9 constitute a valid cause for the cancellation of this franchise.

10 SEC. 8. *Warranty in Favor of the National and Local*
11 *Governments.* – The grantee shall hold the national, provincial,
12 city, and municipal governments of the Philippines free from all
13 claims, liabilities, demands, or actions arising out of accidents
14 causing injury to persons or damage to properties, during the
15 construction or operation of the stations of the grantee.

16 SEC. 9. *Commitment to Provide and Promote the Creation of*
17 *Employment Opportunities.* – The grantee shall create employment
18 opportunities and shall allow on-the-job trainings in their franchise
19 operation: *Provided*, That priority shall be accorded to the residents
20 of the place where their principal office is located: *Provided, further*,
21 That the grantee shall follow the applicable labor standards and
22 allowance entitlement under existing labor laws, rules and
23 regulations and similar issuances: *Provided, finally*, That the
24 employment opportunities or jobs created shall be reflected in the
25 General Information Sheet (GIS) to be submitted to the Securities
26 and Exchange Commission (SEC) annually.

27 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
28 *Assignment of Franchise.* – The grantee shall not sell, lease,
29 transfer, grant the usufruct of, nor assign this franchise or the
30 rights and privileges acquired thereunder to any person, firm,

1 company, corporation or other commercial or legal entity, nor
2 merge with any other corporation or entity, nor the controlling
3 interest of the grantee be transferred simultaneously or
4 contemporaneously, to any person, firm, company, corporation, or
5 entity without the prior approval of the Congress of the Philippines.
6 Congress shall be informed of any sale, lease, transfer, grant of
7 usufruct, or assignment of franchise or the rights and privileges
8 acquired thereunder, or of the merger or transfer of the controlling
9 interest of the grantee, within sixty (60) days after the completion of
10 the said transaction. Failure to report to Congress such change of
11 ownership shall render the franchise *ipso facto* revoked. Any person
12 or entity to which this franchise is sold, transferred, or assigned
13 shall be subject to the same conditions, terms, restrictions, and
14 limitations of this Act.

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

27 SEC. 12. *Reportorial Requirement.* – The grantee shall
28 submit an annual report to the Congress of the Philippines,
29 through the Committee on Legislative Franchises of the House of
30 Representatives and the Committee on Public Services of the

1 Senate, on its compliance with the terms and conditions of the
2 franchise and on its operations on or before April 30 of every year
3 during the term of its franchise.

4 The annual report shall include an update on the roll-out,
5 development, operation, and/or expansion of business; audited
6 financial statements; latest GIS officially submitted to SEC, if
7 applicable; certification of the NTC on the status of its permits and
8 operations; and an update on the dispersal of ownership
9 undertaking, if applicable.

10 The reportorial compliance certificate issued by Congress
11 shall be required before any application for permit or certificate is
12 accepted by the NTC.

13 SEC. 13. *Fine.* – Failure of the grantee to submit the
14 requisite annual report to Congress shall be penalized by a fine of
15 Five hundred pesos (P500.00) per working day of noncompliance.
16 The fine shall be collected by the NTC from the delinquent franchise
17 grantee separate from the reportorial penalties imposed by the NTC
18 and the same shall be remitted to the National Treasury.

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

28 SEC. 15. *Repealability and Nonexclusivity Clause.* – This
29 franchise shall be subject to amendment, alteration, or repeal by the
30 Congress of the Philippines when the public interest so requires and

1 shall not be interpreted as an exclusive grant of the privileges
2 herein provided.

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

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

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

Approved,

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