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HOUSE OF REPRESENTATIVES

H. No. 6255

BY REPRESENTATIVES ABUEG-ZALDIVAR, ACOSTA AND ALVAREZ (F.),
PER COMMITTEE REPORT NO. 229

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ROMEO CABRESTANCE SERVANDO, PRESENTLY KNOWN AS ROLIN BROADCASTING ENTERPRISES, INC., UNDER REPUBLIC ACT NO. 8202, ENTITLED “AN ACT GRANTING ROMEO CABRESTANCE SERVANDO, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF PALAWAN”

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 Romeo Cabrestante Servando,
4 presently known as Rolin Broadcasting Enterprises, Inc., hereunder
5 referred to as the grantee, its successors or assignees, under Republic
6 Act No. 8202, to construct, install, establish, operate, and maintain
7 for commercial purposes and in the public interest, radio and/or
8 television broadcasting stations where frequencies and/or channels
9 are still available for radio and/or television broadcasting, including
10 digital television system, through microwave, satellite or whatever
11 means, as well as the use of any new technology in television and
12 radio systems, with the corresponding technological auxiliaries and

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

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

14 SEC. 3. *Prior Approval of the National Telecommunications*
15 *Commission.* – The grantee shall secure from the National
16 Telecommunications Commission (NTC) the appropriate permits and
17 licenses for the construction and operation of its stations or facilities
18 and shall not use any frequency in the radio/television spectrum
19 without authorization from the NTC. The NTC, however, shall not
20 unreasonably withhold or delay the grant of any such 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 within~~
25 ~~sixty (60) days after its completion: *Provided, further,* That the NTC~~
26 ~~shall determine the corresponding sanction for any violation of this~~
27 ~~provision.] IN CASE OF ANY VIOLATION OF THE PROVISIONS~~
28 ~~OF THIS FRANCHISE, THE NTC SHALL HAVE THE AUTHORITY~~
29 ~~TO REVOKE OR SUSPEND, AFTER DUE PROCESS, THE~~

1 PERMITS OR LICENSES IT ISSUED PURSUANT TO THE
2 FRANCHISE. THE NTC MAY RECOMMEND TO CONGRESS THE
3 REVOCATION OF THE FRANCHISE FOR ANY VIOLATION OF
4 PROVISIONS OF THIS FRANCHISE.

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

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

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

3 PURSUANT TO REPUBLIC ACT NO. 8370, OTHERWISE
4 KNOWN AS THE “CHILDREN’S TELEVISION ACT OF 1997”, THE
5 GRANTEE SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT
6 (15%) OF THE DAILY TOTAL AIR TIME OF EACH
7 BROADCASTING NETWORK TO CHILD-FRIENDLY SHOWS
8 WITHIN ITS REGULAR PROGRAMMING.

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

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

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

28 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* –
29 The grantee shall not require any previous censorship of any speech,

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

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

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

1 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
2 *Assignment of Franchise.* – The grantee shall not sell, lease,
3 transfer, grant the usufruct of, nor assign this franchise or the rights
4 and privileges acquired thereunder to any person, firm, company,
5 corporation, or other commercial or legal entity, nor merge with any
6 other corporation or entity, nor the controlling interest of the grantee
7 be transferred, simultaneously or contemporaneously, to any person,
8 firm, company, corporation, or entity without the prior approval of
9 the Congress of the Philippines. Congress shall be informed of any
10 sale, lease, transfer, grant of usufruct, or assignment of franchise or
11 the rights and privileges acquired thereunder, or of the merger or
12 transfer of the controlling interest of the grantee, within sixty (60)
13 days after the completion of the said transaction. Failure to report to
14 Congress such change of ownership shall render the franchise *ipso*
15 *facto* revoked. Any person or entity to which this franchise is sold,
16 transferred, or assigned shall be subject to the same conditions,
17 terms, restrictions, and limitations of this Act.

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

1 SEC. 12. *Reportorial Requirement.* – The grantee shall
2 submit an annual report to the Congress of the Philippines, through
3 the Committee on Legislative Franchises of the House of
4 Representatives and the Committee on Public Services of the Senate,
5 on its compliance with the terms and conditions of the franchise and
6 on its operations on or before April 30 of every year during the term
7 of its franchise.

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

14 The reportorial compliance certificate issued by Congress shall
15 be required before any application for permit or certificate is accepted
16 by the NTC.

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

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

1 territorial coverage, the term, or the type of service authorized by the
2 franchise.

3 SEC. 15. *Repealability and Nonexclusivity Clause.* – This
4 franchise shall be subject to amendment, alteration, or repeal by the
5 Congress of the Philippines when the public interest so requires and
6 shall not be interpreted as an exclusive grant of the privileges herein
7 provided for.

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

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

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

Approved,

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