

AS AMENDED BY THE SENATE

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6918
(In substitution of House Bill No. 6250)

Introduced by Reps. Jesus Crispin C. Remulla and Franz E. Alvarez

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BLOCKBUSTER BROADCASTING SYSTEM, INC., UNDER REPUBLIC ACT NO. 8726, ENTITLED "AN ACT GRANTING THE BLOCKBUSTER BROADCASTING SYSTEM, INC., A FRANCHISE 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 provisions of the
2 Constitution and applicable laws, rules and regulations, the franchise granted under Republic
3 Act No. 8762 to Blockbuster Broadcasting System, Inc., hereunder referred to as the
4 grantee, its successor or assignees, to construct, install, operate, and maintain for
5 commercial purposes and in the public interest, radio and/or television broadcasting stations
6 where frequencies and/or channels are still available for radio and/or television broadcasting,
7 including digital television system, through microwave, satellite or whatever means, as well
8 as the use of any new technology in television and radio systems, with the corresponding
9 technological auxiliaries and facilities, special broadcast and other program and distribution
10 services and relay stations in the Philippines is hereby renewed for another twenty-five (25)
11 years.
12

13 **SEC. 2. Manner of Operation of Stations or Facilities.** – The stations or facilities of
14 the grantee shall be constructed and operated in a manner as will, at most, result only in the
15 minimum interference on the wavelengths or frequencies of existing stations or other stations
16 which may be established by law, without in any way diminishing its own privilege to use its
17 assigned wavelengths or frequencies and the quality of transmission or reception thereon as
18 should maximize rendition of the grantee's services and/or availability thereof.
19

20 **SEC. 3. Prior Approval of the National Telecommunications Commission.**
21 – The grantee shall secure from the National Telecommunications Commission (NTC) the
22 appropriate permits and licenses for the construction and operation of its stations or facilities
23 and shall not use any frequency in the radio/television spectrum without authorization from
24 the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such
25 authority.
26

1 ~~[The grantee shall not dispose or lease its facilities except to entities with radio or~~
2 ~~television broadcasting franchise: *Provided*, That the grantee shall inform and secure written~~
3 ~~authorization to proceed from the NTC, and report the transaction to the NTC within sixty~~
4 ~~(60) days after its completion: *Provided, further*, That the NTC shall determine the~~
5 ~~corresponding sanction for any violation of this provision.]~~
6
7

8 In case of any violation of the provisions of this franchise, the NTC shall have the
9 authority to revoke or suspend, after due process, the permits or licenses it issued pursuant
10 to the franchise. The NTC may recommend to Congress the revocation of the franchise for
11 any violation of the provisions of this franchise.
12

13 **SEC. 4. Responsibility to the Public.** – The grantee shall provide, free of charge,
14 adequate public service time which is reasonable and sufficient to enable the government,
15 through the broadcasting stations or facilities of the grantee, to reach the pertinent
16 populations or portions thereof, on important public issues and relay important public
17 announcements and warnings concerning public emergencies and calamities, as necessity,
18 urgency or law may require; provide, at all times sound and balanced programming; promote
19 public participation; assist in the functions of public information and education; conform to
20 the ethics of honest enterprise; promote audience sensibility and empowerment including
21 closed captioning; and not use its stations or facilities for the broadcasting of obscene or
22 indecent language, speech, act or scene, the dissemination of deliberately false information
23 or willful misrepresentation, to the detriment of public interest , or to incite, encourage, or
24 assist in subversive or treasonable acts.
25

26 Public service time referred herein shall be equivalent to a maximum aggregate of
27 ten percent (10%) of paid commercials or advertisements which shall be allocated based on
28 need to the Executive and Legislative branches, the Judiciary, Constitutional Commissions,
29 and international humanitarian organizations duly recognized by statutes: *Provided*, That the
30 NTC shall increase the public service time in case of extreme emergency or calamity. The
31 NTC shall issue rules and regulations for this purpose, the effectivity of which shall
32 commence upon applicability with other similarly situated broadcast network franchise
33 holders.
34

35 Pursuant to Republic Act No. 8370, otherwise known as the “Children’s Television
36 Act of 1997”, the grantee shall allot a minimum of fifteen percent (15%) of the daily total air
37 time of each broadcasting network to child-friendly shows within its regular programming.
38

39 **SEC. 5. Right of the Government.** – The radio spectrum is a finite resource that is
40 part of the national patrimony, and the use thereof is a privilege conferred upon the grantee
41 by the State that may be withdrawn any time after due process.
42

43 A special right is hereby reserved to the President of the Philippines, in times of war,
44 rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order, to
45 temporarily take over and operate the stations or facilities of the grantee; to temporarily
46 suspend the operation of any station or facility in the interest of public safety, security and
47 public welfare; or to authorize the temporary use and operation thereof by any agency of the
48 government, upon due compensation to the grantee, for the use of said stations or facilities
49 during the period when these shall be so operated.

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

5
6 **SEC. 7 Self-regulation by and Undertaking of Grantee.** – The grantee shall not
7 require any previous censorship of any speech, play, act or scene, or other matter to be
8 broadcast from its stations, but if any such speech, play, act or scene, or other matter should
9 constitute a violation of the law or infringement of a private right, the grantee shall be free
10 from any liability, civil or criminal, for such speech, play, act or scene, or other matter:
11 *Provided*, That the grantee, during any broadcast, shall cut off the airing of speech, play, act
12 or scene, or other matter being broadcast if the tendency thereof is to propose and/or incite
13 treason, rebellion or sedition; or the language used therein or the theme thereof is indecent
14 or immoral: *Provided, further*, That willful failure to do so shall constitute a valid cause for the
15 cancellation of this franchise.

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

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

31
32 **SEC. 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.**
33 – The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or
34 the rights and privileges acquired thereunder to any person, firm, company, corporation or
35 other commercial or legal entity, nor merge with any other corporation or entity, nor the
36 controlling interest of the grantee be transferred, simultaneously or contemporaneously, to
37 any person, firm, company, corporation, or entity without the prior approval of the Congress
38 of the Philippines. Congress shall be informed of any sale, lease, transfer, grant of usufruct,
39 or assignment of franchise or the rights and privileges acquired thereunder, or of the merger
40 or transfer of the controlling interest of the grantee, within sixty (60) days after the
41 completion of the said transaction. Failure to report to Congress such change of ownership
42 shall render the franchise *ipso facto* revoked. Any person or entity to which this franchise is
43 sold, transferred, or assigned shall be subject to the same conditions, terms, restrictions,
44 and limitations of this Act.

1 **SEC. 11. *Dispersal of Ownership.*** – In accordance with the constitutional to encourage
2 public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty
3 percent (30%) of its [~~common~~] OUTSTANDING CAPITAL stocks, or a higher percentage that
4 may hereafter be provided by law, in any securities exchange in the Philippines within five (5)
5 years from the effectivity of this Act: *Provided*, That in cases where public offer of shares is not
6 applicable, other methods of encouraging public participation by citizens and corporations
7 operating public utilities must be implemented. Noncompliance therewith shall render the
8 franchise *ipso facto* revoked.
9

10 **SEC. 12. *Reportorial Requirement.*** – The grantee shall submit an annual report on its
11 compliance with the terms and conditions of the franchise and on its operations to the Congress
12 of the Philippines, through the Committee on Legislative Franchises of the House of
13 Representatives and the Committee on Public Services of the Senate, on or before April 30 of
14 every year during the term of its franchise.
15

16 The annual report shall include an update on the roll-out, development, operation
17 and/or expansion of business; audited financial statements; latest GIS officially submitted to
18 the SEC, if applicable; certification of the NTC on the status of its permits and operations; and
19 an update on the dispersal of ownership undertaking, if applicable.
20

21 The reportorial compliance certificate issued by Congress shall be required before
22 any application for permit or certificate is accepted by the NTC.
23

24 **SEC. 13. *Fine.*** – Failure of the grantee to submit the requisite annual report to Congress
25 shall be penalized by a fine of five hundred pesos (P500.00) per working day of noncompliance.
26 The fine shall be collected by the NTC from the delinquent franchise grantee separate from the
27 reportorial penalties imposed by the NTC and the same shall be remitted to the Bureau of the
28 Treasury.
29

30 **SEC. 14. *Equality Clause.*** – Any advantage, favor, privilege, exemption, or immunity
31 granted under existing franchises, or which may hereafter be granted for radio and/or television
32 broadcasting, upon prior review and approval of Congress, shall become part of this franchise
33 and shall be accorded immediately and unconditionally to the herein grantee: *Provided*, That
34 the foregoing shall neither apply to nor affect the provisions of broadcasting franchises
35 concerning territorial coverage, the term, or the type of service authorized by the franchise.
36

37 **SEC. 15. *Repealability and Nonexclusivity Clause.*** – This franchise shall be subject
38 to amendment, alteration, or repeal by the Congress of the Philippines when the public interest
39 so requires and shall not be interpreted as an exclusive grant of the privileges herein provided
40 for.
41

42 **SEC. 16. *Separability Clause.*** – If any of the sections or provisions of this Act is held
43 invalid, all other provisions not affected thereby shall remain valid.
44

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

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

Approved,