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HOUSE OF REPRESENTATIVES

H. No. 8901

BY REPRESENTATIVES GARCIA (P.J.), ALVAREZ (F.), MACEDA, VIOLAGO, NOGRALES (J.J.), GUYA, DY (F.M.C.), FORTUNO, RIVERA, ARENAS, ZUBIRI, QUIMBO, BORDADO, ALONTE, ROMUALDO, GULLAS, UNABIA, MARQUEZ, ROBES, BAUTISTA, VARGAS ALFONSO, FERRER (L.), CASTELO, TEJADA, ALMARIO AND TAN (A.S.), PER COMMITTEE REPORT NO. 814

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO SOUNDSTREAM BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8209, ENTITLED ‘AN ACT GRANTING SOUNDSTREAM BROADCASTING CORPORATION, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF ISABELA, AND IN OTHER PLACES 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 to Soundstream
3 Broadcasting Corporation, hereunder referred to as the grantee, its successor or assignees,
4 under Republic Act No. 8209, to construct, install, operate, and maintain for commercial
5 purposes and in the public interest, radio and/or television broadcasting stations in the
6 Province of Isabela and other areas in the Philippines, where frequencies and channels are
7 still available for radio and television broadcasting, including digital television system, through
8 microwave, satellite or whatever means, as well as the use of any new technology in radio
9 and television systems, with the corresponding technological auxiliaries and facilities, special
10 broadcast and other program and distribution services and relay stations is hereby renewed
11 for another twenty-five (25) years.
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14 **SEC. 2. *Manner of Operation of Stations or Facilities.*** – The stations or facilities of the
15 grantee shall be constructed and operated in a manner as will, at most, result only in the
16 minimum interference on the wavelengths or frequencies of existing stations or other stations
17 which may be established by law, without in any way diminishing its own privilege to use its

1 assigned wavelengths or frequencies and the quality of transmission or reception thereon as
2 should maximize rendition of the grantee's services and availability thereof.

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4 **SEC. 3. *Prior Approval of the National Telecommunications Commission.*** – The
5 grantee shall secure from the National Telecommunications Commission (NTC) the
6 appropriate permits and licenses for the construction and operation of its stations or facilities
7 and shall not use any frequency in the radio spectrum without authorization from the NTC.
8 The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.
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10 In case of any violation of the provisions of this franchise, the NTC shall have the
11 authority to revoke or suspend, after due process, the permits or licenses it issued pursuant
12 to the franchise. The NTC may recommend to Congress of the Philippines the revocation of
13 the franchise for any violation of the provisions of this franchise.
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15 **SEC. 4. *Responsibility to the Public.***– The grantee shall provide, free of charge,
16 adequate public service time which is reasonable and sufficient to enable the government,
17 through the broadcasting stations or facilities of the grantee, to reach the pertinent
18 populations or portions thereof, on important public issues and relay important public
19 announcements and warnings concerning public emergencies and calamities, as necessity,
20 urgency, or law may require; provide at all times sound and balanced programming; promote
21 public participation; assist in the functions of public information and education; conform to
22 the ethics of honest enterprise; promote audience sensibility and empowerment including
23 closed captioning; and not use its stations or facilities for the broadcasting of obscene or
24 indecent language, speech, act, or scene, the dissemination of deliberately false information
25 or willful misrepresentation, to the detriment of public interest, or to incite, encourage, or
26 assist in subversive or treasonable acts.
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28 Public service time referred herein shall be equivalent to a maximum aggregate of ten
29 percent (10%) of paid commercials or advertisements which shall be allocated based on need
30 to the Executive and Legislative branches, the Judiciary, Constitutional Commissions, and
31 international humanitarian organizations duly recognized by statutes: *Provided*, That the NTC
32 shall increase the public service time in case of extreme emergency or calamity. The NTC shall
33 issue rules and regulations for this purpose, the effectivity of which shall commence upon
34 applicability with other similarly situated broadcast network franchise holders.
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36 Pursuant to Republic Act No. 8370, otherwise known as the "Children's Television Act
37 of 1997", the grantee shall allot a minimum of fifteen percent (15%) of the daily total air time
38 of each broadcasting network or station to child-friendly shows within its regular
39 programming.
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41 **SEC. 5. *Right of the Government.*** –The radio spectrum is a finite resource that is part
42 of the national patrimony, and the use thereof is a privilege conferred upon the grantee by
43 the State that may be withdrawn any time after due process.
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45 A special right is hereby reserved to the President of the Philippines, in times of war,
46 rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order, to
47 temporarily take over and operate the stations or facilities of the grantee; to temporarily
48 suspend the operation of any station or facility in the interest of public safety, security, and

1 public welfare; or to authorize the temporary use and operation thereof by any agency of the
2 government, upon due compensation to the grantee, for the use of said stations or facilities
3 during the period when these shall be so operated.

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

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11 ~~**SEC. 7. Renewal or Extension of Franchise.** – The grantee shall apply for the renewal
12 or extension of its franchise three (3) years before its expiration which shall be reckoned from
13 fifteen (15) days after the publication of the franchise in the *Official Gazette* or in a newspaper
14 of general circulation.]~~

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

27
28 **SEC. [9] 8. Warranty in Favor of the National and Local Governments.** –The grantee
29 shall hold the national, provincial, city, and municipal governments of the Philippines free
30 from all claims, liabilities, demands, or actions arising out of accidents causing injury to
31 persons or damage to properties, during the construction or operation of the stations of the
32 grantee.

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35 **SEC. [10] 9. Commitment to Provide and Promote the Creation of Employment
36 Opportunities.** – The grantee shall create employment opportunities and accept on-the-job
37 trainees in the franchise operations: *Provided*, That priority shall be accorded to the residents
38 of the place where the principal office of the grantee is located: ~~[*Provided further*, That the
39 grantee shall ensure that at least sixty percent (60%) of its employees are regular employees
40 and in no case shall the percentage of contractual, job order, or casual employees, talents,
41 and independent contractors combined, exceed forty percent (40%) of its total workforce:]~~
42 *Provided, [finally] FURTHER*, That the grantee shall comply with the applicable labor
43 standards and allowance entitlement under existing labor laws, rules and regulations and
44 similar issuances.

45
46 The employment opportunities or jobs created shall be reflected in the General
47 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission (SEC)
48 annually. ~~[In addition, the grantee shall include in its annual report to Congress the number~~

1 of trainees and workers whose employment status are made regular, and append the
2 appropriate certificate from the Department of Labor and Employment attesting that it has
3 complied with the employment requirement under this Section.]

4
5 **SEC. [11] 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise. –**

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

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19 **SEC. [12] 11. Dispersal of Ownership. –** In accordance with the constitutional

20 provision to encourage public participation in public utilities, the grantee shall offer to Filipino
21 citizens at least thirty percent (30%) of its [common] OUTSTANDING CAPITAL stocks, or a
22 higher percentage that may hereafter be provided by law, in any securities exchange in the
23 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases where
24 public offer of shares is not applicable, other methods of encouraging public participation by
25 citizens and corporations operating public utilities must be implemented. Noncompliance
26 therewith shall render the franchise *ipso facto* revoked.

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28 **SEC. [13] 12. Reportorial Requirement. –** The grantee shall submit an annual report

29 on its compliance with the terms and conditions of the franchise and on its operations to the
30 Congress of the Philippines, through the Committee on Legislative Franchises of the House of
31 Representatives and the Committee on Public Services of the Senate, on or before April 30 of
32 every year during the term of its franchise.

33
34 The annual report shall include an update on the commencement of activities,
35 development, operation, or expansion of business; audited financial statements; latest GIS
36 officially submitted to the SEC, if applicable; certification of the NTC on the status of its
37 permits and operations; and an update on the dispersal of ownership undertaking, if
38 applicable.

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

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43 **[SEC. [14] 13. Fine. –** Failure of the grantee to submit the requisite annual report to
44 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day of
45 noncompliance to the NTC. The fine shall be collected separately from the reportorial
46 penalties imposed by the NTC, and it shall be remitted to the Bureau of the Treasury.

1 **SEC. [15] 14. Equality Clause.** – Any advantage, favor, privilege, exemption, or
2 immunity granted under existing franchises, or which may hereafter be granted for radio
3 broadcasting, upon prior review and approval of Congress, shall become part of this franchise
4 and shall be accorded immediately and unconditionally to the herein grantee: *Provided*, That
5 the foregoing shall neither apply to nor affect the provisions of broadcasting franchises
6 concerning territorial coverage, the term, or the type of service authorized by the franchise.
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9 **SEC. [16] 15. Repealability and Nonexclusivity Clause.** –This franchise shall be subject
10 to amendment, alteration, or repeal by Congress when the public interest so requires and
11 shall not be interpreted as an exclusive grant of the privileges herein provided for.
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13 **SEC. [17] 16. Separability Clause.**–If any of the sections or provisions of this Act is held
14 invalid, all other provisions not affected thereby shall remain valid.
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16 **SEC. [18] 17. Repealing Clause.** – All laws, decrees, orders, resolutions, instructions,
17 rules and regulations, and other issuances or parts thereof which are inconsistent with the
18 provisions of this Act are hereby repealed, amended, or modified accordingly.
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20 **SEC. [19] SEC. 18. Effectivity.**–This Act shall take effect fifteen (15) days after its
21 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,