

**SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES)**  
*Third Regular Session* )



15 SEP 23 A 9:48

**SENATE**

RECEIVED BY: 

**COMMITTEE REPORT NO. 262**

Submitted by the Committee on Public Services on SEP 23 2015

**RE : H. B. No. 5227**

**Recommending its approval without amendment.**

**Sponsor : Senator Osmeña, III**

**MR. PRESIDENT:**


The Senate Committee on Public Services to which was referred **H. B. No. 5227**, introduced by Representatives Belmonte, Gonzales, Teodoro, *et. al.*, entitled:

**"AN ACT  
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO EAGLE BROADCASTING  
CORPORATION AS PROVIDED UNDER REPUBLIC ACT NO.  
7299."**

has considered the same and has the honor to report it back to the Senate with the recommendation that the attached **H. B. No. 5227** be approved without amendment.

Respectfully submitted:

  
**RAMON BONG REVILLA, JR.**  
*Chairman*  
Committee on Public Services

  
**SERGIO R. OSMEÑA, III**  
*Acting Chairperson*  
Committee on Public Services

**MEMBERS:**



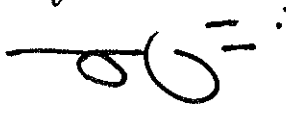
**SONNY M. ANGARA**



**PIA S. CAYETANO**



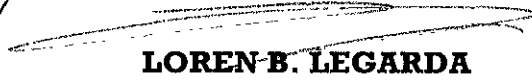
**JINGGOY EJERCITO ESTRADA**



**JOSEPH VICTOR G. EJERCITO**



**GREGORIO B. HONASAN, III**



**LOREN B. LEGARDA**



**GRACE POE**

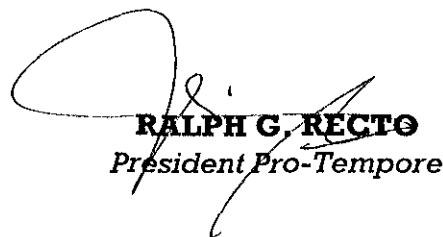


**ANTONIO F. TRILLANES, IV**



**CYNTHIA A. VILLAR**

**EX- OFFICIO MEMBERS:**



**RALPH G. RECTO**  
*President Pro-Tempore*

**JUAN PONCE ENRILE**  
*Minority Floor Leader*

**ALAN PETER S. CAYETANO**  
*Majority Floor Leader*

**FRANKLIN M. DRILON**  
*Senate President*  
*Pasay City*



HOUSE OF REPRESENTATIVES

H. No. 5227

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BY REPRESENTATIVES BELMONTE (F.), GONZALES, TEODORO, AGGABAO,  
ABAYON, BELLO (S.), BELMONTE (J.), CAMINERO, DELA CRUZ, HOFER,  
LAGDAMEO (A.), LAGDAMEO (M.), MENDOZA (M.), PICHAY, REYES,  
RIDON, ROBES, SALVACION, RAMIREZ-SATO, SEMA, TAMBUNING,  
UNABIA AND VIOLAGO

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS  
THE FRANCHISE GRANTED TO EAGLE BROADCASTING  
CORPORATION AS PROVIDED UNDER REPUBLIC ACT  
NO. 7299

*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 1987 Philippine Constitution and applicable laws, rules, and  
3 regulations, the franchise granted to Eagle Broadcasting Corporation,  
4 hereunder referred to as the grantee, and/or its successors and assigns, to  
5 construct, install, establish, operate and maintain for commercial purposes and  
6 in the public interest, radio and/or television broadcasting stations in the  
7 Philippines, where frequencies and/or channels are still available or are  
8 assigned for radio and/or television broadcasting, including digital television  
9 and/or radio systems, through microwave, satellite, or the use of any new  
10 technologies in television and radio systems, with the corresponding  
11 technological auxiliaries and/or facilities, special broadcast, and other program  
12 and distribution services and relay stations, is hereby renewed for another  
13 twenty-five (25) years from November 3, 2018.

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

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

16           **SEC. 4. *Responsibility to the Public.*** – The grantee shall provide  
17 adequate public service time to enable the government, through the said  
18 broadcasting stations or facilities, to reach the population on important public  
19 issues; provide at all times sound and balanced programming; assist in the  
20 functions of public information and education; conform to the ethics of honest  
21 enterprise; and not use its stations and facilities for the broadcasting of obscene  
22 and indecent language, speech, act or scene; or for the dissemination of  
23 deliberately false information or willful misrepresentation, to the detriment of  
24 the public interest, or to incite, encourage, or assist in subversive or  
25 treasonable acts.

26           **SEC. 5. *Right of Government.*** – A special right is hereby reserved to  
27 the President of the Philippines, in times of war, rebellion, public peril,  
28 calamity, emergency, disaster or disturbance of peace and order, to temporarily

1 take over and operate the stations or facilities of the grantee, to temporarily  
2 suspend the operation of any station or facility in the interest of public safety,  
3 security and public welfare, or to authorize the temporary use and operation  
4 thereof by any agency of the government, upon due compensation to the  
5 grantee, for the use of said stations or facilities during the period when they  
6 shall be so operated.

7 The radio spectrum is a finite resource that is part of the national  
8 patrimony and the use thereof is a privilege conferred upon the grantee by the  
9 State and may be withdrawn anytime after due process.

10 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a  
11 period of twenty-five (25) years, beginning on November 3, 2018, unless  
12 sooner cancelled. This franchise shall be deemed *ipso facto* revoked in the  
13 event the grantee fails to operate continuously for two (2) years.

14 SEC. 7. *Acceptance and Compliance.* – Acceptance of this franchise  
15 shall be given in writing to the Congress of the Philippines, through the  
16 Committee on Legislative Franchises of the House of Representatives and the  
17 Committee on Public Services of the Senate within sixty (60) days from the  
18 effectivity of this Act. Upon giving such acceptance, the grantee shall exercise  
19 the privileges granted under this Act. Nonacceptance shall render the franchise  
20 void.

21 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* – The  
22 grantee shall not require any previous censorship of any speech, play, act or  
23 scene, or other matter to be broadcast from its stations: *Provided,* That the  
24 grantee, during any broadcast, shall cut off from the air the speech, play, act or  
25 scene, or other matter being broadcast if the tendency thereof is to propose  
26 and/or incite treason, rebellion or sedition; or the language used therein or the  
27 theme thereof is indecent or immoral: *Provided, further,* That willful failure to  
28 do so shall constitute a valid cause for the cancellation of this franchise.

1           **SEC. 9. *Warranty in Favor of National and Local Governments.*** --

2   The grantee shall hold the national, provincial, city and municipal governments  
3   of the Philippines free from all claims, accounts, demands or actions arising  
4   out of accidents or injuries, whether to property or to persons, caused by the  
5   construction or operation of the stations of the grantee.

6           **SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.***

7   -- The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this  
8   franchise or the rights and privileges acquired thereunder to any person, firm,  
9   company, corporation or other commercial or legal entity, nor merge with any  
10  other corporation or entity, nor shall the controlling interest of the grantee be  
11  transferred, whether as a whole or in parts, and whether simultaneously or  
12  contemporaneously, to any such person, firm, company, corporation or entity  
13  without the prior approval of the Congress of the Philippines: *Provided*, That  
14  Congress shall be informed of any lease, transfer, granting the usufruct of, sale  
15  or assignment of franchise or the rights and privileges acquired thereunder  
16  within sixty (60) days after the completion of said transaction: *Provided*,  
17  *further*, That failure to report to Congress such change of ownership shall  
18  render the franchise *ipso facto* revoked: *Provided, finally*, That any person or  
19  entity to which this franchise is sold, transferred, or assigned, shall be subject  
20  to the same conditions, terms, restrictions and limitations of this Act.

21           **SEC. 11. *Dispersal of Ownership.*** -- In accordance with the

22  Constitutional provision to encourage public participation in public utilities,  
23  the grantee shall offer to Filipino citizens at least ten per centum (10%) of its  
24  outstanding capital stock or a higher percentage that may hereafter be provided  
25  by law in any securities exchange in the Philippines within five (5) years from  
26  the time it has achieved the status of a national broadcasting network. A  
27  national broadcasting network is hereby defined as one that operates at least

1 three (3) radio/television stations. Noncompliance therewith shall render the  
2 franchise *ipso facto* revoked.

3 SEC. 12. *General Broadcast Policy Law.* – The grantee shall comply  
4 with and be subject to the provisions of a general broadcast policy law, which  
5 Congress may hereafter enact.

6 SEC. 13. *Parity Clause.* – Any advantage, favor, privilege, exemption,  
7 or immunity granted under existing franchise, or which may hereafter be  
8 granted for radio and/or television broadcasting, upon prior review and  
9 approval of Congress, shall become part of this franchise and shall be accorded  
10 immediately and unconditionally to the herein grantee: *Provided, however,*  
11 That the foregoing shall neither apply to nor affect the provisions of  
12 broadcasting franchises concerning territory covered by the franchise, the life  
13 span of the franchise or the type of service authorized by the franchise:  
14 *Provided, further,* That the foregoing shall not apply to sale, lease, transfer,  
15 grant of usufruct or assignment of legislative franchise with prior  
16 Congressional approval.

17 SEC. 14. *Reportorial Requirement.* – The grantee shall submit an  
18 annual report to the Congress of the Philippines, through the Committee on  
19 Legislative Franchises of the House of Representatives and the Committee on  
20 Public Services of the Senate, on its compliance with the terms and conditions  
21 of the franchise and on its operations on or before April 30 of the succeeding  
22 year.

23 SEC. 15. *Penalty Clause.* – Any grantee who fails to submit the  
24 annual report to Congress will be fined five hundred pesos (P500.00) per  
25 working day of noncompliance. Said fine will be collected by the NTC from  
26 said delinquent franchise grantee separate from the reportorial penalties  
27 imposed by the NTC. The collected funds shall accrue to the monitoring fund  
28 of the NTC in line with its supervisory and regulatory functions. The

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

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

6 SEC. 17. *Repealability and Nonexclusivity Clause.* – This franchise  
7 shall be subject to amendment, alteration, or repeal by the Congress of the  
8 Philippines when the public interest so requires and shall not be interpreted as  
9 an exclusive grant of the privileges herein provided for.

10 SEC. 18. *Publication.* – This Act shall be published, through the  
11 initiative of the grantee, fifteen (15) days after it has been signed by the  
12 President of the Philippines or after it has lapsed into law.

13 SEC. 19. *Effectivity Clause.* – This Act shall take effect fifteen (15)  
14 days after its publication in at least two (2) newspapers of general circulation.

Approved,