



HOUSE OF REPRESENTATIVES

H. No. 5859

BY REPRESENTATIVES MADRONA AND TEODORO, PER COMMITTEE REPORT
No. 773

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO PEOPLE'S BROADCASTING
SERVICE, INC. UNDER REPUBLIC ACT NO. 7477, AS
AMENDED BY REPUBLIC ACT NO. 9213

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

1 SECTION I. *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 People's Broadcasting Service, Inc.,
4 hereunder referred to as the grantee, its successors or assignees, under
5 Republic Act No. 7477, entitled "An Act Granting the People's Broadcasting
6 Service, Inc., a Franchise to Construct, Install, Operate and Maintain for
7 Commercial Purposes Radio Broadcasting and Television Stations in the
8 Philippines, and for Other Purposes", as amended by Republic Act No. 9213,
9 to construct, install, establish, operate and maintain for commercial purposes
10 and in the public interest, radio and/or television broadcasting stations, where
11 frequencies and/or channels are still available for radio and/or television
12 broadcasting, including digital television system, through microwave, satellite

1 or whatever means, including the use of new technologies in television and
2 radio systems, with the corresponding technological auxiliaries and facilities,
3 special broadcast and other program and distribution services and relay
4 stations in the Philippines, is hereby renewed for another twenty-five (25)
5 years from the approval of this Act.

6 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations
7 or facilities of the grantee shall be constructed and operated in a manner as
8 will, at most, result only in the minimum interference on the wavelengths or
9 frequencies of existing stations or other stations which may be established by
10 law, without in any way diminishing its own privilege to use its assigned
11 wavelengths or frequencies and the quality of transmission or reception thereon
12 as should maximize rendition of the grantee's services and/or the availability
13 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 licenses
17 for the construction and operation of its stations and facilities and shall not use
18 any frequency in the radio/television spectrum without authorization from the
19 NTC. The NTC, however, shall not unreasonably withhold or delay the grant
20 of such authority.

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

1 the public interest, or to incite, encourage, or assist in subversive or
2 treasonable acts.

3 SEC. 5. *Right of Government.* – A special right is hereby reserved
4 to the President of the Philippines, in times of war, rebellion, public
5 peril, calamity, emergency, disaster or disturbance of peace and order: to
6 temporarily take over and operate the stations or facilities of the grantee; to
7 temporarily suspend the operation of any station or facility in the interest of
8 public safety, security and public welfare; or to authorize the temporary use
9 and operation thereof by any agency of the government, upon due
10 compensation to the grantee, for the use of the stations or facilities during the
11 period when these shall be so operated.

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

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

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

26 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* – The
27 grantee shall not require any previous censorship of any speech, play, act or
28 scene, or other matter to be broadcast from its stations: *Provided*, That the

1 grantee, during any broadcast, shall cut off from the air the speech, play, act or
2 scene, or other matter being broadcast if the tendency thereof is to propose
3 and/or incite treason, rebellion or sedition; or the language used therein or the
4 theme thereof is indecent or immoral: *Provided, further,* That willful failure to
5 do so shall constitute a valid cause for the cancellation of this franchise.

6 SEC. 9. *Warranty in Favor of National and Local Governments.* –

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

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

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

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

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

14 SEC. 13. *Reportorial Requirement.* – The grantee shall submit an
15 annual report to the Congress of the Philippines, through the Committee on
16 Legislative Franchises of the House of Representatives and the Committee on
17 Public Services of the Senate, on its compliance with the terms and conditions
18 of the franchise and on its operations on or before April 30 of every year
19 during the term of its franchise. The reportorial compliance certificate issued
20 by Congress shall be required before any application for permit or certificate is
21 accepted by the NTC.

22 SEC. 14. *Penalty Clause.* – Failure of the grantee to submit the
23 requisite annual report to Congress shall be penalized by a fine in the amount
24 of five hundred pesos (P500.00) per working day of noncompliance. The fine
25 shall be collected by the NTC from the delinquent franchise grantee separate
26 from the reportorial penalties imposed by the NTC.

1 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege,
2 exemption, or immunity granted under existing franchises, or which may
3 hereafter be granted for radio and/or television broadcasting, upon prior review
4 and approval of Congress, shall become part of this franchise and shall be
5 accorded immediately and unconditionally to the herein grantee: *Provided,*
6 That the foregoing shall neither apply to nor affect provisions of broadcasting
7 franchises concerning territory covered by the franchise, the life span of the
8 franchise or the type of service authorized by the franchise.

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

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

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

Approved,

O