

(AS AMENDED BY THE SENATE)

CONGRESS OF THE PHILIPPINES
SEVENTEENTH CONGRESS
First Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 5635

BY REPRESENTATIVES ARENAS, BERTIZ, ERMITA-BUHAIN AND ALVAREZ (F.),
PER COMMITTEE REPORT NO. 228

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BRIGHT STAR BROADCASTING NETWORK CORPORATION UNDER REPUBLIC ACT NO. 7295, ENTITLED "AN ACT GRANTING THE BRIGHT STAR BROADCASTING NETWORK CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES AND FOR OTHER PURPOSES"

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 regulations, the
3 franchise granted to Bright Star Broadcasting Network Corporation, hereunder
4 referred to as the grantee, its successors or assignees, under Republic Act
5 No. 7295, to construct, install, establish, operate, and maintain for commercial
6 purposes and in the public interest, radio and/or television broadcasting
7 stations, including digital television system, through microwave, satellite or

1 whatever means, as well as the use of any new technology 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 extended for another twenty-five (25)
5 years from the effectivity 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
12 thereon as 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 licenses
17 for the construction and operation of its stations or 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 any such authority.

21 The grantee shall not dispose or lease its facilities except to entities with
22 radio or television broadcasting franchise: *Provided,* That the grantee shall
23 inform and secure written authorization to proceed from the NTC, and report
24 the transaction to the NTC within sixty (60) days after its completion:
25 *Provided, further,* That the NTC shall determine the corresponding sanction
26 for any violation of this provision.

27 SEC. 4. *Responsibility to the Public.* – The grantee shall provide,
28 **FREE OF CHARGE,** adequate public service time **WHICH IS**

1 REASONABLE AND SUFFICIENT to enable the government through
2 [the said] ITS broadcasting stations or facilities OF THE GRANTEE, to
3 [inform] REACH the PERTINENT populationS OR PORTIONS
4 THEREOF on important public issues AND RELAY IMPORTANT
5 PUBLIC ANNOUNCEMENTS AND WARNINGS CONCERNING
6 PUBLIC EMERGENCIES AND CALAMITIES, AS NECESSITY,
7 URGENCY OR LAW MAY REQUIRE; provide at all times sound and
8 balanced programming; PROMOTE PUBLIC PARTICIPATION; assist in
9 the [performance of the] functions of public information and education;
10 conform to the ethics of honest enterprise; PROMOTE AUDIENCE
11 SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED
12 CAPTIONING; and not use its stations or facilities for the broadcasting of
13 obscene [and] OR indecent language, speech, act or scene; or for the
14 dissemination of deliberately false information or willful misrepresentation to
15 the detriment of the public interest; or to incite, encourage, or assist in
16 subversive or treasonable acts.

17 PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE
18 EQUIVALENT TO A MAXIMUM AGGREGATE OF TEN PERCENT
19 (10%) OF PAID COMMERCIALS OR ADVERTISEMENTS WHICH SHALL
20 BE ALLOCATED BASED ON NEED TO THE EXECUTIVE, LEGISLATIVE,
21 JUDICIARY, CONSTITUTIONAL COMMISSIONS AND INTERNATIONAL
22 HUMANITARIAN ORGANIZATIONS DULY RECOGNIZED BY STATUTES:
23 *PROVIDED*, THAT THE NTC SHALL INCREASE THE PUBLIC SERVICE
24 TIME IN CASE OF EXTREME EMERGENCY OR CALAMITY. THE NTC
25 SHALL ISSUE RULES AND REGULATIONS FOR THIS PURPOSE,
26 THE EFFECTIVITY OF WHICH SHALL COMMENCE UPON

1 APPLICABILITY WITH OTHER SIMILARLY SITUATED
2 BROADCAST NETWORK FRANCHISE HOLDERS.

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

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

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 of Franchise.* – Acceptance of the terms of this
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 Philippine Senate, within sixty (60)
23 days from the effectivity of this Act. Upon giving such acceptance, the
24 grantee shall exercise the privileges granted under this Act. Nonacceptance
25 shall render the 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 the National and Local Governments.* –

7 The grantee shall hold the national, provincial, city, and municipal
8 governments of the Philippines free from all claims, liabilities, demands, or
9 actions arising out of accidents causing injury to persons or damage to
10 properties, during the construction or operation of the stations of the grantee.

11 SEC. 10. *COMMITMENT TO PROVIDE AND PROMOTE THE*
12 *CREATION OF EMPLOYMENT OPPORTUNITIES.* – THE
13 GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITIES
14 AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR
15 FRANCHISE OPERATION: *PROVIDED*, THAT PRIORITY SHALL
16 BE ACCORDED TO THE RESIDENTS IN AREA WHERE THEIR
17 PRINCIPAL OFFICE IS LOCATED: *PROVIDED, FURTHER*, THAT
18 THE GRANTEE SHALL FOLLOW THE APPLICABLE LABOR
19 STANDARDS AND ALLOWANCE ENTITLEMENT UNDER
20 EXISTING LABOR LAWS, RULES AND REGULATIONS AND
21 SIMILAR ISSUANCES: *PROVIDED, FINALLY*, THAT THE
22 EMPLOYMENT OPPORTUNITIES OR JOBS CREATED SHALL
23 BE REFLECTED IN THE GENERAL INFORMATION SHEET (GIS)
24 TO BE SUBMITTED TO SECURITIES AND EXCHANGE
25 COMMISSION ANNUALLY.

26 SEC. 11. *TAX PROVISIONS.* – THE GRANTEE, ITS
27 SUCCESSORS OR ASSIGNEES SHALL CONTINUE TO BE

1 SUBJECT TO ALL APPLICABLE TAXES, DUTIES, FEES, OR
2 CHARGES AND OTHER IMPOSITIONS UNDER REPUBLIC ACT
3 NO. 8424, OTHERWISE KNOWN AS "THE NATIONAL
4 INTERNAL REVENUE CODE OF 1997", AS AMENDED, AND
5 OTHER APPLICABLE LAWS.

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

23 SEC. [11] 13. *Dispersal of Ownership.* – In accordance with the
24 constitutional provision to encourage public participation in public utilities, the
25 grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher
26 percentage that may hereafter be provided by law of its outstanding capital
27 stock in any securities exchange in the Philippines within five (5) years from
28 the commencement of its operations: *Provided,* That in cases where public

1 offer of shares is not applicable, establishment of cooperatives and other
2 methods of encouraging public participation by citizens and corporations
3 operating public utilities such as stock sharing with employees' organization
4 must be implemented.

5 Noncompliance therewith shall render the franchise *ipso facto* revoked.

6 SEC. [12] 14. *Reportorial Requirement.* – The grantee shall submit an
7 annual report to the Congress of the Philippines, through the Committee on
8 Legislative Franchises of the House of Representatives and the Committee on
9 Public Services of the Philippine Senate, on its compliance with the terms and
10 conditions of the franchise and on its operations on or before April 30 of every
11 year during the term of its franchise. The reportorial compliance certificate
12 issued by Congress shall be required before any application for permit or
13 certificate is accepted by the NTC.

14 SEC. [13] 15. *Fine.* – Failure of the grantee to submit the requisite
15 annual report to Congress shall be penalized by a fine in the amount of five
16 hundred pesos (P500.00) per working day of noncompliance. The fine shall be
17 collected separately by the NTC distinct from the penalties it imposes for
18 noncompliance of its own reportorial requirements.

19 SEC. [14] 16. *Equality Clause.* – Except for taxes and customs duties,
20 any advantage, favor, privilege, exemption, or immunity granted under
21 existing franchises, or which may hereafter be granted for radio and/or
22 television broadcasting, upon prior review and approval of Congress, shall
23 become part of this franchise and shall be accorded immediately and
24 unconditionally to the herein grantee: *Provided,* That the foregoing shall
25 neither apply to nor affect provisions of broadcasting franchises concerning
26 territorial coverage, the term, or the type of service authorized by the
27 franchise.

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

5 SEC. [16] 18. *Separability Clause.* – If any of the sections or
6 provisions of this Act is held invalid, all other provisions not affected thereby
7 shall remain valid.

8 SEC. [17] 19. *Repealing Clause.* – All laws, decrees, orders,
9 resolutions, instructions, rules and regulations, and other issuances or parts
10 thereof which are inconsistent with the provisions of this Act are hereby
11 repealed, amended, or modified accordingly.

12 SEC. [18] 20. *Effectivity.* – This Act shall take effect fifteen (15) days
13 after its publication in the *Official Gazette* or in a newspaper of general
14 circulation.

Approved,

○