

(AS AMENDED BY THE SENATE)

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HOUSE OF REPRESENTATIVES

H. No. 6166

BY REPRESENTATIVES LAGMAN, ALVAREZ (F.) AND MARCOLETA, PER
COMMITTEE REPORT NO. 350

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO FILIPINAS BROADCASTING
NETWORK, INC. UNDER REPUBLIC ACT NO. 8168, ENTITLED
“AN ACT GRANTING THE FILIPINAS BROADCASTING
NETWORK, INC., A FRANCHISE TO CONSTRUCT, INSTALL,
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
2 of the Philippine Constitution and applicable laws, rules and regulations, the
3 franchise granted to Filipinas Broadcasting Network, Inc., hereunder referred
4 to as the grantee, its successors or assignees, under Republic Act No. 8168, to
5 construct, install, establish, operate, and maintain for commercial purposes and
6 in the public interest, radio and/or television broadcasting stations, including
7 digital television system, through microwave, satellite or whatever means, as
8 well as the use of any new technology in television and radio systems, with the

1 corresponding technological auxiliaries and facilities, special broadcast and
2 other program and distribution services and relay stations in the Philippines, is
3 hereby extended for another twenty-five (25) years from the effectivity of this
4 Act.

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

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

20 The grantee shall not dispose nor lease its facilities except to entities
21 with radio or television franchise: *Provided*, That the grantee shall inform and
22 secure written authorization to proceed from the NTC, and report the
23 transaction to the NTC within sixty (60) days after its completion: *Provided*,
24 *further*, That the NTC shall determine the corresponding sanction for any
25 violation of this provision.

26 SEC. 4. *Responsibility to the Public.* – The grantee shall provide
27 adequate public service time to enable the government, through the said
28 broadcasting stations or facilities, to reach the population on important public
29 issues; provide at all times sound and balanced programming; promote public

1 participation such as in community programming; assist in the functions of
2 public information and education; conform to the ethics of honest enterprise;
3 and to refrain from broadcasting obscene and indecent language, speech, act or
4 scene, or from disseminating deliberately false information or willful
5 misrepresentation to the detriment of the public interest; or from inciting,
6 encouraging, or assisting in subversive or treasonable acts.

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

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

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

23 SEC. 7. *Acceptance of Franchise.* – Acceptance of the terms of this
24 franchise shall be given in writing to the Congress of the Philippines, through
25 the Committee on Legislative Franchises of the House of Representatives and
26 the Committee on Public Services of the Philippine Senate, within sixty (60)
27 days from the effectivity of this Act. Upon giving such acceptance, the grantee
28 shall exercise the privileges granted under this Act.

29 Nonacceptance shall render the franchise void.

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

13 SEC. 9. *Warranty in Favor of the National and Local Governments.* –
14 The grantee shall hold the national, provincial, city, and municipal
15 governments of the Philippines free from all claims, liabilities, demands, or
16 actions arising out of accidents, causing injury to persons or damage to
17 properties, during the construction or operation of the stations of the grantee.

18 SEC. 10. *COMMITMENT TO PROVIDE AND PROMOTE THE*
19 *CREATION OF EMPLOYMENT OPPORTUNITIES.* – THE
20 GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITIES
21 AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR
22 FRANCHISE OPERATION: *PROVIDED,* THAT PRIORITY SHALL
23 BE ACCORDED TO THE RESIDENTS WHERE THEIR
24 PRINCIPAL OFFICE IS LOCATED: *PROVIDED, FURTHER,* THAT
25 THE GRANTEE SHALL FOLLOW THE APPLICABLE LABOR
26 STANDARDS AND ALLOWANCE ENTITLEMENT UNDER
27 EXISTING LABOR LAWS, RULES AND REGULATIONS AND
28 SIMILAR ISSUANCES: *PROVIDED, FINALLY,* THAT THE

1 EMPLOYMENT OPPORTUNITIES OR JOBS CREATED SHALL
2 BE REFLECTED IN THE GENERAL INFORMATION SHEET (GIS)
3 TO BE SUBMITTED TO THE SECURITIES AND EXCHANGE
4 COMMISSION ANNUALLY.

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

22 SEC. [11] 12. *Dispersal of Ownership.* – In accordance with the
23 constitutional provision to encourage public participation in public utilities, the
24 grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher
25 percentage that may hereafter be provided by law of its outstanding capital
26 stock in any securities exchange in the Philippines within five (5) years from
27 the commencement of its operations: *Provided, That* in cases where public

1 offer of shares is not applicable, establishment of cooperatives and application
2 of other methods of encouraging public participation by citizens and
3 corporations operating public utilities as allowed by law must be implemented.

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

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

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

18 SEC. [14] 15. *Equality Clause.* – Except for taxes and customs duties, any
19 advantage, favor, privilege, exemption, or immunity granted under existing
20 franchises, or which may hereafter be granted for radio and/or television
21 broadcasting, upon prior review and approval of Congress, shall become part
22 of this franchise and shall be accorded immediately and unconditionally to the
23 herein grantee: *Provided,* That the foregoing shall neither apply to nor affect
24 the provisions of broadcasting franchises concerning territorial coverage, the
25 term, or the type of service authorized by the franchise.

26 SEC. [15] 16. *Repealability and Nonexclusivity Clause.* – This franchise
27 shall be subject to amendment, alteration, or repeal by the Congress of the

1 Philippines when the public interest so requires and shall not be interpreted as
2 an exclusive grant of the privileges herein provided for.

3 SEC. [16] 17. *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] 18. *Repealing Clause.* – All laws, decrees, orders, resolutions,
7 instructions, rules and regulations, and other issuances or parts thereof which
8 are inconsistent with the provisions of this Act are hereby repealed, amended,
9 or modified accordingly.

10 SEC. [18] 19. *Effectivity.* – This Act shall take effect fifteen (15) days
11 after its publication in the *Official Gazette* or in a newspaper of general
12 circulation.

Approved,

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