

(AS AMENDED BY THE SENATE)

CONGRESS OF THE PHILIPPINES
SEVENTEENTH CONGRESS
Second Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 6708

BY REPRESENTATIVES FERRER (L.), SY-ALVARADO, ALVAREZ (F.) AND
MARCOLETA, PER COMMITTEE REPORT NO. 489

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25)
YEARS THE FRANCHISE GRANTED TO ADVANCED
MEDIA BROADCASTING SYSTEM, INC., UNDER
REPUBLIC ACT NO. 8061, ENTITLED "AN ACT
GRANTING THE ADVANCED MEDIA BROADCASTING
SYSTEM, 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
2 provisions of the Philippine Constitution and applicable laws, rules
3 and regulations, the franchise granted to Advanced Media
4 Broadcasting System, Inc., hereunder referred to as the grantee, its
5 successor or assignee, under Republic Act No. 8061, to construct,
6 install, establish, operate, and maintain for commercial purposes
7 and in the public interest, radio and/or television broadcasting
8 stations, including digital television system, through microwave,
9 satellite or whatever means, as well as the use of any new

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

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

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

23 The grantee shall not dispose or lease its facilities except to
24 entities with radio or television broadcasting franchise: *Provided,*
25 That the grantee shall inform and secure written authorization to
26 proceed from the NTC, and report the transaction to the NTC
27 within sixty (60) days after its completion: *Provided, further,* That

1 the NTC shall determine the corresponding sanction for any
2 violation of this provision.

3 SEC. 4. *Responsibility to the Public.* – The grantee shall
4 provide adequate public service time to enable the government,
5 through the said broadcasting stations or facilities, to reach the
6 population on important public issues; provide at all times sound
7 and balanced programming; promote public participation such as in
8 community programming; assist in the functions of public
9 information and education; conform to the ethics of honest
10 enterprise; and to refrain from broadcasting obscene and indecent
11 language, speech, act or scene; or from disseminating deliberately
12 false information or willful misrepresentation, to the detriment of
13 the public interest; or from inciting, encouraging, or assisting in
14 subversive or treasonable acts.

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

19 A special right is hereby reserved to the President of the
20 Philippines, in times of war, rebellion, public peril, calamity,
21 emergency, disaster, or disturbance of peace and order: to
22 temporarily take over and operate the stations or facilities of the
23 grantee; to temporarily suspend the operation of any station or
24 facility in the interest of public safety, security and public welfare;
25 or to authorize the temporary use and operation thereof by any
26 agency of the government, upon due compensation to the grantee,

1 for the use of said stations or facilities during the period when these
2 shall be so operated.

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

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

21 SEC. 8. *Warranty in Favor of the National and Local*
22 *Governments.* – The grantee shall hold the national, provincial,
23 city, and municipal governments of the Philippines free from all
24 claims, liabilities, demands, or actions arising out of accidents
25 causing injury to persons or damage to properties, during the
26 construction or operation of the stations of the grantee.

1 SEC. 9. *COMMITMENT TO PROVIDE AND PROMOTE THE*
2 *CREATION OF EMPLOYMENT OPPORTUNITIES.* – THE
3 GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITIES
4 AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR
5 FRANCHISE OPERATION: *PROVIDED*, THAT PRIORITY SHALL
6 BE ACCORDED TO THE RESIDENTS WHERE THEIR
7 PRINCIPAL OFFICE IS LOCATED: *PROVIDED, FURTHER*, THAT
8 THE GRANTEE SHALL FOLLOW THE APPLICABLE LABOR
9 STANDARDS AND ALLOWANCE ENTITLEMENT UNDER
10 EXISTING LAWS, RULES AND REGULATIONS AND SIMILAR
11 ISSUANCES: *PROVIDED, FINALLY*, THAT THE EMPLOYMENT
12 OPPORTUNITIES OR JOBS CREATED SHALL BE REFLECTED
13 IN THE GENERAL INFORMATION SHEET (GIS) TO BE
14 SUBMITTED TO THE SECURITIES AND EXCHANGE
15 COMMISSION ANNUALLY.

16 SEC. [9] 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
17 *Assignment of Franchise.* – The grantee shall not sell, lease,
18 transfer, grant the usufruct of, nor assign this franchise or the
19 rights and privileges acquired thereunder to any person, firm,
20 company, corporation, or other commercial or legal entity, nor
21 merge with any other corporation or entity, nor the controlling
22 interest of the grantee be transferred, [whether as a whole or in
23 part, and whether] simultaneously [or contemporaneously,] to any
24 such person, firm, company, corporation or entity without the prior
25 approval of the Congress of the Philippines[:]. [*Provided, That*]
26 Congress shall be informed of any sale, lease, transfer, grant of

usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of the said transaction[:]. [*Provided, further, That*] [f]Failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked[:]. [*Provided, finally, That*] [a]Any person or entity to which this franchise is sold, transferred or assigned shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

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

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

SEC. [11] 12. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Philippine Senate, on its compliance with the terms and conditions

1 of the franchise and on its operations on or before April 30 of every
2 year during the term of its franchise. The reportorial compliance
3 certificate issued by Congress shall be required before any
4 application for permit or certificate is accepted by the NTC.

5 SEC. [12] 13. *Fine.* – Failure of the grantee to submit the
6 requisite annual report to Congress shall be penalized by a fine of
7 five hundred pesos (P500.00) per working day of noncompliance.
8 The fine shall be collected separately by the NTC distinct from the
9 penalties it imposes for noncompliance of its own reportorial
10 requirements.

11 SEC. [13] 14. *Equality Clause.* – Except for taxes and customs
12 duties, any advantage, favor, privilege, exemption, or immunity
13 granted under existing franchises, or which may hereafter be
14 granted for radio and/or television broadcasting, upon prior review
15 and approval of Congress, shall become part of this franchise and
16 shall be accorded immediately and unconditionally to the herein
17 grantee: *Provided*, That the foregoing shall neither apply to nor
18 affect the provisions of broadcasting franchises concerning
19 territorial coverage, term, or type of service authorized by the
20 franchise.

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

1 SEC. [15] 16. *Separability Clause*. – If any of the sections or
2 provisions of this Act is held invalid, all other provisions not
3 affected thereby shall remain valid.

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

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

Approved,

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