

(AS AMENDED BY THE SENATE)

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HOUSE OF REPRESENTATIVES

H. No. 6914

BY REPRESENTATIVES ROBES, ALVAREZ (F.), ALVAREZ (P.), QUIMBO, PIMENTEL, TEJADA, CAMINERO, ROMUALDO, MARCOLETA, CHAVEZ, SAVELLANO, RADAZA, ENVERGA, BANAL, VARGAS-ALFONSO, ZAMORA (M.C.), UNABIA, ABELLANOSA, ACOSTA, BERNOS, CORTES, ESPINO, MARTINEZ, UNICO, VIOLAGO, MONTORO, VILLAFUERTE, CHIPECO, RODRIGUEZ (I.), DURANO, AGGABAO, MACEDA, GATCHALIAN, RELAMPAGOS, VARGAS, REVILLA, BRAVO (M.V.), FERRER (L.), BELMONTE (R.), BATOCABE, VELARDE, ROMERO, MADRONA, CUA, TUGNA, ALMARIO, BERTIZ, SINGSON (E.), ALVAREZ (M.), CASTRO (F.H.), ABU, GARCIA-ALBANO, GARCIA (G.), CAYETANO, GARIN (S.), VILLARICA, SEMA, HERNANDEZ, ABUEG, ANDAYA, FARIÑAS, BONDOC, DEFENSOR, MERCADO, HOFER, CRISOLOGO, GONZALES (A.D.), NOEL, GULLAS, TY, SUAREZ, ABAYON, ATIENZA, GARBIN, DE VERA, BRAVO (A.), CAMPOS, ERMITA-BUHAIN, BATAOIL, NOGRALES (J.J.), SALO, PRIMICIAS-AGABAS AND VERGARA, PER COMMITTEE REPORT NO. 553

AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO PEÑAFRANCIA BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8166, EXPANDING ITS COVERAGE TO THE ENTIRE PHILIPPINES, AND APPROVING THE TRANSFER OF ITS CORPORATE SHARES

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 Peñafrancia Broadcasting
4 Corporation under Republic Act No. 8166, hereinafter referred to as
5 the grantee, whose majority shares have been transferred to Eagle
6 Broadcasting Corporation, to construct, install, establish, operate
7 and maintain for commercial purposes and in the public interest,
8 radio and/or television broadcasting stations, including digital
9 television system, through microwave, satellite or whatever means,
10 including the use of any new technologies in television and radio
11 systems, with the corresponding technological auxiliaries and
12 facilities, special broadcast and other program and distribution
13 services and relay stations in the Philippines, is hereby renewed for
14 another twenty-five (25) years.

15 SEC. 2. *Manner of Operation of Stations or Facilities.* –
16 The stations or facilities of the grantee shall be constructed and
17 operated in a manner as will, at most, result only in the minimum
18 interference on the wavelengths or frequencies of existing stations
19 or other stations which may be established by law, without in
20 any way diminishing its own privilege to use its assigned
21 wavelengths or frequencies and the quality of transmission
22 or reception thereon as should maximize rendition of the
23 grantee's services and/or the availability thereof.

24 SEC. 3. *Prior Approval of the National Telecommunications*
25 *Commission.* – The grantee shall secure from the National
26 Telecommunications Commission (NTC) the appropriate permits
27 and licenses for the construction and operation of its stations

1 or facilities and shall not use any frequency in the radio/television
2 spectrum without authorization from the NTC. The NTC, however,
3 shall not unreasonably withhold or delay the grant of any such
4 authority.

5 SEC. 4. *Responsibility to the Public.* – The grantee shall
6 provide, free of charge, adequate public service time which
7 is reasonable and sufficient to enable the government, through
8 its broadcasting stations or facilities, to reach the pertinent
9 population/s or portions thereof on important public issues and
10 relay important public announcements and warnings concerning
11 public emergencies and calamities, as necessity, urgency or law may
12 require; provide at all times sound and balanced programming;
13 promote public participation; assist in the functions of public
14 information and education; conform to the ethics of honest
15 enterprise; promote audience sensibility and empowerment through
16 closed captioning, among others; and not use its stations or facilities
17 for the broadcasting of obscene or indecent language, speech, act or
18 scene, or for the dissemination of deliberately false information or
19 willful misinterpretation, to the detriment of the public interest, or
20 to incite, encourage or assist in subversive or treasonable acts.

21 Public service time as used in this Act shall be equivalent
22 to a maximum aggregate of ten percent (10%) of the paid
23 commercials or advertisements which shall be allocated based
24 on need to the executive, legislative, judiciary, constitutional
25 commissions and international humanitarian organizations duly
26 recognized by statutes: *Provided*, That the NTC shall increase
27 the public service time in case of extreme emergency or calamity.

1 The NTC shall issue rules and regulations for this purpose, the
2 effectivity of which shall commence upon applicability with other
3 similarly situated broadcast network franchise holders.

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

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

18 SEC. 6. *Term of Franchise.* – This franchise shall be in effect
19 for a period of twenty-five (25) years from September 23, 2020,
20 unless sooner revoked and cancelled. This franchise shall be
21 deemed *ipso facto* revoked in the event the grantee fails to operate
22 continuously for two (2) years.

23 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* –
24 The grantee shall not require any previous censorship of any
25 speech, play, act or scene, or other matter to be broadcast from its
26 stations, but if any such speech, play, act or scene, or other matter
27 should constitute a violation of the law or infringement of a

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

10 SEC. 8. *Warranty in Favor of the National and Local*
11 *Governments.* - The grantee shall hold the national, provincial,
12 city, and municipal governments of the Philippines free from all
13 claims, liabilities, demands, or actions arising out of accidents,
14 causing injury to persons or damage to properties, during the
15 construction or operation of the stations of the grantee.

16 SEC. 9. *COMMITMENT TO PROVIDE AND PROMOTE THE*
17 *CREATION OF EMPLOYMENT OPPORTUNITIES.* - THE
18 GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITIES
19 AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR
20 FRANCHISE OPERATION: *PROVIDED*, THAT PRIORITY SHALL
21 BE ACCORDED TO THE RESIDENTS WHERE THEIR
22 PRINCIPAL OFFICE IS LOCATED: *PROVIDED, FURTHER*, THAT
23 THE GRANTEE SHALL FOLLOW THE APPLICABLE LABOR
24 STANDARDS AND ALLOWANCE ENTITLEMENT UNDER
25 EXISTING LAWS, RULES AND REGULATIONS AND SIMILAR
26 ISSUANCES: *PROVIDED, FINALLY*, THAT THE EMPLOYMENT
27 OPPORTUNITIES OR JOBS CREATED SHALL BE REFLECTED

1 IN THE GENERAL INFORMATION SHEET (GIS) TO BE
2 SUBMITTED TO THE SECURITIES AND EXCHANGE
3 COMMISSION ANNUALLY.

4 SEC. [9] 10. *Sale, Lease, Transfer, Usufruct, or Assignment of*
5 *Franchise.* – The grantee shall not sell, lease, transfer, grant the
6 usufruct of, nor assign this franchise or the rights and privileges
7 acquired thereunder to any person, firm, company, corporation, or
8 other commercial or legal entity, nor merge with any other
9 corporation or entity, nor the controlling interest of the grantee be
10 transferred, [whether as a whole or in part, and whether]
11 simultaneously [or contemporaneously,] to any such person, firm,
12 company, corporation, or entity without the prior approval of the
13 Congress of the Philippines[:]. [*Provided, That*] [s]Such transfer,
14 sale or issuance is in accordance with any applicable constitutional
15 limitation[:]. [*Provided, further, That*] [a]Any person or entity to
16 which this franchise is sold, transferred or assigned shall be subject
17 to all the same conditions, terms, restrictions, and limitations of
18 this Act.

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

1 public participation by citizens and corporations operating public
2 utilities as allowed by law must be implemented.

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

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

14 SEC. [12] 13. *Fine.* – Failure of the grantee to submit the
15 requisite annual report to Congress shall be penalized by a
16 fine of five hundred pesos (P500.00) for every working day of
17 noncompliance. The fine shall be collected separately by the
18 NTC distinct from the penalties it imposes for noncompliance
19 of its own reportorial requirements.

20 SEC. [13] 14. *Equality Clause.* – Any advantage, favor,
21 privilege, exemption, or immunity granted under existing
22 franchises, or which may hereafter be granted for radio
23 broadcasting, upon prior review and approval of Congress, shall
24 become part of this franchise and shall be accorded immediately and
25 unconditionally to the herein grantee: *Provided,* That the foregoing
26 shall neither apply to nor affect the provisions of broadcasting

1 franchises concerning territorial coverage, term, or type of service
2 authorized by the franchise.

3 SEC. [14] 15. *Repealability and Nonexclusivity Clause.* – This
4 franchise shall be subject to amendment, alteration, or repeal
5 by the Congress of the Philippines when the public interest so
6 requires and shall not be interpreted as an exclusive grant of
7 the privileges herein provided.

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

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

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

Approved,

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