



HOUSE OF REPRESENTATIVES

H. No. 7386

BY REPRESENTATIVES BRAVO (A.), ALVAREZ (F.), BATOCABE,
VIOLAGO, UNICO, VARGAS-ALFONSO, QUIMBO, AGGABAO,
GONZALES (A.D.), TEJADA, CAMINERO, RELAMPAGOS, CHIPECO,
MONTORO, UNABIA, ROMUALDO, ABELLANOSA AND VELARDE,
PER COMMITTEE REPORT NO. 664

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)
YEARS THE FRANCHISE GRANTED TO THE
ANDRES BONIFACIO COLLEGE BROADCASTING
SYSTEM, INC. UNDER REPUBLIC ACT NO. 8120,
ENTITLED "AN ACT GRANTING THE ANDRES
BONIFACIO COLLEGE BROADCASTING SYSTEM,
INC., A FRANCHISE TO CONSTRUCT, MAINTAIN,
AND OPERATE RADIO BROADCASTING STATIONS
AND STATIONS FOR TELEVISION IN THE ISLAND
OF MINDANAO FOR EDUCATIONAL, CULTURAL,
AND COMMERCIAL 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
2 the provisions of the Constitution and applicable laws, rules and
3 regulations, the franchise granted to the Andres Bonifacio College
4 Broadcasting System, Inc., hereunder referred to as the grantee, its
5 successors or assignees, under Republic Act No. 8120, to construct,

1 establish, maintain, and operate in the public interest and for
2 educational, cultural and commercial purposes, radio and/or
3 television broadcasting stations, including digital television system,
4 through microwave, satellite, terrestrial or whatever means,
5 including the use of any new technologies in television and radio
6 systems, with the corresponding technological auxiliaries and
7 facilities, special broadcast and other program and distribution
8 services and relay stations in the Island of Mindanao, is hereby
9 renewed for another twenty-five (25) years.

10 *SEC. 2. Manner of Operation of Stations or Facilities. –*

11 The stations or facilities of the grantee shall be constructed and
12 operated in a manner as will, at most, result only in the minimum
13 interference on the wavelengths or frequencies of existing stations
14 or other stations which may be established by law, without in any
15 way diminishing its own privilege to use its assigned wavelengths
16 or frequencies and the quality of transmission or reception thereon
17 as should maximize rendition of the grantee's services and/or the
18 availability thereof.

19 *SEC. 3. Prior Approval of the National Telecommunications*
20 *Commission. –* The grantee shall secure from the National
21 Telecommunications Commission (NTC) the appropriate permits
22 and licenses for the construction and operation of its stations or
23 facilities and shall not use any frequency in the radio/television
24 spectrum without authorization from the NTC.

25 *SEC. 4. Responsibility to the Public. –* The grantee shall
26 provide, free of charge, adequate public service time which is
27 reasonable and sufficient to enable the government, through the
28 broadcasting stations or facilities of the grantee, to reach the

1 pertinent population/s or portions thereof on important public issues
2 and relay important public announcements and warnings
3 concerning public emergencies and calamities, as necessity, urgency
4 or law may require; provide at all times sound and balanced
5 programming; promote public participation; assist in the functions
6 of public information and education; conform to the ethics of honest
7 enterprise; promote audience sensibility and empowerment through
8 closed captioning; and not use its stations or facilities for the
9 broadcasting of obscene or indecent language, speech, act or scene;
10 or for the dissemination of deliberately false information or willful
11 misrepresentation, to the detriment of public interest; or to incite,
12 encourage or assist in subversive or treasonable acts.

13 Public service time referred herein shall be equivalent to a
14 maximum aggregate of ten percent (10%) of the paid commercials or
15 advertisements which shall be allocated based on need to the
16 executive, legislative, and judicial branches of government;
17 constitutional commissions; and international humanitarian
18 organizations duly recognized by statutes: *Provided*, That the NTC
19 shall increase the public service time in case of extreme emergency
20 or calamity. The NTC shall issue rules and regulations for this
21 purpose, the effectivity of which shall commence upon applicability
22 with other similarly situated broadcast network franchise holders.

23 SEC. 5. *Compliance with Labor Standards.* – The grantee,
24 its successors or assignees shall comply with the applicable labor
25 standards under existing labor laws, rules and regulations and such
26 other issuances as may be promulgated by the Department of Labor
27 and Employment, taking into consideration the nature and
28 peculiarities of the broadcast industry.

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

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

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

20 SEC. 8. *Self-regulation by and Undertaking of Grantee.* –
21 The grantee shall not require any previous censorship of any
22 speech, play, act or scene, or other matter to be broadcast from its
23 stations, but if any such speech, play, act or scene, or other matter
24 should constitute a violation of the law or infringement of a private
25 right, the grantee shall be free from any liability, civil or criminal,
26 for such speech, play, act or scene, or other matter from its stations:
27 *Provided*, That the grantee, during any broadcast and/or telecast
28 shall cut off from the air the speech, play, act or scene, or other

1 matter being broadcast and/or telecast if the tendency thereof is to
2 propose and/or incite treason, rebellion or sedition; or the language
3 used therein or the theme thereof is indecent or immoral: *Provided,*
4 *further,* That willful failure to do so shall constitute a valid cause for
5 the revocation and cancellation of this franchise.

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

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

26 SEC. 11. *Dispersal of Ownership.* – In accordance with
27 the constitutional provision to encourage public participation in
28 public utilities, the grantee shall offer to Filipino citizens at least

1 thirty percent (30%) or a higher percentage that may hereafter be
2 provided by law of its outstanding capital stock in any securities
3 exchange in the Philippines within five (5) years from the
4 commencement of its operations: *Provided*, That in cases where
5 public offer of shares is not applicable, the grantee shall apply
6 other methods of encouraging public participation by citizens and
7 corporations operating public utilities as allowed by law.
8 Noncompliance therewith shall render the franchise *ipso facto*
9 revoked.

10 SEC. 12. *Reportorial Requirement.* - The grantee shall
11 submit an annual report to the Congress of the Philippines, through
12 the Committee on Legislative Franchises of the House of
13 Representatives and the Committee on Public Services of the
14 Senate, on its compliance with the terms and conditions of the
15 franchise and on its operations on or before April 30 of every year
16 during the term of its franchise. The reportorial compliance
17 certificate issued by Congress shall be required before an
18 application for any permit, certificate, or any equivalent thereof, is
19 accepted by the NTC.

20 SEC. 13. *Fine.* - Failure of the grantee to submit the
21 requisite annual report to Congress shall be penalized by a fine of
22 Five hundred pesos (P500.00) per working day of noncompliance.
23 The fine shall be collected by the NTC from the delinquent franchise
24 grantee separate from the reportorial penalties imposed by the NTC
25 and the same shall be remitted to the National Treasury.

26 SEC. 14. *Equality Clause.* - Any advantage, favor, privilege,
27 exemption, or immunity granted under existing franchises, or which
28 may hereafter be granted for radio and/or television broadcasting,

1 upon prior review and approval of Congress, shall become part of
2 this franchise and shall be accorded immediately and
3 unconditionally to the herein grantee: *Provided*, That the
4 foregoing shall neither apply to nor affect the provisions of
5 broadcasting franchises concerning territorial coverage, the term,
6 or the type of service authorized by the franchise.

7 SEC. 15. *Separability Clause.* - If any section or provision of
8 this Act is held invalid, all other provisions not affected thereby
9 shall remain valid.

10 SEC. 16. *Repealability and Nonexclusivity Clause.* - This
11 franchise shall be subject to amendment, alteration, or repeal by the
12 Congress of the Philippines when the public interest so requires and
13 shall not be interpreted as an exclusive grant of the privileges
14 herein provided for.

15 SEC. 17. *Repealing Clause.* - All other laws, orders,
16 issuances, rules and regulations, or parts thereof inconsistent
17 with this Act are hereby repealed, amended or modified
18 accordingly.

19 SEC. 18. *Effectivity.* - This Act shall take effect fifteen
20 (15) days after its publication in the *Official Gazette* or in any
21 newspaper of general circulation.

Approved,

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