

(AS AMENDED BY THE SENATE)

CONGRESS OF THE PHILIPPINES  
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*Third Regular Session*



HOUSE OF REPRESENTATIVES

H. No. 8632

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BY REPRESENTATIVES NOGRALES (K.A.), NOGRALES (J.J.), TUGNA  
AND ALVAREZ (F.), PER COMMITTEE REPORT NO. 943

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)  
YEARS THE FRANCHISE GRANTED TO RT BROADCAST  
SPECIALIST PHIL. INC. UNDER REPUBLIC ACT  
NO. 8126, ENTITLED "AN ACT GRANTING THE R.T.  
BROADCAST SPECIALIST PHILIPPINES A FRANCHISE  
TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN  
RADIO AND TELEVISION BROADCASTING STATIONS IN  
MINDANAO"

*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  
3 regulations, the franchise granted under Republic Act No. 8126, to  
4 RT Broadcast Specialist Phil. Inc., hereunder referred to as the  
5 grantee, its successors or assignees, to construct, install, establish,  
6 operate and maintain for commercial purposes and in the public  
7 interest, radio and/or television broadcasting stations, where  
8 frequencies and/or channels are still available for radio and  
9 television broadcasting, through microwave, satellite or whatever  
10 means, including the use of any new technology in television and

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

5       SEC. 2. *Manner of Operation of Stations or Facilities.* – The  
6 stations or facilities of the grantee shall be constructed and  
7 operated in a manner as will, at most, result only in the minimum  
8 interference on the wavelengths or frequencies of existing stations  
9 or other stations which may be established by law, without in any  
10 way diminishing its own privilege to use its assigned wavelengths  
11 or frequencies and the quality of transmission or reception thereon  
12 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  
17 and licenses for the construction and operation of its stations or  
18 facilities and shall not use any frequency in the radio/television  
19 spectrum without authorization from the NTC. The NTC, however,  
20 shall not unreasonably withhold or delay the grant of any such  
21 authority.

22       SEC. 4. *Responsibility to the Public.* – The grantee shall  
23 provide, free of charge, adequate public service time which is  
24 reasonable and sufficient to enable the government, through the  
25 broadcasting stations or facilities of the grantee, to reach the  
26 pertinent populations or portions thereof, on important public issues  
27 and relay important public announcements and warnings

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

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

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

25 A special right is hereby reserved to the President of the  
26 Philippines, in times of war, rebellion, public peril, calamity,  
27 emergency, disaster, or disturbance of peace and order: to

1 temporarily take over and operate the stations or facilities of the  
2 grantee; to temporarily suspend the operation of any station or  
3 facility in the interest of public safety, security and public welfare;  
4 or to authorize the temporary use and operation thereof by any  
5 agency of the government, upon due compensation to the grantee,  
6 for the use of said stations or facilities during the period when these  
7 shall be so operated.

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

13         SEC. 7. *Renewal or Extension of Franchise.* – The grantee  
14 shall apply for the renewal or extension of its franchise five (5)  
15 years before its expiration date which shall be reckoned fifteen (15)  
16 days after the publication of the franchise in the *Official Gazette* or  
17 in a newspaper of general circulation.

18         SEC. 8. *Self-regulation by and Undertaking of the Grantee.* –  
19 The grantee shall not require any previous censorship of any  
20 speech, play, act, or scene, or other matter to be broadcast from its  
21 stations: *Provided*, That the grantee, during any broadcast, shall cut  
22 off from the air the speech, play, act, or scene, or other matter being  
23 broadcast if the tendency thereof is to propose and/or incite treason,  
24 rebellion or sedition; or the language used therein or the theme  
25 thereof is indecent or immoral: *Provided, further*, That willful  
26 failure to do so shall constitute a valid cause for the cancellation of  
27 this franchise.

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

7           SEC. 10. *Commitment to Provide and Promote the Creation of*  
8 *Employment Opportunities.* – The grantee shall create employment  
9 opportunities and shall allow on-the-job trainings in their franchise  
10 operation: *Provided*, That priority shall be accorded to the residents  
11 in areas where any of its offices is located: *Provided, further*, That  
12 the grantee shall follow the applicable labor standards and  
13 allowance entitlement under existing labor laws, rules and  
14 regulations and similar issuances: *Provided, finally*, That the  
15 employment opportunities or jobs created shall be reflected in the  
16 General Information Sheet to be submitted to the Securities and  
17 Exchange Commission (SEC) annually.

18           SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or*  
19 *Assignment of Franchise.* – The grantee shall not sell, lease,  
20 transfer, grant the usufruct of, nor assign this franchise or the  
21 rights and privileges acquired thereunder to any person, firm,  
22 company, corporation or other commercial or legal entity, nor merge  
23 with any other corporation or entity, nor shall transfer the  
24 controlling interest of the grantee, [whether as a whole or in part,  
25 and whether] simultaneously or contemporaneously, to any person,  
26 firm, company, corporation, or entity without the prior approval of  
27 the Congress of the Philippines. [and compliance with legal



1 requirements stipulated in other statutes: *Provided, That*  
2 CONGRESS SHALL BE INFORMED OF ANY SALE, LEASE,  
3 TRANSFER, GRANT OF USUFRUCT, OR ASSIGNMENT OF  
4 FRANCHISE OR THE RIGHTS AND PRIVILEGES ACQUIRED  
5 THEREUNDER, OR OF THE MERGER OR TRANSFER OF THE  
6 CONTROLLING INTEREST OF THE GRANTEE, WITHIN SIXTY  
7 (60) DAYS AFTER THE COMPLETION OF THE SAID  
8 TRANSACTION. FAILURE TO REPORT TO CONGRESS SUCH  
9 CHANGE OF OWNERSHIP SHALL RENDER THE FRANCHISE  
10 *IPSO FACTO* REVOKED. [a]Any person or entity to which this  
11 franchise is sold, transferred, or assigned shall be subject to the  
12 same conditions, terms, restrictions, and limitations of this Act.

13       SEC. 12. *Dispersal of Ownership.* – In accordance with the  
14 constitutional provision to encourage public participation in public  
15 utilities, the grantee shall offer to Filipino citizens at least thirty  
16 percent (30%) or a higher percentage that may hereafter be  
17 provided by law of its outstanding capital stock in any securities  
18 exchange in the Philippines within five (5) years from the  
19 commencement of its operations: *Provided, That* in cases where  
20 public offer of shares is not applicable, the grantee shall apply other  
21 methods of encouraging public participation by citizens and  
22 corporations operating public utilities as allowed by law.  
23 Noncompliance therewith shall render the franchise *ipso facto*  
24 revoked.

25       SEC. 13. *Reportorial Requirement.* – During the term of its  
26 franchise, the grantee shall submit an annual report to the  
27 Congress of the Philippines, through the Committee on Legislative

1 Franchises of the House of Representatives and the Committee on  
2 Public Services of the Senate, on its compliance with the terms  
3 and conditions of the franchise and on its operations on or before  
4 April 30 of every year.

5 The annual report shall include an update on the roll-out,  
6 development, operation, or expansion of business; audited financial  
7 statements; latest General Information Sheet officially submitted to  
8 the SEC (if applicable); certification of the NTC on the status of its  
9 permits and operations; and an update on the dispersal of  
10 ownership undertaking, if applicable.

11 The reportorial compliance certificate issued by Congress  
12 shall be required before an application for permit, certificate, or any  
13 equivalent thereof, is accepted by the NTC.

14 SEC. 14. *Fine.* – Failure of the grantee to submit the requisite  
15 annual report to Congress shall be penalized by a fine of Five  
16 hundred pesos (P500.00) per working day of noncompliance. The  
17 fine shall be collected by the NTC from the delinquent franchise  
18 grantee separate from the reportorial penalties imposed by the NTC  
19 and the same shall be remitted to the National Treasury.

20 SEC. 15. *Equality Clause.* – EXCEPT FOR TAXES AND  
21 CUSTOMS DUTIES, [A]any advantage, favor, privilege, exemption,  
22 or immunity granted under existing franchises, or which may  
23 hereafter be granted for radio and/or television broadcasting, upon  
24 prior review and approval of Congress, shall become part of this  
25 franchise and shall be accorded immediately and unconditionally to  
26 the herein grantee: *Provided*, That the foregoing shall neither apply  
27 to nor affect the provisions of broadcasting franchises concerning

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

3 SEC. 16. *Repealability and Nonexclusivity Clause.* – This  
4 franchise shall be subject to amendment, alteration, or repeal by the  
5 Congress of the Philippines when the public interest so requires and  
6 shall not be interpreted as an exclusive grant of the privileges  
7 herein provided for.

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

15 SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15)  
16 days after its publication in the *Official Gazette* or in a newspaper of  
17 general circulation.

Approved,

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