

(AS AMENDED BY THE SENATE)

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}

HOUSE OF REPRESENTATIVES

H. No. 4584

BY REPRESENTATIVES CRISOLOGO AND ALVAREZ (F.), PER COMMITTEE
REPORT NO. 14

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO CRUSADERS BROADCASTING
SYSTEM, INC., UNDER REPUBLIC ACT NO. 8091, ENTITLED
“AN ACT GRANTING THE CRUSADERS BROADCASTING
SYSTEM, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH,
OPERATE, AND MAINTAIN COMMERCIAL RADIO AND
TELEVISION BROADCASTING STATIONS WITHIN 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 Constitution and applicable laws, rules and
3 regulations, the franchise granted to Crusaders Broadcasting
4 System, Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 8091, to construct, install,
6 establish, operate, and maintain for commercial purposes and in the
7 public interest, radio and/or television broadcasting stations, where
8 frequencies and/or channels are still available for radio and/or
9 television broadcasting, including digital television system, through
10 microwave, satellite or whatever means, including the use of any new
11 technologies in television and radio systems, with the corresponding
12 technological auxiliaries and facilities, special broadcast and other

1 program and distribution services and relay stations in the
2 Philippines, is hereby renewed for another twenty-five (25) years
3 from the effectivity of this Act.

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

20 The grantee shall not dispose or lease its facilities except to
21 entities with radio or television broadcasting franchise: *Provided,*
22 That the grantee shall inform and secure written authorization to
23 proceed from the NTC, and report the transaction to the NTC within
24 sixty (60) days after its completion: *Provided, further,* That the NTC
25 shall determine the corresponding sanction for any violation of this
26 provision.

27 IN CASE OF VIOLATION/S OF ANY OF THE PROVISIONS
28 OF THIS FRANCHISE, THE NTC SHALL HAVE THE
29 AUTHORITY TO REVOKE OR SUSPEND, AFTER DUE

1 PROCESS, THE PERMITS, OR LICENSES ISSUED BY THE NTC
2 PURSUANT TO THE FRANCHISE. NTC MAY RECOMMEND TO
3 CONGRESS THE REVOCATION OF THE FRANCHISE IF THERE
4 ARE ANY VIOLATION/S OF THE PROVISIONS OF THE
5 FRANCHISE.

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

22 Public service time referred herein shall be equivalent to a
23 maximum aggregate of ten percent (10%) of the paid commercials or
24 advertisements which shall be allocated based on need to the
25 Executive and Legislative branches, the Judiciary, Constitutional
26 Commissions, and international humanitarian organizations duly
27 recognized by statutes: *Provided*, That the NTC shall increase the
28 public service time in case of extreme emergency or calamity. The
29 NTC shall issue rules and regulations for this purpose, the effectivity

1 of which shall commence upon applicability with other similarly
2 situated broadcast network franchise holders.

3 PURSUANT TO REPUBLIC ACT NO. 8370, THE GRANTEE
4 SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT (15%) OF
5 THE DAILY TOTAL AIR TIME OF EACH BROADCASTING
6 NETWORK TO CHILD-FRIENDLY SHOW/S WITHIN ITS
7 REGULAR PROGRAMMING.

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

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

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

27 [~~SEC. 7. *Renewal or Extension of Franchise.* – The grantee~~
28 ~~shall apply for the renewal or extension of its franchise five (5) years~~
29 ~~before its expiration, reckoned from fifteen (15) days after the~~

1 ~~publication of the franchise in the Official Gazette or in a newspaper~~
2 ~~of general circulation.]~~

3 SEC. [8] 7. *Self-regulation by and Undertaking of the Grantee.*

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

16 SEC. [9] 8. *Warranty in Favor of the National and Local*
17 *Governments.* – The grantee shall hold the national, provincial, city,
18 and municipal governments of the Philippines free from all claims,
19 liabilities, demands, or actions arising out of accidents causing injury
20 to persons or damage to properties, during the construction or
21 operation of the stations of the grantee.

22 SEC. [10] 9. *Commitment to Provide and Promote the Creation*
23 *of Employment Opportunities.* – The grantee shall create
24 employment opportunities and shall allow on-the-job trainings in
25 their franchise operation: *Provided*, That priority shall be accorded
26 to the residents of the place where their principal office is located:
27 *Provided, further*, That the grantee shall follow the applicable labor
28 standards and allowance entitlement under existing labor laws,
29 rules and regulations and similar issuances: *Provided, finally*, That

1 the employment opportunities or jobs created shall be reflected in
2 the General Information Sheet (GIS) to be submitted to the
3 Securities and Exchange Commission (SEC) annually.

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

21 SEC. [12] 11. *Dispersal of Ownership.* – In accordance with
22 the constitutional provision to encourage public participation in
23 public utilities, the grantee shall offer to Filipino citizens at least
24 thirty percent (30%) or a higher percentage that may hereafter be
25 provided by law of its outstanding capital stock in any securities
26 exchange in the Philippines within five (5) years from the
27 commencement of its operations: *Provided,* That in cases where
28 public offer of shares is not applicable, the grantee shall apply other
29 methods of encouraging public participation by citizens and

1 corporations operating public utilities as allowed by law.
2 Noncompliance therewith shall render the franchise *ipso facto*
3 revoked.

4 SEC. [13] 12. *Reportorial Requirement.* – The grantee shall
5 submit an annual report to the Congress of the Philippines, through
6 the Committee on Legislative Franchises of the House of
7 Representatives and the Committee on Public Services of the
8 Senate, on its compliance with the terms and conditions of the
9 franchise and on its operations on or before April 30 of every year
10 during the term of its franchise.

11 The annual report shall include an update on the roll-out,
12 development, operation and/or expansion of business; audited
13 financial statements; latest GIS officially submitted to the SEC, if
14 applicable; certification of the NTC on the status of its permits and
15 operations; and an update on the dispersal of ownership undertaking,
16 if applicable.

17 The reportorial compliance certificate issued by Congress shall
18 be required before any application for permit or certificate is accepted
19 by the NTC.

20 SEC. [14] 13. *Fine.* – Failure of the grantee to submit the
21 requisite annual report to Congress shall be penalized by a fine of Five
22 hundred pesos (P500.00) per working day of noncompliance. The fine
23 shall be collected by the NTC from the delinquent franchise grantee
24 separate from the reportorial penalties imposed by the NTC and the
25 same shall be remitted to the Bureau of the Treasury.

26 SEC. [15] 14. *Equality Clause.* – Any advantage, favor,
27 privilege, exemption, or immunity granted under existing
28 franchises, or which may hereafter be granted for radio and/or
29 television broadcasting, upon prior review and approval of

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

6 SEC. [16] 15. *Repealability and Nonexclusivity Clause.* – This
7 franchise shall be subject to amendment, alteration, or repeal by the
8 Congress of the Philippines when the public interest so requires and
9 shall not be interpreted as an exclusive grant of the privileges herein
10 provided for.

11 SEC. [17] 16. *Separability Clause.* – If any of the sections or
12 provisions of this Act is held invalid, all other provisions not affected
13 thereby shall remain valid.

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

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

Approved,

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