



HOUSE OF REPRESENTATIVES

H. No. 4583

BY REPRESENTATIVES ROMUALDO AND ALVAREZ (F.), PER COMMITTEE  
REPORT NO. 13

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO BROADCAST ENTERPRISES AND  
AFFILIATED MEDIA, INC. UNDER REPUBLIC ACT NO. 8098  
TO CONSTRUCT, INSTALL, ESTABLISH, 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 Constitution and applicable laws, rules and  
3 regulations, the franchise granted to Broadcast Enterprises and  
4 Affiliated Media, Inc., hereunder referred to as the grantee, its  
5 successors or assignees, under Republic Act No. 8098, to construct,  
6 install, operate, and maintain, for commercial purposes and in the  
7 public interest, radio and television broadcasting stations, including  
8 cable and digital television systems, pay service, through  
9 microwave, satellite, terrestrial, or broadcasting through any other  
10 means, as well as the use of any new technology in television and  
11 radio systems, with the corresponding auxiliaries and facilities,

1       special broadcast and other program and distribution services and  
2 relay stations in the Philippines, is hereby renewed for another  
3 twenty-five (25) years.

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

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

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

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

1        SEC. 5. *Right of the 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  
 9 the grantee; to temporarily suspend the operation of any station  
 10 or facility in the interest of public safety, security and public  
 11 welfare; or to authorize the temporary use and operation thereof  
 12 by any agency of the government, upon due compensation to the  
 13 grantee, for the use of the stations or facilities during the period  
 14 when these shall be so operated.

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

20        SEC. 7. *Renewal or Extension of Franchise.* – The grantee  
 21 shall apply for the renewal or extension of its franchise five (5)  
 22 years before its expiration, reckoned from fifteen (15) days after the  
 23 publication of the franchise in the *Official Gazette* or in a newspaper  
 24 of general circulation.

25        SEC. 8. *Self-regulation by and Undertaking of Grantee.* – The  
 26 grantee shall not require any previous censorship of any speech,  
 27 play, act or scene, or other matter to be broadcast from its stations,



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

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

17 SEC. 10. *Commitment to Provide and Promote the Creation of*  
 18 *Employment Opportunities.* – The grantee shall create employment  
 19 opportunities and shall allow on-the-job trainings in their  
 20 franchise operation: *Provided*, That priority shall be accorded to  
 21 the residents of the place where their principal office is located:  
 22 *Provided, further*, That the grantee shall follow the applicable  
 23 labor standards and allowance entitlement under existing labor  
 24 laws, rules and regulations and similar issuances: *Provided, finally*,  
 25 That the employment opportunities or jobs created shall be  
 26 reflected in the General Information Sheet (GIS) to be submitted  
 27 to the Securities and Exchange Commission (SEC) annually.

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

19 SEC. 12. *Dispersal of Ownership.* – In accordance with the  
 20 constitutional provision to encourage public participation in  
 21 public utilities, the grantee shall offer to Filipino citizens at least  
 22 thirty percent (30%) or a higher percentage that may hereafter be  
 23 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, the grantee shall apply  
 27 other methods of encouraging public participation by citizens

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

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

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

20 SEC. 14. *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 Bureau of the Treasury.

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1 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege,  
 2 exemption, or immunity granted under existing franchises, or which  
 3 may hereafter be granted for radio and/or television broadcasting,  
 4 upon prior review and approval of Congress, shall become part  
 5 of this franchise and shall be accorded immediately and  
 6 unconditionally to the herein grantee: *Provided*, That the foregoing  
 7 shall neither apply to nor affect the provisions of broadcasting  
 8 franchises concerning territorial coverage, the term, or the type  
 9 of service authorized by the franchise.

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

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

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

Approved,

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