



HOUSE OF REPRESENTATIVES

H. No. 6256

BY REPRESENTATIVES VARGAS AND ALVAREZ (F.), PER COMMITTEE REPORT
No. 230

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO CENTURY COMMUNICATIONS MARKETING CENTER, INC., DOING BUSINESS UNDER THE NAME AND STYLE OF CENTURY BROADCASTING NETWORK, UNDER REPUBLIC ACT NO. 8133, ENTITLED "AN ACT GRANTING CENTURY COMMUNICATIONS MARKETING CENTER, INC., A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER 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 Century Communications
4 Marketing Center, Inc., doing business under the name and style
5 of Century Broadcasting Network, hereunder referred to as the
6 grantee, its successors or assignees, under Republic Act No. 8133,
7 to construct, install, establish, operate, and maintain for commercial

1 purposes and in the public interest, radio and television
2 broadcasting stations where frequencies and/or channels are still
3 available for radio and/or television broadcasting, including digital
4 television system, through microwave, satellite or whatever
5 means, as well as the use of any technology in television and
6 radio systems, with the corresponding technological auxiliaries
7 and facilities, special broadcast and other program and distribution
8 services and relay stations in the Philippines, is hereby renewed
9 for another twenty-five (25) years from the effectivity of this Act.

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

11 The stations or facilities of the grantee shall be constructed
12 and operated in a manner as will, at most, result only in the
13 minimum interference on the wavelengths or frequencies of
14 existing stations or other stations which may be established
15 by law, without in any way diminishing its own privilege to
16 use its assigned wavelengths or frequencies and the quality of
17 transmission or reception thereon as should maximize rendition
18 of the grantee's services and/or the 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. The NTC, however,
25 shall not unreasonably withhold or delay the grant of any such
26 authority.

1 The grantee shall not dispose or lease its facilities except
 2 to entities with radio or television broadcasting franchise:
 3 *Provided*, That the grantee shall inform and secure written
 4 authorization to proceed from the NTC, and report the transaction
 5 to the NTC within sixty (60) days after its completion:
 6 *Provided, further*, That the NTC shall determine the corresponding
 7 sanction for any violation of this provision.

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

25 Public service time referred herein shall be equivalent to a
 26 maximum aggregate of ten percent (10%) of paid commercials or
 27 advertisements which shall be allocated based on need to the

1 Executive and Legislative branches, the Judiciary, Constitutional
 2 Commissions, and international humanitarian organizations duly
 3 recognized by statutes: *Provided*, That the NTC shall increase
 4 the public service time in case of extreme emergency or
 5 calamity. The NTC shall issue rules and regulations for this
 6 purpose, the effectivity of which shall commence upon applicability
 7 with other similarly situated broadcast network franchise holders.

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
 11 may 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
 16 the grantee; to temporarily suspend the operation of any station
 17 or facility in the interest of public safety, security and public
 18 welfare; or to authorize the temporary use and operation thereof
 19 by any agency of the government, upon due compensation to the
 20 grantee, for the use of said stations or facilities during the period
 21 when these shall be so operated.

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

SEC. 7. *Self-regulation by and Undertaking of the Grantee.* –

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

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

SEC. 9. *Commitment to Provide and Promote the Creation of Employment Opportunities.* – The grantee shall create employment opportunities as well as accept on-the-job trainees in their radio and television station operations: *Provided*, That priority shall be accorded to the residents of the place where their principal office is located: *Provided, further*, That the grantee shall follow the applicable labor standards and allowance

entitlement under existing labor laws, rules and regulations and similar issuances: *Provided, finally*, That the employment opportunities or jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to the Securities and Exchange Commission (SEC) annually.

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

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

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

17 The annual report shall include an update on the roll-out,
 18 development, operation and/or expansion of business; audited
 19 financial statements; latest GIS officially submitted to the SEC,
 20 if applicable; certification of the NTC on the status of its permits
 21 and operations; and an update on the dispersal of ownership
 22 undertaking, if applicable.

23 The reportorial compliance certificate issued by Congress
 24 shall be required before any application for permit or certificate
 25 is accepted by the NTC.

26 SEC. 13. *Fine*. – Failure of the grantee to submit the
 27 requisite annual report to Congress shall be penalized by a

1 fine of Five hundred pesos (P500.00) per working day of
 2 noncompliance. The fine shall be collected by the NTC from
 3 the delinquent franchise grantee separate from the reportorial
 4 penalties imposed by the NTC and the same shall be remitted
 5 to the Bureau of the Treasury.

6 SEC. 14. *Equality Clause*. – Any advantage, favor, privilege,
 7 exemption, or immunity granted under existing franchises,
 8 or which may hereafter be granted for radio and/or television
 9 broadcasting, upon prior review and approval of Congress, shall
 10 become part of this franchise and shall be accorded immediately
 11 and unconditionally to the herein grantee: *Provided*, That the
 12 foregoing shall neither apply to nor affect the provisions of
 13 broadcasting franchises concerning territorial coverage, the term,
 14 or the type of service authorized by the franchise.

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

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

23 SEC. 17. *Repealing Clause*. – All laws, decrees, orders,
 24 resolutions, instructions, rules and regulations, and other
 25 issuances or parts thereof which are inconsistent with the
 26 provisions of this Act are hereby repealed, amended, or modified
 27 accordingly.

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

 Approved,

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