

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Seventeenth Congress
First Regular Session

HOUSE BILL NO. **3243**



Introduced by Representative JOEY SARTE SALCEDA

AN ACT EXTENDING THE FRANCHISE GRANTED TO JORGE BAYONA UNDER REPUBLIC ACT NUMBERED 8158, ASSIGNING IN FAVOR FOR PBN BROADCASTING INC. AND RENEWING THE TERM FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF THE EFFECTIVITY OF THIS ACT

EXPLANATORY NOTE

PBN started its operation in 1958 as a cable-type station fondly called "Radyo Balagon" under the banner of Bicol Wire Broadcasting System (BWBS). It was established by Mr. Jorge D. Bayona when Legazpi City and the whole Province of Albay has no radio station. With the initial success of "Radyo Balagon", it established DZGB-am, an air cast radio station in 1960. Thus, PBN pioneered local broadcasting in the Province of Albay.

Sometime in 1961, JORGE D. BAYONA, a Filipino citizen and a businessman from Legazpi City, was granted, by virtue of Republic Act No 2937, a franchise to operate a radio broadcasting station in the Province of Albay.

On May 21, 1969, the Sixth Congress of the Republic of the Philippines enacted and approved an amendatory law, otherwise known as Republic Act 5789, expanding its territorial area of coverage from Albay Province to the entire Bicol Region and Southern Luzon, and enlarging its area of operation to include television stations thereof for a period of twenty-five years from date of operation of said stations, or until 1994.

DZGB-am proved to be the first in a string of AM stations. A music station was created and subsequently named DZGB-am. In September of 1972, the late President Ferdinand E. Marcos declared Martial Law. It was one of the darkest moments in broadcast history when all radio stations and TV stations nationwide were shut down. PBN however emerged unscathed as DZGB-am was immediately reopened after a day of closure followed by DZMD-am two days later and DZMS-am after a week. This was an affirmation of PBN's status as the most credible network in the Bicol Region.

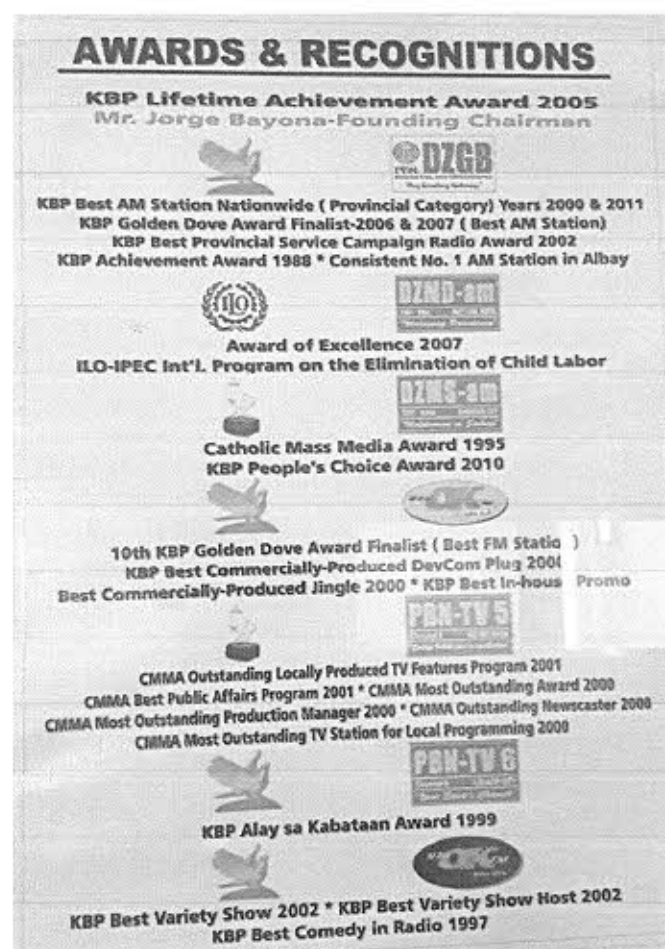
In 1987 DWGB-fm in Legazpi City was launched, operating side by side with DZGB-am, on June 1995, PBN TV 6 was also formally launched. Inspired by the huge success of DWGB-fm in

Legazpi City, PBN decided to open another FM station in a more competitive market—Naga City, on July 3, 1995.

On the same year, People's Broadcasting Network has changed its corporate name to PBN Broadcasting Network, Inc. with three (3) AM stations, two (2) FM stations and two (2) television stations strategically positioned in the key cities and provinces in the region and practically covers the entire Bicolandia.

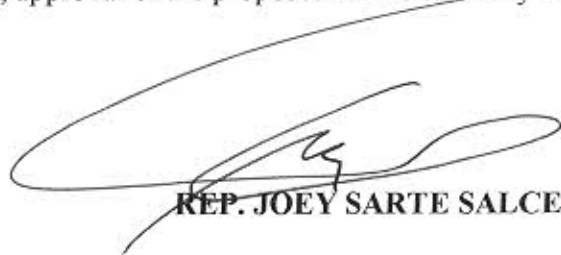
On September 23, 1995, the 10th Congress under RA 8158 granted Jorge Bayona and extension of another twenty five (25) years to operate the PBN Broadcasting Network Inc. which sets to expire on September 2020.

The grantee, for almost fifty years, has consistently demonstrated their unqualified and unstinted support to the ideals and policies of good government and has managed to maintain a well-balanced radio programming in the advocacy of truth, honesty and integrity. With its standard of excellence, the station never stops improving, innovating and keeping its pace in terms of program development and quality broadcasting. Since time of its operation, PBN remains loyal to its audience as it tirelessly hears out and responds to their concerns, pains, stories and giving its audience the latest news in real time and interesting features that is well appreciated by most Bicolano Family. The station is the active partner of the Province of Albay in all its activities, like disaster preparedness, climate change advocacy, tourism promotion, health and social awareness, to name a few. It is a recipient of different awards in broadcasting and public service. These awards would speak clearly of its excellence public service the station has shown throughout the years.



There is no doubt, therefore, that given the necessary incentive to grow and extension to operate, the grantee would always be a partner of the government.

In view of the foregoing consideration, approval of the proposed Bill is earnestly requested.



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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. The term of the franchise granted to Jorge D. Bayona under Republic Act Numbered 8158 is hereby renewed to another twenty-five (25) years and is assigned to PBN Broadcasting Network, Inc.

SECTION 2. Subject to applicable rules and regulations of the National Telecommunications Commission, the grantee is hereby authorized to construct, maintain, establish, and operate radio broadcasting and television stations in the Philippines, as well as fixed point-to-point and land-based to sea mobile radio stations for the reception and transmission of radio communications within the Philippines at such places as herein grantee may select.

SECTION 3. The President of the Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, may temporarily take over and operate the stations of the grantee, temporarily suspend the operation of any station in the interest of the public safety, security and public welfare, or authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of said stations during the period when they shall be so operated.

SECTION 4. The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations which are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns, shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *Provided*, That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive

Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto. The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SECTION 5. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired there under to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such private person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines, except when the transfer is done:

- (a) through a stock exchange transaction;
- (b) for purposes of qualifying persons for election to the board; and
- (c) to a corporation that is controlled by the same stockholders as that of the grantee.

Any person or entity to which this franchise is validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

SECTION 6. The franchise hereby granted shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SECTION 7. In the event of any competing individual, partnership, or corporation receiving from Congress a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall *ipso facto* become part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, partnership or corporation.

SECTION 8. The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SECTION 9. This Act shall take effect fifteen (15) days from the day of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,