

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

FIRST REGULAR SESSION

HOUSE BILL NO. 3279

INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

EXPLANATORY NOTE

Amcara Broadcasting Network, Inc. ("Amcara") was incorporated on 11 April 1994 and was granted a legislative franchise under Republic Act No. 8135, entitled, *An Act Granting the Amcara Broadcsting Network, Incorporated, a Franchise to Establish, Operate and Maintain Radio and Television Broadcasting Stations In The Philippines*, which lapsed into law 16 July 1995.

Amcara is a pioneer in the digital broadcast service, which provides the public with better broadcast signals and an enhanced television experience. It has provided varied content, programming, and information that has educational and entertainment value to the Filipino audience. Amcara presently operates thirty-two television and two radio stations in different parts of the country.

In view of the fact that Amcara has made appropriate use of its franchise, complied with the provisions thereof, invested significantly in its stations and equipment, and intends to continue and expand its operations, it is only proper for Congress to renew Amaraca's franchise to operate radio and television broadcasting stations in the country.

The support of the Members of Congress for the prompt and timely passage of this measure is earnestly sought.

XAVIER JESUS D. ROMUALDO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 3279

INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO AMCARA BROADCASTING NETWORK, INC. UNDER REPUBLIC ACT NO. 8135, ENTITLED "AN ACT GRANTING AMCARA BROADCASTING NETWORK, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN 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 the provisions of the Constitution and
2 applicable laws, rules, and regulations, the franchise granted to Amcara Broadcasting Network, Inc.,
3 hereunder referred to as the grantee, its successors, or assignees, under Republic Act No. 8135, to
4 construct, install, operate, and maintain, for commercial purposes and in the public interest, radio and
5 television broadcasting stations in the Philippines, including very high frequency television, ultra high
6 frequency television, amplitude modulation radio, frequency modulation radio, direct broadcast via
7 sateliite, master antenna television, cable television, digital audio broadcast, digital television, high-
8 definition television, multichannel multipoint distribution service, and other forms of radio and
9 television broadcasting, with the corresponding technological auxiliaries or facilities, special broadcast
10 and other program and distribution services and relay stations, and to install radio communication
11 facilities for the grantee's private use in its broadcast services, is hereby renewed for another twenty-
12 five (25) years.

13
14 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or facilities of the grantee
15 shall be constructed and operated in a manner as will, at most, result only in the minimum interference
16 on the wavelengths or frequencies of existing stations, or other stations which may be established by
17 law, without, in any way, diminishing its own right to use its wavelengths or frequencies and the quality

1 of transmission or reception thereof as should maximize the rendition of the grantee's services and the
2 availability thereof.

3
4 SEC. 3. *Prior approval of the National Telecommunications Commission.* – The grantee shall
5 secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses
6 for its stations and facilities and shall not use any frequency in the radio or television spectrum without
7 having been authorized by the NTC, which, however, shall not unreasonably withhold or delay the grant
8 of any such authority.

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

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

1 SEC. 5. *Right of the Government.* – The radio spectrum is a finite resource that is part of the
2 national patrimony and the use thereof is a privilege conferred upon the grantee by the State and may
3 be withdrawn any time after due process.
4

5 A special right is hereby reserved to the President of the Philippines, in times of war, rebellion,
6 public peril, calamity, emergency, disaster, or disturbance of peace and order: to temporarily take over
7 and operate the stations or facilities of the grantee; to temporarily suspend the operation of any station
8 or facility in the interest of public safety, security, and public welfare; or to authorize the temporary use
9 and operation thereof by any agency of the government, upon due compensation to the grantee, for the
10 use of said stations or facilities during the period when these shall be so operated.
11

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

16 SEC. 7. *Self-Regulation by and Undertaking of the Grantee.*— The grantee shall not require any
17 previous censorship of any speech, play, act, or scene, or other matter to be broadcast from its stations:
18 Provided, That the grantee, during any broadcast, shall cut off from the air any speech, play, act, or
19 scene, or other matter being broadcast, if the tendency thereof is to propose or incite treason, rebellion,
20 or sedition, or the language used therein or the theme thereof is indecent or immoral: Provided, further,
21 That willful failure to do so shall constitute a valid cause for the cancellation of this franchise.
22

23 SEC. 8. *Warranty in Favor of the National and Local Governments.* – The grantee shall hold the
24 national, provincial, city, and municipal governments of the Philippines free from all claims, liabilities,
25 demands, or actions arising out of accidents causing injury to persons or damage to properties, during
26 the construction or operation of the stations of the grantee.
27

28 SEC. 9. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – The grantee shall not sell,
29 lease, transfer, grant the usufruct of nor assign this franchise or the rights and privileges acquired
30 thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge

1 with any other corporation or entity, nor shall the controlling interest of the grantee be transferred,
2 whether as a whole or in parts, and whether simultaneously or contemporaneously, to any such private
3 person, firm, company, corporation or entity without the prior approval of the Congress of the
4 Philippines: Provided, That any person or entity to which this franchise is sold, transferred or assigned
5 shall be subject to all the same conditions, terms, restrictions, and limitations of this Act.

6
7 SEC. 10. *Dispersal of Ownership.* – In accordance with the constitutional provision to encourage
8 public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty percent
9 (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital stock in
10 any securities exchange in the Philippines within five (5) years from the commencement of its
11 operations: Provided, That in cases where public offer of shares is not applicable, the grantee shall apply
12 other methods of encouraging public participation by citizens and corporations operating public utilities
13 as allowed by law. Non-compliance herewith shall render the franchise ipso facto revoked.

14
15 SEC. 11. *Reportorial Requirement.* – During the term of its franchise, the grantee shall submit an
16 annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the
17 House of Representatives and the Committee on Public Services of the Senate, on its compliance with
18 the terms and conditions of the franchise and on its operations on or before April 30 of every year.

19
20 The annual report shall include an update on the roll-out, development, operation, or expansion
21 of the grantee's business; its audited financial statements; its latest General Information Sheet officially
22 submitted to the SEC; certification from the NTC on the status of its permits and operations; and an
23 update on the dispersal of ownership undertaking. The reportorial compliance certificate issued by
24 Congress shall be required before an application for permit, certificate, or any equivalent thereof, of the
25 grantee is accepted by the NTC.

26
27 SEC. 12. *Fine.* – Failure on the part of the grantee to submit the required annual report to
28 Congress shall be penalized with a fine of Five hundred pesos (₱500.00) per working day of non-
29 compliance. The fine shall be collected by the NTC from the grantee separate from the reportorial
30 penalties imposed by the NTC and the same shall be remitted to the National Treasury.

1 SEC. 13. *Equality Clause.* – Any advantage, favor, privilege, exemption, or immunity granted
2 under existing franchises, or which may hereafter be granted to radio and television broadcasting, upon
3 prior review and approval of Congress, shall become part of this franchise and shall be accorded
4 immediately and unconditionally to the grantee: Provided, That the foregoing shall neither apply to nor
5 affect provisions of broadcasting franchises concerning territorial coverage and the term or the type of
6 service authorized under this franchise.

7
8 SEC. 14. *Repealability and Non-Exclusivity Clause.* – This franchise shall be subject to
9 amendment, alteration, or repeal by the Congress of the Philippines, when the public interest so
10 requires, and shall not be interpreted as an exclusive grant of the privileges herein provided.

11
12 SEC. 15. *Separability Clause.*— If any of the sections or provisions of this Act is held invalid, all
13 other provisions not affected thereby shall remain valid.

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

18
19 SEC. 17. *Effectivity.*— This Act shall take effect fifteen (15) days after its publication in the
20 Official Gazette or in a newspaper of general circulation.

21
22 Approved,