

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**EIGHTEENTH CONGRESS**  
First Regular Session

House Bill No. 4162



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Introduced by Representatives Cyrille "Beng" F. Abueg-Zaldivar and Gil  
"Kabarangay Jr." A. Acosta

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**EXPLANATORY NOTE**

Section 24, Article II of the 1987 Constitution provides that "the State recognizes the vital role of communication and information in nation-building." This means that the mass media serves as a conduit that ensures the flow of information between the government and the people. Further, Section 7 of said Constitution declares "the right of the people to information on matter of public concern." These legal provisions of the highest law of the land serve as the centerpoint and basis of Romeo Cabrestante Servando for his mass media practice and in securing a legislative franchise to operate a broadcast media.

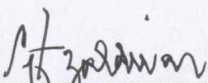
For several years, Romeo Cabrestante Servando has made it his personal mission to disseminate information to the public in the far-flung areas of the Philippines. Primarily located in the Province of Palawan, his radio stations have served as one of the most reliable sources of news and information needed by the public through relevant, timely and balanced broadcast programs.

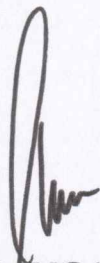
Romeo Cabrestante Servando recognizes the essentiality of the free flow of ideas and information in a democracy. His radio stations play an important role in catering to the needs of, and providing a voice for, communities that are not adequately serviced by other broadcast sectors. In so doing, these community radio stations share with their listeners a diverse range of viewpoints that enrich the social and cultural fabric of local communities in the province, and provide opportunities for participation in public broadcasting and content production.

The law that grants Romeo Cabrestante Servando the mandate to fulfill

his mission will expire very soon. With full knowledge of the significance of the franchise given to him, as well as having the interest of the public at heart, this bill seeks to extend the term of the franchise granted to Romeo Cabrestante Servando, to construct, install, establish, operate, and maintain for commercial purpose and in the public interest, radio stations in the Province of Palawan for another twenty-five (25) years.

Taking into account the significance of this measure, its immediate passage into law is earnestly sought.

  
CYRILLE "BENG" B. ABUEG-ZALDIVAR  
Representative, 2<sup>nd</sup> District of Palawan

  
GIL "KABARANGAY JR. A. ACOSTA  
Representative, 3<sup>rd</sup> District, Palawan



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AN ACT

1 RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE  
2 GRANTED TO ROMEO CABRESTANTE SERVANDO UNDER REPUBLIC ACT  
3 NO. 8202, TITLED "AN ACT GRANTING ROMEO CABRESTANTE SERVANDO, A  
4 FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN  
5 RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF  
6 PALAWAN"

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

7       **SECTION 1. *Nature and Scope of Franchise.*** – Subject to the provisions of the  
8 Constitution and applicable laws, rules and regulations, the franchise granted to  
9 Romeo Cabrestante Servando hereunder referred to as the grantee, its successor or  
10 assignees, under Republic Act No.8202, to construct, establish, maintain and operate  
11 in the public interest and for and commercial purposes, radio and/or television  
12 broadcasting stations, including digital television system, through microwave,  
13 satellite, terrestrial or whatever means, including the use of any new technologies in  
14 television and radio systems, with the corresponding technological auxiliaries and  
15 facilities, special broadcast and other program and distribution services and relay  
16 stations in the province of Palawan, is hereby renewed for another twenty-five (25)  
17 years.

18  
19       **SEC. 2. *Manner of Operation of Stations or Facilities.*** – The stations or  
20 facilities of the grantee shall be constructed and operated in a manner as will, at most,  
21 result only in the minimum interference on the wavelengths or frequencies of existing  
22 stations or other stations which may be established by law, without in any way  
23 diminishing its own privilege to use its assigned wavelengths or frequencies and the  
24 quality of transmission or reception thereon as should maximize rendition of the  
25 grantee's services and/or availability thereof.  
26



1       **SEC. 3. Prior Approval of the National Telecommunications Commission. -**  
2       The grantee shall secure from the National Telecommunications Commission (NTC)  
3       the appropriate permits and licenses for the construction and operation of its stations  
4       or facilities and shall not use any frequency in the radio and/or television spectrum  
5       without authorization from the NTC.

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

20  
21      Public service time referred herein shall be equivalent to a maximum aggregate  
22      of ten percent (10%) of the paid commercials or advertisements which shall be  
23      allocated based on need to the executive, legislative, judiciary, constitutional  
24      commissions and international humanitarian organizations duly recognized by  
25      statutes: *Provided*, That the NTC shall increase the public service time in case of  
26      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  
28      similarly situated broadcast network franchise holders.

29  
30      **SEC. 5. Right of the Government. -** The radio spectrum is a finite resource that  
31      is part of the national patrimony and the use thereof is a privilege conferred upon the  
32      grantee by the State and may be withdrawn any time after due process.

33  
34      A special right is hereby reserved to the President of the Philippines, in times  
35      of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace  
36      and order: to temporarily take over and operate the stations or facilities of the grantee;  
37      to temporarily suspend the operation of any station or facility in the interest of public  
38      safety, security and public welfare; or to authorize the temporary use and operation  
39      thereof by any agency of the government, upon due compensation to the grantee, for  
40      the use of said stations or facilities during the period when these shall be so operated.

41  
42      **SEC. 6. Term of Franchise. -** This franchise shall be in effect for a period of  
43      twenty-five (25) years from the effectivity of this Act, unless sooner revoked and  
44      cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee  
45      fails to operate continuously for two (2) years.



1        **SEC. 7. *Renewal or Extension of Franchise.*** - The grantee shall apply for the  
2 renewal or extension of its franchise five (5) years before its expiration date which  
3 shall be reckoned fifteen (15) days after the publication of the franchise in the Official  
4 Gazette or in any newspaper of general circulation, whichever comes earlier.

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

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

23  
24        **SEC. 10. *Commitment to Provide and Promote the Creation of Employment***  
25 ***Opportunities.*** - The grantee shall create employment opportunities and shall allow  
26 on-the-job trainings in their franchise operation: *Provided*, That priority shall be  
27 accorded to the residents in areas where any of its offices is located: *Provided further*,  
28 That the grantee shall follow the applicable labor standards and allowance entitlement  
29 under existing labor laws, rules and regulations and similar issuances: *Provided, finally*,  
30 That the employment opportunities or jobs created shall be reflected in the General  
31 Information Sheet (GIS) to be submitted to Securities and Exchange Commission  
32 annually.

33  
34        **SEC. 11. *Tax Provisions.*** - The grantee, its successors or assignees shall  
35 continue to be subject to all applicable taxes, duties, fees or charges and other  
36 impositions under Republic Act No. 8424, otherwise known as "The National Internal  
37 Revenue Code of 1997", as amended, and other applicable laws.

38  
39        **SEC. 12. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*** - The  
40 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or  
41 the rights and privileges acquired thereunder to any person, firm, company,  
42 corporation, or other commercial or legal entity, nor merge with any other corporation  
43 or entity, nor the controlling interest of the grantee be transferred, whether as a whole  
44 or in part, and whether simultaneously or contemporaneously, to any such person,  
45 firm, company, corporation, or entity without the prior approval of the Congress of  
46 the Philippines: *Provided*, That such transfer, sale or issuance is in accordance with any



1 applicable constitutional limitation: *Provided, finally,* That any person or entity to  
2 which this franchise is sold, transferred or assigned, shall be subject to the same  
3 conditions, terms, restrictions, and limitations of this Act.

4  
5 **SEC. 13. *Dispersal of Ownership.*** - In accordance with the constitutional  
6 provision to encourage public participation in public utilities, the grantee shall offer  
7 to Filipino citizens at least thirty per cent (30%) or a higher percentage that may  
8 hereafter be provided by law of its outstanding capital stock in any securities exchange  
9 in the Philippines within five (5) years from the commencement of its operations:  
10 *Provided,* That in cases where public offer of shares is not applicable, the grantee shall  
11 apply other methods of encouraging public participation by citizens and corporations  
12 operating public utilities as allowed by law. Noncompliance therewith shall render  
13 the franchise *ipso facto* revoked.

14  
15 **SEC. 14. *Compliance with Labor Standards.*** - The grantee, its successors or  
16 assignees shall comply with the applicable labor standards under existing labor laws,  
17 rules and regulations and such other issuances as may be promulgated by the  
18 Department of Labor and Employment, taking into consideration the nature and  
19 peculiarities of the broadcasting industry.

20  
21 **SEC. 15. *Reportorial Requirement.*** - The grantee shall submit an annual report  
22 to the Congress of the Philippines, through the Committee on Legislative Franchises  
23 of the House of Representatives and the Committee on Public Services of the Senate,  
24 on its compliance with the terms and conditions of the franchise and on its operations  
25 on or before April 30 of every year during the term of its franchise.

26  
27 The annual report shall include an update on the roll-out, development,  
28 operation and/or expansion of business; audited financial statements; latest General  
29 Information Sheet officially submitted to SEC (if applicable); certification of the NTC  
30 on the status of its permits and operations; and an update on the dispersal of  
31 ownership undertaking, if applicable.

32  
33 The reportorial compliance certificate issued by Congress shall be required  
34 before any application for permit or certificate is accepted by the NTC.

35  
36 **SEC. 16. *Fine.*** - Failure of the grantee to submit the requisite annual report to  
37 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working  
38 day of noncompliance. The fine shall be collected by the NTC from the delinquent  
39 franchise grantee separate from the reportorial penalties imposed by the NTC and the  
40 same shall be remitted to the National Treasury.

41  
42 **SEC. 17. *Equality Clause.*** - Any advantage, favor, privilege, exemption, or  
43 immunity granted under existing franchises, or which may hereafter be granted for  
44 radio and/or television broadcasting, upon prior review and approval of Congress,  
45 shall become part of this franchise and shall be accorded immediately and  
46 unconditionally to the herein grantee: *Provided,* That the foregoing shall neither apply

1 to nor affect the provisions of broadcasting franchises concerning territorial coverage,  
2 the term, or the type of service authorized by the franchise.  
3

4 **SEC. 18. *Repealability and Nonexclusivity Clause.*** - This franchise shall be  
5 subject to amendment, alteration, or repeal by the Congress of the Philippines when  
6 the public interest so requires and shall not be interpreted as an exclusive grant of the  
7 privileges herein provided for.  
8

9 **SEC. 19. *Separability Clause.*** - If any section or provision of this Act is held  
10 invalid, all other provisions not affected thereby shall remain valid.  
11

12 **SEC. 20. *Repealing Clause.*** - All other laws, orders, issuances, rules and  
13 regulations or parts thereof inconsistent with this Act are hereby repealed, amended  
14 or modified accordingly.  
15

16 **SEC. 21. *Effectivity.*** -This Act shall take effect fifteen (15) days after its  
17 publication in the *Official Gazette* or in any newspaper of general circulation.  
18

19 Approved,