



HOUSE OF REPRESENTATIVES

H. No. 4584

BY REPRESENTATIVES CRISOLOGO AND ALVAREZ (F.), PER COMMITTEE
REPORT NO. 14

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO CRUSADERS BROADCASTING
SYSTEM, INC., UNDER REPUBLIC ACT NO. 8091, ENTITLED
"AN ACT GRANTING THE CRUSADERS BROADCASTING
SYSTEM, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH,
OPERATE, AND MAINTAIN COMMERCIAL RADIO AND
TELEVISION BROADCASTING STATIONS WITHIN 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 Crusaders Broadcasting
4 System, Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 8091, to construct, install,
6 establish, operate, and maintain for commercial purposes and in the
7 public interest, radio and/or television broadcasting stations, where
8 frequencies and/or channels are still available for radio and/or
9 television broadcasting, including digital television system, through
10 microwave, satellite or whatever means, including the use of any new
11 technologies in television and radio systems, with the corresponding
12 technological auxiliaries and facilities, special broadcast and other

1 program and distribution services and relay stations in the
2 Philippines, is hereby renewed for another twenty-five (25) years
3 from the effectivity of this Act.

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

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

27 SEC. 4. *Responsibility to the Public.* – The grantee shall
28 provide, free of charge, adequate public service time which is
29 reasonable and sufficient to enable the government, through the

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

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

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

28 A special right is hereby reserved to the President of the
 29 Philippines, in times of war, rebellion, public peril, calamity,

1 emergency, disaster, or disturbance of peace and order: to
 2 temporarily take over and operate the stations or facilities of the
 3 grantee; to temporarily suspend the operation of any station or
 4 facility in the interest of public safety, security and public welfare; or
 5 to authorize the temporary use and operation thereof by any agency
 6 of the government, upon due compensation to the grantee, for the use
 7 of stations or facilities during the period when these shall be so
 8 operated.

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

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

19 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* –
 20 The grantee shall not require any previous censorship of any speech,
 21 play, act or scene, or other matter to be broadcast from its stations,
 22 but if any such speech, play, act or scene, or other matter should
 23 constitute a violation of the law or infringement of a private right, the
 24 grantee shall be free from any liability, civil or criminal, for such
 25 speech, play, act or scene, or other matter: *Provided*, That the
 26 grantee, during any broadcast, shall cut off the airing of speech, play,
 27 act or scene, or other matter being broadcast if the tendency thereof
 28 is to propose and/or incite treason, rebellion or sedition; or the
 29 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. 9. *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. 10. *Commitment to Provide and Promote the Creation of Employment Opportunities.* – The grantee shall create employment opportunities and shall allow on-the-job trainings in their franchise operation: *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. 11. *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 the 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. 12. *Dispersal of Ownership.* – In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital stock in any securities exchange in the Philippines within five (5) years from the commencement of its operations: *Provided,* That in cases where public offer of shares is not applicable, the grantee shall apply other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law. Noncompliance therewith shall render the franchise *ipso facto* revoked.

SEC. 13. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of every year during the term of its franchise.

The annual report shall include an update on the roll-out, development, operation and/or expansion of business; audited financial statements; latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the status of its permits and

1 operations; and an update on the dispersal of ownership undertaking,
2 if applicable.

3 The reportorial compliance certificate issued by Congress shall
4 be required before any application for permit or certificate is accepted
5 by the NTC.

6 SEC. 14. *Fine.* – Failure of the grantee to submit the requisite
7 annual report to Congress shall be penalized by a fine of Five hundred
8 pesos (P500.00) per working day of noncompliance. The fine shall be
9 collected by the NTC from the delinquent franchise grantee separate
10 from the reportorial penalties imposed by the NTC and the same
11 shall be remitted to the National Treasury.

12 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege,
13 exemption, or immunity granted under existing franchises, or which
14 may hereafter be granted for radio and/or television broadcasting,
15 upon prior review and approval of Congress, shall become part of
16 this franchise and shall be accorded immediately and unconditionally
17 to the herein grantee: *Provided,* That the foregoing shall neither
18 apply to nor affect the provisions of broadcasting franchises
19 concerning territorial coverage, the term, or the type of service
20 authorized by the franchise.

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

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

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

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

Approved,

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