

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4055



INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

EXPLANATORY NOTE

This measure seeks to renew the legislative franchise granted to Broadcast Enterprises and Affiliated Media, Inc. ("BEAM"), under Republic Act No. 8098, to establish and operate radio and television radion stations in the country.

Since the grant of its franchise in 1995 and the commencement of its operations, BEAM has consistently provided its audiences with a variety of programs that inform, instruct, and entertain. Through its program offerings, BEAM has brought Filipinos all around the country to the economic and social mainstream and, indeed, the global arena.

Given the all-important role media plays in nation-building, particularly the gathering and dissemination of timely and accurate news and information and the production of wholesome entertainment, BEAM wishes to continue to have the privilege of serving and promoting the public interest. Moreover, it intends to take advantage of new technologies to provide even better educational, informative, and entertaining programs to viewers.

In view of the fact that BEAM 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 BEAM's legislative franchise.

In view of all the foregoing, the support of the Members of Congress for the prompt and timely passage of this measure is earnestly sought.

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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BROADCAST ENTERPRISES AND AFFILIATED MEDIA, INC. UNDER REPUBLIC ACT NO. 8098 TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS, INCLUDING CABLE TELEVISION SYSTEMS AND BROADCASTING THROUGH ANY OTHER MEANS, IN 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 provisions of the
2 Constitution and applicable laws, rules, and regulations, the franchise granted to Broadcast
3 Enterprises and Affiliated Media, Inc., hereunder referred to as the grantee, its successors, or
4 assignees, under Republic Act No. 8098, to construct, install, operate, and maintain, for
5 commercial purposes and in the public interest, radio and television broadcasting stations,
6 including digital television systems, pay service, through microwave, satellite, terrestrial, or
7 whatever means, as well as the use of any new technology in television and radio systems, with
8 the corresponding auxiliaries and facilities, special broadcast and other program and distribution
9 services and relay stations, in the Philippines is hereby renewed for another twenty-five (25)
10 years.

11
12 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations and facilities of the
13 grantee shall be constructed and operated in a manner as will, at most, result only in the
14 minimum interference on the wavelengths or frequencies of existing stations, or other stations
15 which may be established by law, without, in any way, diminishing its own right to use its

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

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

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

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

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

6 A special right is hereby reserved to the President of the Philippines, in times of war,
7 rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order: to
8 temporarily take over and operate the stations or facilities of the grantee; to temporarily suspend
9 the operation of any station or facility in the interest of public safety, security, and public
10 welfare; or to authorize the temporary use and operation thereof by any agency of the
11 government, upon due compensation to the grantee, for the use of said stations or facilities
12 during the period when these shall be so operated.
13

14 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a period of twenty-five
15 (25) years from the effectivity of this Act, unless sooner revoked or cancelled. This franchise
16 shall be deemed *ipso facto* revoked in the event the grantee fails to operate continuously for two
17 (2) years.
18

19 SEC. 7. *Self-Regulation by and Undertaking of the Grantee.*— The grantee shall not
20 require any previous censorship of any speech, play, act, or scene, or other matter to be broadcast
21 from its stations: Provided, That the grantee, during any broadcast, shall cut off from the air any
22 speech, play, act, or scene, or other matter being broadcast, if the tendency thereof is to propose
23 or incite treason, rebellion, or sedition, or the language used therein or the theme thereof is
24 indecent or immoral: Provided, further, That willful failure to do so shall constitute a valid cause
25 for the cancellation of this franchise.
26

27 SEC. 8. *Warranty in Favor of the National and Local Governments.* – The grantee shall
28 hold the national, provincial, city, and municipal governments of the Philippines free from all

1 claims, liabilities, demands, or actions arising out of accidents causing injury to persons or
2 damage to properties, during the construction or operation of its stations.

3
4 SEC. 9. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – The grantee shall
5 not sell, lease, transfer, grant the usufruct of nor assign this franchise or the rights and privileges
6 acquired thereunder to any person, firm, company, corporation or other-commercial or legal
7 entity, nor merge with any other corporation or entity, nor shall the controlling interest of the
8 grantee be transferred, whether as a whole or in parts, and whether simultaneously or
9 contemporaneously, to any such private person, firm, company, corporation or entity without the
10 prior approval of the Congress of the Philippines: Provided, That any person or entity to which
11 this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms,
12 restrictions, and limitations of this Act.

13
14 SEC. 10. *Reportorial Requirement.* – During the term of its franchise, the grantee shall
15 submit an annual report to the Congress of the Philippines, through the Committee on Legislative
16 Franchises of the House of Representatives and the Committee on Public Services of the Senate,
17 on its compliance with the terms and conditions of the franchise and on its operations on or
18 before April 30 of every year.

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

26
27 SEC. 11. *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 (P500.00) per working day of non-
29 compliance. The fine shall be collected by the NTC from the grantee separate from the

1 reportorial penalties imposed by the NTC and the same shall be remitted to the National
2 Treasury.

3
4 SEC. 12. *Equality Clause.* — Any advantage, favor, privilege, exemption, or immunity
5 granted under existing franchises, or which may hereafter be granted to radio or television
6 broadcasting, upon prior review and approval of Congress, shall become part of this franchise
7 and shall be accorded immediately and unconditionally to the grantee: Provided, That the
8 foregoing shall neither apply to nor affect provisions of broadcasting franchises concerning
9 territorial coverage and the term or the type of service authorized under this franchise.

10
11 SEC. 13. *Repealability and Non-Exclusivity Clause.* — This franchise shall be subject to
12 amendment, alteration, or repeal by the Congress of the Philippines, when the public interest so
13 requires, and shall not be interpreted as an exclusive grant of the privileges herein provided.

14
15 SEC. 14. *Separability Clause.*— If any of the sections or provisions of this Act is held
16 invalid, all other provisions not affected thereby shall remain valid.

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

21
22 SEC. 16. *Effectivity.*— This Act shall take effect fifteen (15) days after its publication in
23 the Official Gazette or in a newspaper of general circulation.

24
25 Approved,