

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session



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**COMMITTEE REPORT NO. 228**

Submitted by the Committee on Legislative Franchises on **FEB 11 2020**

Re: House Bill No. **6254**

Recommending its approval in substitution of House Bill No. 5361

Sponsors: Representatives Franz E. Alvarez and Jose Francisco "Kiko" B. Benitez, Ph. D.

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Mr. Speaker:

The Committee on Legislative Franchises to which was referred **House Bill No. 5361**, authored by Rep. Jose Francisco "Kiko" B. Benitez, Ph. D., entitled:

**"AN ACT RENEWING THE FRANCHISE GRANTED TO FBS RADIO NETWORK INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND/OR TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"**

has considered the same and recommends that the attached House Bill No. **6254**, entitled:

**"AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FBS RADIO NETWORK, INC. UNDER REPUBLIC ACT NO. 8114, ENTITLED 'AN ACT GRANTING FBS RADIO NETWORK, INC. A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, MAINTAIN AND OPERATE COMMERCIAL RADIO AND TELEVISION STATION IN THE PHILIPPINES, AND FOR OTHER PURPOSES'"**

be approved in substitution of House Bill No. 5361 with Reps. Jose Francisco "Kiko" B. Benitez, Ph. D. and Franz E. Alvarez, as authors thereof.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'F. Alvarez', with a stylized flourish at the end.

**FRANZ E. ALVAREZ**

Chairperson

Committee on Legislative Franchises

**THE HONORABLE SPEAKER  
HOUSE OF REPRESENTATIVES  
QUEZON CITY**

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. **6254**  
(In Substitution of House Bill No. 5361)

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Introduced by REPS. JOSE FRANCISCO "KIKO" B. BENITEZ, PH. D. and FRANZ E. ALVAREZ

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**AN ACT**

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FBS RADIO NETWORK, INC. UNDER REPUBLIC ACT NO. 8114, ENTITLED "AN ACT GRANTING FBS RADIO NETWORK, INC. A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, MAINTAIN AND OPERATE COMMERCIAL RADIO AND TELEVISION STATION IN THE PHILIPPINES, AND FOR OTHER PURPOSES"**

**SECTION 1. *Nature and Scope of Franchise.*** - Subject to the provisions of the Constitution and applicable laws, rules and regulations, the franchise granted to FBS Radio Network, Inc., hereunder referred to as the grantee, its successors or assignees, under Republic Act No. 8114, to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations where frequencies and/or channels are still available for radio and/or television broadcasting, including digital television system, through microwave, satellite or whatever means, as well as the use of any new technology in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in the Philippines, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

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

**SEC. 3. *Prior Approval of the National Telecommunications Commission.*** - The grantee shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses for the construction and operation of its stations or facilities and shall not use any frequency in the radio/television spectrum without authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.



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

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

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

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

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

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

39 **SEC. 7. Self-regulation by and Undertaking of Grantee.** - The grantee shall not require  
40 any previous censorship of any speech, play, act or scene, or other matter to be broadcast  
41 from its stations, but if any such speech, play, act or scene, or other matter should constitute  
42 a violation of the law or infringement of a private right, the grantee shall be free from any



1 liability, civil or criminal, for such speech, play, act or scene, or other matter: *Provided*, That  
2 the grantee, during any broadcast, shall cut off the airing of speech, play, act or scene, or  
3 other matter being broadcast if the tendency thereof is to propose and/or incite treason,  
4 rebellion or sedition; or the language used therein or the theme thereof is indecent or  
5 immoral: *Provided, further*, That willful failure to do so shall constitute a valid cause for the  
6 cancellation of this franchise.

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

11 **SEC. 9. Commitment to Provide and Promote the Creation of Employment**  
12 **Opportunities.** - The grantee shall create employment opportunities as well as accept on-the-  
13 job trainees in their radio and television station operations: *Provided*, That priority shall be  
14 accorded to the residents of the place where their principal office is located: *Provided further*,  
15 That the grantee shall follow the applicable labor standards and allowance entitlement under  
16 existing labor laws, rules and regulations and similar issuances: *Provided, finally*, That the  
17 employment opportunities or jobs created shall be reflected in the General Information Sheet  
18 (GIS) to be submitted to Securities and Exchange Commission (SEC) annually.

19 **SEC. 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.** - The  
20 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the  
21 rights and privileges acquired thereunder to any person, firm, company, corporation, or other  
22 commercial or legal entity, nor merge with any other corporation or entity, nor the controlling  
23 interest of the grantee be transferred, simultaneously or contemporaneously, to any person,  
24 firm, company, corporation, or entity without the prior approval of the Congress of the  
25 Philippines. Congress shall be informed of any sale, lease, transfer, grant of usufruct, or  
26 assignment of franchise or the rights and privileges acquired thereunder, or of the merger or  
27 transfer of the controlling interest of the grantee, within sixty (60) days after the completion  
28 of the said transaction. Failure to report to Congress such change of ownership shall render  
29 the franchise *ipso facto* revoked. Any person or entity to which this franchise is sold,  
30 transferred, or assigned shall be subject to the same conditions, terms, restrictions, and  
31 limitations of this Act.

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

40 **SEC. 12. Reportorial Requirement.** - The grantee shall submit an annual report to the  
41 Congress of the Philippines, through the Committee on Legislative Franchises of the House of  
42 Representatives and the Committee on Public Services of the Senate, on its compliance with



1 the terms and conditions of the franchise and on its operations on or before April 30 of every  
2 year during the term of its franchise.

3  
4 The annual report shall include an update on the roll-out, development, operation  
5 and/or expansion of business; audited financial statements; latest GIS officially submitted to  
6 the SEC, if applicable; certification of the NTC on the status of its permits and operations; and  
7 an update on the dispersal of ownership undertaking, if applicable.

8  
9 The reportorial compliance certificate issued by Congress shall be required before any  
10 application for permit or certificate is accepted by the NTC.

11  
12 **SEC. 13. *Fine.*** – Failure of the grantee to submit the requisite annual report to  
13 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day of  
14 noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee  
15 separate from the reportorial penalties imposed by the NTC and the same shall be remitted  
16 to the Bureau of Treasury.

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

25 **SEC. 15. *Repealability and Non-exclusivity Clause.*** – This franchise shall be subject  
26 to amendment, alteration, or repeal by the Congress of the Philippines when the public  
27 interest so requires and shall not be interpreted as an exclusive grant of the privileges herein  
28 provided for.

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

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

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

36 Approved,

## **FACT SHEET**

**6254**

House Bill No. \_\_\_\_\_

In substitution of House Bill No. 5361

(As approved on February 5, 2020)

### **AN ACT**

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FBS RADIO NETWORK, INC. UNDER REPUBLIC ACT NO. 8114, ENTITLED "AN ACT GRANTING FBS RADIO NETWORK, INC. A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, MAINTAIN AND OPERATE COMMERCIAL RADIO AND TELEVISION STATION IN THE PHILIPPINES, AND FOR OTHER PURPOSES"**

*Introduced by: **HON. JOSE FRANCISCO "KIKO" B. BENITEZ, PH. D.***

*Committee Referral: **LEGISLATIVE FRANCHISES***

*Committee Chairperson: **HON. FRANZ E. ALVAREZ***

### **OBJECTIVE:**

- To continue the effective public service of the FBS RADIO NETWORK, INC., (FRNI) through continuous radio broadcast.

### **KEY PROVISIONS:**

- Allows FRNI to continuously operate and maintain radio broadcasting facilities in the Philippines for another twenty five (25) years;
- Requires the grantee to provide the government adequate public service time to enable it to reach the population on important public issues and assist in the functions of public information and education;
- Prohibits the grantee to use its stations for the broadcasting of obscene and indecent language, speech, act or scene or for the dissemination of deliberately false information or willful misrepresentation; or to incite, encourage or assist in subversive or treasonable acts;
- Gives the President of the Philippines the right to temporarily take over and operate the stations or facilities of the grantee, to temporarily suspend the operation of any station or facility in the interest of public safety, security and public welfare, or to authorize the temporary use and operation thereof by any agency of the government in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order;
- Requires the grantee to create employment opportunities and allow on-the-job trainings in their franchise operation for residents of the place where any of its



offices is located subject to applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances;

- Prohibits the grantee from leasing, transferring, selling nor assigning the franchise or the controlling interest thereof without the prior approval of the Congress of the Philippines;
- Requires the grantee to offer to Filipino citizens at least thirty per cent (30%) of its outstanding stock in any security exchange in the Philippines or through other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law;
- Provides that the national and local governments shall not be held liable for any damage to properties or injury to persons caused by accidents during construction or operation of the stations;
- Requires the grantee to submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year;
- Imposes a fine of Five hundred pesos (PhP 500.00) per working day of non-compliance with the reportorial requirement of Congress; and
- Provides an equality clause which aims to grant existing and potential franchise grantees equal privilege.

#### **RELATED LAWS:**

- REPUBLIC ACT NO. 8114 - AN ACT GRANTING FBS RADIO NETWORK, INC. A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, MAINTAIN AND OPERATE COMMERCIAL RADIO AND TELEVISION STATION IN THE PHILIPPINES, AND FOR OTHER PURPOSES