

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

**EIGHTEENTH CONGRESS**  
First Regular Session

House Bill No. 6608



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**Introduced by Representative Ron P. Salo**

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### **EXPLANATORY NOTE**


Prime Broadcasting Network Incorporated is a radio broadcasting network with principal office located in Digos City, Davao del Sur. The network was granted a Congressional franchise to operate through the passage of Republic Act No. 8154 on September 23, 1995.

The network is being owned and operated by the Dok Alternatibo Brotherhood with Inventors Guild Consumer Cooperative (DABIG C COOP). The cooperative is composed of more than 2,200 members and markets various products and services created through the industry of its members. Today, the network operates 88 radio stations all over the country by virtue of the authority granted by its Congressional franchise. Aside from their regular programing of news and updates, the network also primarily focuses on promoting the products of the members of its cooperative, as well as disseminating their advocacies and available services. The network does not actually profit from its operations; rather, it is bent on furthering its advocacies and advancing the products of the cooperative.

However, the Congressional franchise is set to expire on September 2020. Without the network's Congressional franchise to operate, the members of the cooperative might lose the biggest champion and advocate of their products and services therefore resulting in the loss of their livelihood.

It is therefore requested in this bill that the renewal of the Congressional franchise granted to Prime Broadcasting Network Incorporated be approved. The renewal will ensure the stability of the livelihood of the members of the cooperative which owns the network, as well as continue to provide quality news and updates to the public.

Hence, the passage of this bill is earnestly sought.

  
**RON P. SALO**  
KABAYAN Partylist

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**AN ACT**  
**EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO PRIME BROADCASTING NETWORK INCORPORATED UNDER REPUBLIC ACT NO. 8154, ENTITLED "AN ACT GRANTING PRIME BROADCASTING NETWORK, INCORPORATED, A FRANCHISE TO CONDUCT, OPERATE AND MAINTAIN STATIONS FOR RADIO AND TELEVISION IN THE PHILIPPINES"**

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

**SECTION 1. *Nature and Scope of Franchise.*** – Subject to the provisions of the Constitution and applicable laws, rules and regulations, the franchise granted to Prime Broadcasting Network Incorporated, its successors or assignees and hereunder referred to as the grantee, to construct, install, operate and maintain radio and television broadcasting stations in the Philippines with the corresponding technological auxiliaries or facilities, special broadcast and other program and distribution services and relay stations is hereby extended for another twenty five (25) years from 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 the other existing station or stations which may be established by law, without in any way diminishing its own right to use its selected 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 its stations and shall not use any frequency in the radio/television spectrum without having been authorized by the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

The grantee shall not dispose or lease its facilities except to entities with radio or television broadcasting franchise: *Provided*, That the grantee shall inform and secure written authorization to proceed from the NTC, and report the transaction to



the NTC within sixty (60) days after its completion. *Provided further*, That the NTC shall determine the corresponding sanction for any violation of this provisions.

**SEC. 4. Responsibility to the Public.** – The grantee shall provide adequate public service time which is reasonable and sufficient to enable the government, through the said broadcasting stations, to reach the pertinent populations or portions thereof, on important public issues and relay important public announcements and warnings concerning public emergencies and calamities, as necessity, urgency or law may require; provide at all times sound and balanced programming; promote public participation; assist in the functions of public information and education, as well as promotion of positive Filipino values; conform to the ethics of honest enterprise; promote audience sensibility and empowerment including closed captioning; and not 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 to the detriment of the public interest; or to incite, encourage, or assist in subversive or treasonable acts.

Public service time referred to herein shall be equivalent to a maximum aggregate of ten (10%) percent paid commercials or advertisements which shall be allocated based on need to the Executive and Legislative Branches, the Judiciary, Constitutional Commissions, and international humanitarian organizations duly recognized by statutes: *Provided*, That the NTC shall issue rules and regulations for this purpose, the effectivity of which shall commence upon applicability with other similarly situated broadcast network franchise holders.

Further, the grantee shall also provide for affordable and reasonable rates for political campaign ads to ensure that the voices of candidates are equally heard and Filipinos are better informed in electing their leaders.

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

A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order: to temporarily take over and operate the stations of the grantee; to temporarily suspend the operation 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 upon due compensation to the grantee, for the use of said stations during the period when they shall be so operated.

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

**SEC. 7. Renewal and Extension of Franchise.** – The grantee shall apply for renewal or extension of its franchise five (5) years before its expiration wherein the reckoning date is fifteen (15) days after the publication of the franchise in the *Official Gazette* or in a newspaper of general circulation.



**SEC. 8. Self-regulation by and Undertaking of Grantee.** – The grantee shall not require any previous censorship of any speech, play, act, scene or other matter to be broadcast and/or telecast from its stations: *Provided*, That the grantee, during any broadcast and telecast shall cut off from the speech, play, act, scene or other matter being broadcast if the tendency thereof is to propose and/or incite treason, rebellion or sedition; or the language used therein or the theme thereof is indecent or immoral and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

**SEC. 9. Warranty in Favor of National and Local Governments.** – The grantee shall hold the national, provincial and municipal governments of the Philippines free from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operations 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 the priority shall be accorded to residents of the place where the principal office is located: *Provided further*, That the grantee shall comply with applicable labor standards and allowance entitlements under 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, Usufruct, or Assignment of Franchise.** – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor shall the controlling interest of the grantee be transferred to any such private 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, withing sixty (60) days after the completion of the said transaction. Failure to report to Congress of such change of ownership shall render the franchise *ipso facto* revoked.

Any person or entity to which the 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 commencement of its operations: *Provided*, That in case 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 Congress of its Philippines 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 operations; and an update on the dispersal of ownership undertaking, if applicable.

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

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

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

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

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

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

**SEC. 19. Effectivity clause.** – This Act shall take effect fifteen (15) days upon completion of its publication in a newspaper of general circulation.

*Approved.*