

House Bill No. 6732

AN ACT
GRANTING THE ABS-CBN BROADCASTING CORPORATION A FRANCHISE TO
CONSTRUCT, INSTALL, OPERATE AND MAINTAIN TELEVISION AND RADIO
BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES

As Congress prepared to return to regular session, with the scope and severity of the effects of COVID-19 on Public Health and the Economy just being understood, our members were

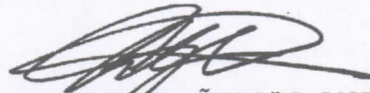
also gearing up for the fight; confident that we will be able to devote all our energies in Defeating COVID-19.

The sudden turn-around by the NTC was both unexpected and unconscionable. It not only disrupted the essential work of Congress, and sowed intrigue and disunity among the different branches of government and our people - it was also done during this period of crisis.

The untimely shutdown of ABS-CBN affects the efforts of the government in fighting the pandemic by depriving tens of millions of Filipinos access to potentially life saving information. It creates a gap in our most important defense against the virus - our ability to tell the population to stay home and save lives.

Through this measure, we hope to strike a balance between the immediate needs of the people amid this crisis and the duty of Congress to ensure accountability to our present laws. Providing ABS-CBN with a provisional franchise valid until 31 October 2020 will give both the House of Representatives and the Senate to hear the issues being raised for and against the renewal, and assess, with complete impartiality and fairness, whether or not the network shall be granted a franchise for another twenty-five (25) years. We cannot, in good conscience, sweep the accusations under the rug.

In view of the foregoing, the passage of this measure is earnestly sought.



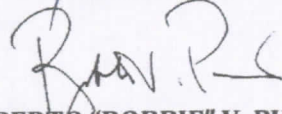
ALAN PETER "COMPAÑERO" S. CAYETANO



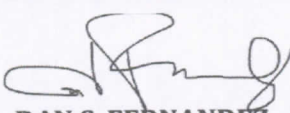
NEPTALI "BOYET" M. GONZALES



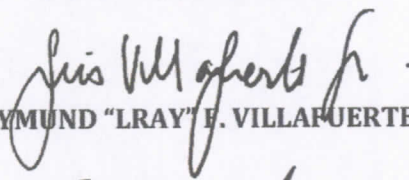
RANEO E. ABU



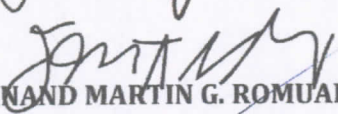
ROBERTO "ROBBIE" V. PUNO



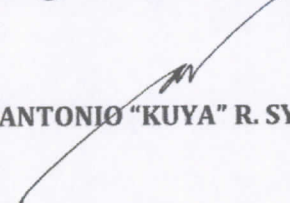
DAN S. FERNANDEZ



LUIS RAYMUND "LRAY" F. VILLAFUERTE JR.



FERDINAND MARTIN G. ROMUALDEZ



JOSE ANTONIO "KUYA" R. SY-ALVARADO

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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6732

INTRODUCED BY REPRESENTATIVES ALAN PETER "COMPAÑERO" S. CAYETANO,
NEPTALI "BOYET" M. GONZALES, RANEO E. ABU, ROBERTO "ROBBIE" V. PUNO, DAN S.
FERNANDEZ, LUIS RAYMUND "LRAY" F. VILLAFUERTE JR., FERDINAND MARTIN G.
ROMUALDEZ, AND JOSE ANTONIO "KUYA" R. SY-ALVARADO

AN ACT
GRANTING THE ABS-CBN CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL,
OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN
THE PHILIPPINES, AND FOR OTHER PURPOSES

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

Section 1. *Nature and Scope of Franchise.* – Subject to the provisions of the 1987 Constitution and applicable laws, rules and regulations, the ABS-CBN Corporation, formerly known as ABS-CBN Broadcasting Corporation, hereunder referred to as the grantee, its successors or assignees, is hereby granted a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, television and radio broadcasting, including digital television system, through microwave, satellite or whatever means, or the use of any new technologies in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations.

Sec. 2. *Manner of Operation of Stations or Facilities.* – The stations 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 other existing stations or other 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 the operation of its stations and 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 such authority.

Sec. 4. Responsibility to the Public – The grantee shall provide free of charge, adequate public service time which is reasonable and sufficient to enable the government, through the broadcasting stations or facilities of the grantee, to reach the pertinent population/s or portions thereof on important public issues and relay important public announcements and warnings concerning public emergencies and calamities as necessity, urgency or law require; provide at all times sound and balanced programming; promote public participation; assist in the functions of public information and education; conform to the ethics of honest enterprise; promote audience sensibility and empowerment through, but not limited to, closed captioning; and not use its stations or facilities 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 herein shall be equivalent to ten percent (10%) of the paid commercials or advertisements which shall be allocated based on need to the executive, legislative, judiciary, constitutional commissions and international humanitarian organizations duly recognized by statutes; Provided, That the NTC shall increase the public service time in case of emergency or calamity. 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.

Sec. 5. Right of Government. – 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 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, upon due compensation to the grantee, for the use of said stations or facilities during the period when they shall be so operated.

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 anytime after due process.

Sec. 6. Term of Franchise. – This franchise shall be in effect until 31 October 2020, unless sooner revoked or cancelled.

Sec. 7. Acceptance and Compliance. – Acceptance of this franchise shall be given in writing to the Congress within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

Sec. 8. Tax Provisions. — The grantee, its successors or assignees shall continue to be subject to all applicable taxes, duties, fees or charges and other impositions under Republic Act No. 8424, otherwise known as 'The National Internal Revenue Code of 1997', as amended, Republic Act No. 7160, otherwise known as 'The Local Government Code of 1991', as amended, and other applicable laws.

Sec. 9. Self-regulation by and Undertaking of Grantee. – The grantee shall not require any previous censorship of any speech, play, act or scene, or other matter to be broadcast and/or telecast from its stations: Provided, That the grantee, during any broadcast and/or telecast, shall cut off from the air the speech, play, act or scene, or other matter being broadcast and/or telecast 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. 10. Warranty in Favor of National and Local Governments – The grantee shall hold the national, provincial, city 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 operation of the stations of the grantee.

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, without the prior approval of the Congress of the Philippines. Provided, Any person or entity to which this franchise is sold, transferred or assigned, shall be subject to the same condition, terms, restrictions and limitations of this Act.

Sec. 12. General Broadcast Policy Law. – The grantee shall comply with and be subject to the provisions of a general broadcast policy law, which Congress may hereafter enact.

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

Sec. 14. Separability Clause. – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

Sec. 15. 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.

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

Approved,