



HOUSE OF REPRESENTATIVES

H. No. 5490

BY REPRESENTATIVES FORTUNO, MENDOZA, DY (F.), VALERIANO, ACOSTA, VILLAFUERTE, UNABIA, PINEDA, SAVELLANO, GARBIN, VARGAS, GULLAS, DY (F.M.C.), OAMINAL, ROMUALDO, QUIMBO AND ALVAREZ (F.), PER COMMITTEE REPORT NO. 77

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BICOL BROADCASTING SYSTEMS, INC. UNDER REPUBLIC ACT NO. 8092, ENTITLED "AN ACT GRANTING THE BICOL BROADCASTING SYSTEMS, INC. (BBSI), A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL RADIO AND TELEVISION BROADCASTING STATIONS IN REGION V"

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 Constitution and applicable laws, rules and regulations, the franchise granted to Bicol Broadcasting Systems, Inc., hereunder referred to as the grantee, its successors or assignees, under Republic Act No. 8092, 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 Bicol Region, 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.

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 provision.

SEC. 4. *Responsibility to the Public.* – The grantee shall provide, free of charge, adequate public service time which is

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

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

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

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

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

16 SEC. 7. *Self-regulation by and Undertaking of Grantee.* – The
 17 grantee shall not require any previous censorship of any speech,
 18 play, act or scene, or other matter to be broadcast from its stations,
 19 but if any such speech, play, act or scene, or other matter should
 20 constitute a violation of the law or infringement of a private right,
 21 the grantee shall be free from any liability, civil or criminal,
 22 for such speech, play, act or scene, or other matter: *Provided*, That
 23 the grantee, during any broadcast, shall cut off the airing of speech,
 24 play, act or scene, or other matter being broadcast if the tendency
 25 thereof is to propose and/or incite treason, rebellion or sedition; or
 26 the language used therein or the theme thereof is indecent or
 27 immoral: *Provided, further*, That willful failure to do so shall
 28 constitute a valid cause for the cancellation of this franchise.

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

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

18 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
 19 *Assignment of Franchise.* – The grantee shall not sell, lease,
 20 transfer, grant the usufruct of, nor assign this franchise or the
 21 rights and privileges acquired thereunder to any person, firm,
 22 company, corporation, or other commercial or legal entity, nor
 23 merge with any other corporation or entity, nor the controlling
 24 interest of the grantee be transferred, simultaneously or
 25 contemporaneously, to any person, firm, company, corporation, or
 26 entity without the prior approval of the Congress of the Philippines.
 27 Congress shall be informed of any sale, lease, transfer, grant of
 28 usufruct, or assignment of franchise or the rights and privileges
 29 acquired thereunder, or of the merger or transfer of the controlling

1 interest of the grantee, within sixty (60) days after the completion of
 2 the said transaction. Failure to report to Congress such change of
 3 ownership shall render the franchise *ipso facto* revoked. Any person
 4 or entity to which this franchise is sold, transferred, or assigned
 5 shall be subject to the same conditions, terms, restrictions, and
 6 limitations of this Act.

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

19 SEC. 12. *Reportorial Requirement.* – The grantee shall
 20 submit an annual report to the Congress of the Philippines,
 21 through the Committee on Legislative Franchises of the House of
 22 Representatives and the Committee on Public Services of the
 23 Senate, on its compliance with the terms and conditions of the
 24 franchise and on its operations on or before April 30 of every year
 25 during the term of its franchise.

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

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

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

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

12 SEC. 14. *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
17 unconditionally to the herein grantee: *Provided*, That the foregoing
18 shall neither apply to nor affect the provisions of broadcasting
19 franchises concerning territorial coverage, the term, or the type of
20 service authorized by the franchise.

21 SEC. 15. *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
25 herein provided for.

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

1 SEC. 17. *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
4 Act are hereby repealed, amended, or modified accordingly.

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

Approved,

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