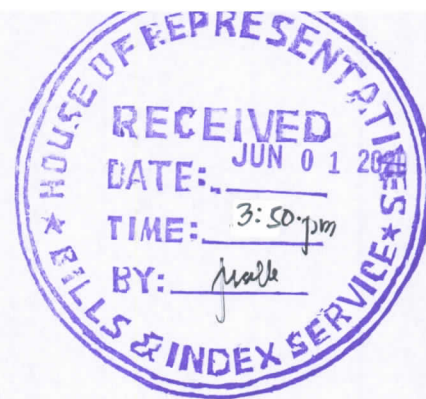


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6901



Introduced by Representative Ron P. Salo

EXPLANATORY NOTE

In the contemporary times, mainstream media including television, radio, and print do not have the monopoly of information dissemination. Digital media such as Facebook, Twitter, other social media sites, as well as the online platforms of these traditional media are vital sources of information. As long as there is access to the internet, the people have the luxury of accessing information through these online platforms.

However, there are still so many geographical areas in the Philippines that do not have access to the internet. Thus, without the traditional media, they would be left out on important updates and events that occur in the community and the rest country.

ABS-CBN Corporation is one of the biggest and oldest broadcast media in the country. Traditionally, it is able to reach the farthest communities that are otherwise not reached by other broadcast media and do not have access to internet. Its role in the information dissemination is very crucial.

Aside from its reach and accessibility, the mere presence of ABS-CBN has ensured that the population have their choice of medium by which they can freely exercise their right to expression and access to information.

On May 4, 2020, however, the legislative franchise granted to ABS-CBN has expired. Thus, they are currently shut down and are unable to operate. Without the network, so many people, especially those in far flung and geographically isolated areas will be significantly left out on important national updates. Further, the choice of medium of the people are significantly reduced.

Thus, it is proposed in this bill that the ABS-CBN Corporation be granted its legislative franchise provided they comply with the parameters as defined in the bill. The granting of their franchise will allow the people in all parts of the country access to information and updates about society.

The granting of the franchise is also certainly a matter of ensuring a more democratic space and medium where our people can express themselves, which is essential for a more vibrant democracy. There is a need for more mediums to ventilate sentiments, scintillate ideas, and shape opinions. There is a need for more mediums

to inform the public of government laws, rules, regulations, and efforts; develop more positive Filipino values; and create a more cohesive and coherent Filipino society and culture.

Shallow as it may seem, but often we must listen to what many of our people say about having more choices for entertainment to fight their boredom and loneliness to maintain their mental health; to momentarily forget their worries over the continuing threat of the pandemic and the looming widespread joblessness; and to paint smiles on forlorn faces trying to hide hunger and uncertainty.

At this age of pervasive globalization where sources of information are so varied and accessible at the click of our fingers, but are oftentimes foreign-made, we need more mediums that are of Filipino orientation to ensure that our consciousness as Filipinos will not be lost in this forest of foreign-dominated sources of information; to ensure that while we are conscious of being part of a globalized world, we remain Filipinos with unique values, culture and traditions.

Hence, the immediate passage of this bill is earnestly sought.


RON P. SALO
KABAYAN Partylist

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

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 1987 Philippine Constitution and applicable laws, rules and regulations, the ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation), hereunder referred to as the grantee, its successors or assignees, is hereby granted a franchise to construct, install, establish, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in the Philippines, where frequencies and/or channels are still available for radio and/or television 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 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 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. General 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; 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; and compliance with labor laws and standards.

SEC. 5. Specific Parameters for Compliance. – Further to the general responsibility to the public mentioned in the preceding section, the grantee shall adhere to the following specific parameters to ensure the compliance of their responsibility to the public:

1. Strict compliance with the Constitution, statutes, rules and regulations, including labor laws and standards.
2. Promotion of employment and security of tenure. The holder of television broadcast franchise shall ensure that at least sixty percent (60%) of its employees are regular employees and in no case shall the percentage of contractual employees, job orders, casuals, talents and independent contractors combined, exceed forty percent (40%) of its total workforce.

In addition, the holder of the broadcast franchise shall submit an annual report of its regularized employees and secure a compliance and clearance certificate from the Department of Labor (DOLE) and its relevant attached agencies.

3. Ensure impartial and balanced reporting. The holder of broadcast franchise shall ensure that news and events are reported accurately and truthfully, and that all parties involved in such news or events are allowed equal time and opportunity for information-sharing.
4. Promotion of positive Filipino values. The holder of broadcast franchise shall ensure that all its programs, including its talents and the languages used by its talents, are geared towards the promotion of positive Filipino values. The Movie and Television Review and Classification Board (MTRCB) shall actively monitor compliance on this aspect.
5. Provision of public service time. 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.

6. Strengthened self-regulation of contents. The holder of broadcast franchise shall ensure that within its organization, there is in place a strong mechanism that will regulate its contents. Consistent with this provision, it shall not allow to be aired any speeches, plays, acts or scenes, or other materials through 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 or behavior/action of talents is immoral or indecent.
7. Reasonable and equitable rate for election advertisements. The holder of broadcast franchise shall ensure that the rate for election advertisement is reasonable and equitable to allow all candidates, particularly those seeking national elective positions, equal opportunity to present programs of government to the electorate. The Commission on Elections (COMELEC), shall promulgate the guidelines for the implementation of this performance standard.

SEC. 6. Institutional Plan of Action for Responsibility and Accountability

– The NTC, in coordination with the Department of Budget and Management, DOLE, MTRCB, COMELEC and relevant stakeholders, shall develop an Institutional Plan of Action for Responsibility and Accountability (IPARA) which shall flesh-out the aforementioned parameters, and will be the basis for monitoring the compliance of all franchise holders of television and radio broadcast networks. This plan shall include corporate social responsibility initiatives on the improvement of labor policies, charitable works, education and research, culture and corporate policies beneficial to the environment.

SEC. 7. 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 any time after due process.

SEC. 8. Term of Franchise. – This franchise shall be in effect for a period of twenty-five (25) years, unless sooner revoked or cancelled. This franchise shall be deemed ipso facto revoked in the event the grantee fails to operate continuously for two (2) years.

SEC. 9. Acceptance and Compliance. – Acceptance of this franchise shall be given in writing 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 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. 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, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in part and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: Provided, That Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights or privileges acquired thereunder, or the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of said transaction: Provided, further, That failure to report to Congress such change of ownership shall render the franchise ipso facto revoked: Provided, finally, That any person or entity to which this 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 per centum (30%) or a higher percentage that may hereafter be provided by law of its outstanding stock in any securities exchange in the Philippines within five (5) years from the commencement of its operations: Provided, That in cases where public offer of shares is not applicable, establishment of cooperatives and other methods of encouraging public participation by citizens and corporations operating public utilities must be implemented. Noncompliance therewith shall render the franchise ipso facto revoked.

SEC. 13. *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. 14. *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 succeeding year. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by NTC.

SEC. 15. *Provisional Authority to Continue Operations.* – In the event that the franchise granted under this Act expires, the grantee is automatically given a Provisional Authority to continue its operations: Provided, that a bill is already filed in Congress renewing its franchise before the expiration: Provided further, that said Provisional Authority to continue its operations shall only be valid until its franchise is renewed, rejected or until the term of Congress when the bill for renewal was filed ends.

SEC. 16. *Penalty Clause.* – 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. The collected funds shall accrue to the monitoring fund of the NTC in line with its supervisory and regulatory functions.

SEC. 17. *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 the provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise or the type of service authorized by the franchise: Provided, further, That the foregoing shall not apply to sale, lease, transfer or grant of usufruct of legislative franchise with prior congressional approval.

SEC. 18. *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. 19. *Repealing 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. 20. *Publication.* – This Act shall be published, through the initiative of the Grantee, fifteen (15) days after this Act is signed by the President of the Philippines or has lapsed into law. **SEC. 20. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.