



HOUSE OF REPRESENTATIVES

H. No. 6255

BY REPRESENTATIVES ABUEG-ZALDIVAR, ACOSTA AND ALVAREZ (F.),  
PER COMMITTEE REPORT NO. 229

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE  
FRANCHISE GRANTED TO ROMEO CABRESTANTE  
SERVANDO, PRESENTLY KNOWN AS ROLIN BROADCASTING  
ENTERPRISES, INC., UNDER REPUBLIC ACT NO. 8202,  
ENTITLED "AN ACT GRANTING ROMEO CABRESTANTE  
SERVANDO, A FRANCHISE TO CONSTRUCT, INSTALL,  
ESTABLISH, OPERATE AND MAINTAIN RADIO AND  
TELEVISION BROADCASTING STATIONS IN THE PROVINCE  
OF PALAWAN"

*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 Romeo Cabrestante Servando,  
presently known as Rolin Broadcasting Enterprises, Inc., hereunder  
referred to as the grantee, its successors or assignees, under Republic  
Act No. 8202, 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 Province of Palawan, 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

reasonable and sufficient to enable the government, through the broadcasting stations or facilities of the grantee, 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 or facilities for the broadcasting of obscene or indecent language, speech, act or scene; or for the dissemination of deliberately false information or willful misrepresentation, to the detriment of public interest; or to incite, encourage, or assist in subversive or treasonable acts.

Public service time referred herein shall be equivalent to a maximum aggregate of ten percent (10%) of the 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 increase the public service time in case of extreme 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 the 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 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 the stations or facilities during the period when these shall be so operated.

SEC. 6. *Term of Franchise.* — This franchise shall be in effect for a period of twenty-five (25) years from the effectivity of this Act, 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. 7. *Self-regulation by and Undertaking of the Grantee.* — The grantee shall not require any previous censorship of any speech, play, act or scene, or other matter to be broadcast from its stations, but if any such speech, play, act or scene, or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play, act or scene, or other matter: *Provided*, That the grantee, during any broadcast, shall cut off the airing of speech, play, act or 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: *Provided, further*, That willful failure to do so shall 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 as well as accept on-the-job trainees in their radio and  
 10       television station operations: *Provided*, That priority shall be  
 11       accorded to the residents of the place where their principal office  
 12       is located: *Provided, further*, That the grantee shall follow the  
 13       applicable labor standards and allowance entitlement under existing  
 14       labor laws, rules and regulations and similar issuances: *Provided*,  
 15       *finally*, That the employment opportunities or jobs created shall be  
 16       reflected in the General Information Sheet (GIS) to be submitted to  
 17       the Securities 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 rights  
 21       and privileges acquired thereunder to any person, firm, company,  
 22       corporation, or other commercial or legal entity, nor merge with any  
 23       other corporation or entity, nor the controlling interest of the grantee  
 24       be transferred, simultaneously or contemporaneously, to any person,  
 25       firm, company, corporation, or entity without the prior approval of  
 26       the Congress of the Philippines. Congress shall be informed of any  
 27       sale, lease, transfer, grant of usufruct, or assignment of franchise or  
 28       the rights and privileges acquired thereunder, or of the merger or  
 29       transfer of the controlling interest of the grantee, within sixty (60)

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

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

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

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

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

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

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

19 SEC. 15. *Repealability and Nonexclusivity Clause.* – This  
20 franchise shall be subject to amendment, alteration, or repeal by the  
21 Congress of the Philippines when the public interest so requires and  
22 shall not be interpreted as an exclusive grant of the privileges herein  
23 provided for.

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

27 SEC. 17. *Repealing Clause.* – All laws, decrees, orders,  
28 resolutions, instructions, rules and regulations, and other issuances

1 or parts thereof which are inconsistent with the provisions of this Act  
2 are hereby repealed, amended, or modified accordingly.

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

Approved,

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