

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

Eighteenth Congress
First Regular Session

House Bill No. 6748



Introduced by: Representative Gil "Kabarangay Jr." A. Acosta

EXPLANATORY NOTE

This Bill seeks to renew the franchise granted to Palawan Broadcasting Corporation to install, construct, operate and maintain commercial radio and television broadcasting stations in the Philippines for another twenty-five (25) years.

Palawan Broadcasting Corporation has been previously authorized and granted the authority to operate, maintain and establish radio and television broadcasting stations throughout the Philippines under Republic Act No. 8060.

Section 24, Article II of the 1987 Constitution explicitly provides that "The State recognizes the role of communication and information in nation-building." Communication and media play a vital role in the development and growth of our country particularly in the remote areas in the Philippines.

The renewal of Palawan Broadcasting Corporation's franchise holds great meaning and significance to the public especially to the Palawenos brought about by Palawan Broadcasting Corporation's role in providing entertainment, education and information.

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


Gil "Kabarangay Jr." A. Acosta
Representative, 3rd District of Palawan

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AN ACT RENEWING THE FRANCHISE GRANTED TO PALAWAN BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8060 ENTITLED ‘AN ACT GRANTING THE PALAWAN BROADCASTING CORPORATION A FRANCHISE TO INSTALL, CONSTRUCT, OPERATE AND MAINTAIN COMMERCIAL RADIO AND TELEVISION BROADCASTING STATIONS THROUGHOUT THE PHILIPPINES’ FOR TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT

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

3
4 ***Section 1. Nature and Scope of the Franchise.*** – Subject to the provisions
5 of the 1987 Philippine Constitution and applicable laws, rules and regulations, the
6 franchise granted to Palawan Broadcasting Corporation hereunder referred to as the
7 grantee, its successors or assignees, under Republic Act No. 8060, to install,
8 construct, operate and maintain for commercial purposes and in the public interest
9 radio and/or television broadcasting stations, including digital and pay television
10 system, through microwave, satellite or whatever means, as well as the use of any
11 new technology in television and radio systems, with the corresponding
12 technological auxiliaries and facilities, special broadcast and other program and
13 distribution services and relay stations, and to install radio communication
14 facilities for the grantee’s private use in its broadcast services in the Philippines is
15 hereby extended for another twenty-five (25) years from the effectivity of this Act.
16

17 ***Section 2. Manner of Operation of Stations or Facilities.*** – The stations or
18 facilities of the grantee shall be constructed and operated in a manner as will, at
19 most, result only in the minimum interference on the wavelengths or frequencies of
20 existing stations or other stations which may be established by law, without in any
21 way diminishing its own right to use its selected wavelengths or frequencies and
22 the quality of transmission or reception thereon as should maximize rendition of
23 the grantee’s services and/or availability thereof.

24
25 **Section 3. Prior Approval of the National Telecommunications**
26 **Commission.** – The grantee shall secure from the National Telecommunications
27 Commission (NTC) the appropriate permits and licenses for the construction and
28 operation of its stations and facilities and shall not use any frequency in the
29 radio/television spectrum without authorization from the NTC. The NTC, however,
30 shall not unreasonably withhold or delay the grant of any such authority.

31
32 **Section 4. Responsibility to the Public.** – The grantee shall provide, free of
33 charge, adequate public service time which is reasonable and sufficient to enable
34 the government, through the broadcasting stations or facilities of the grantee, to
35 reach the pertinent populations or portions thereof, on important public issues and
36 relay important public announcements and warnings concerning public
37 emergencies and calamities, as necessity, urgency or law may require; provide at
38 all times sound and balanced programming; promote public participation such as in
39 community programming; assist in the functions of public information and
40 education; conform to the ethics of honest enterprise; promote audience sensibility
41 and empowerment including closed captioning; and not use its stations or facilities
42 for the broadcasting of obscene and indecent language, speech, act or scene, or for
43 the dissemination of deliberately false information or willful misrepresentation, or
44 to the detriment of the public interest, or to incite, encourage, or assist in
45 subversive or treasonable acts.

46
47 Public service time referred herein shall be equivalent to a maximum
48 aggregate of ten percent (10%) of paid commercials or advertisements which shall
49 be allocated based on need, to the Executive and Legislative branches, the
50 Judiciary, Constitutional Commissions, and international humanitarian
51 organizations duly recognized by statutes: Provided, That the NTC shall increase
52 the public service time in case of extreme emergency or calamity. The NTC shall
53 issue rules and regulations for this purpose, the effectivity of which shall
54 commence upon applicability with other similarly situated broadcast network
55 franchise holders.

56
57 **Section 5. Right of Government.** – The radio spectrum is a finite resource
58 that is part of the national patrimony and the use thereof is a privilege conferred
59 upon the grantee by the State and may be withdrawn any time after due process.

60
61 A special right is hereby reserved to the President of the Philippines, in
62 times of war, rebellion, public peril, calamity, emergency, disaster or disturbance
63 of peace and order, to temporarily take over and operate the stations of the grantee,
64 to temporarily suspend the operation of any station in the interest of public safety,
65 security and public welfare; or to authorize the temporary use and operation thereof
66 by any agency of the Government, upon due compensation to the grantee, for the
67 use of said stations during the period when they shall be so operated.

68
69 **Section 6. Term of Franchise.** – This franchise shall be for a term of
70 twenty-five (25) years from the date of effectivity of this Act, unless sooner
71 revoked or cancelled. This franchise shall be deemed ipso facto revoked in the
72 event the grantee fails to operate continuously two (2) years.

73
74 **Section 7. Self-Regulation by and Undertaking of Grantee.** – The grantee
75 shall not require any previous censorship of any speech, play, act or scene, or other
76 matter to be broadcasted from its stations: *Provided*, That the grantee, during any
77 broadcast, shall cut off from the air the speech, play, act or scene, or other matter
78 being broadcast if the tendency thereof is to propose and/or incite treason,
79 rebellion or sedition; or the language used therein or the theme thereof is indecent
80 or immoral: *Provided, further*, That willful failure to do so shall constitute a valid
81 cause for the revocation or cancellation of this franchise.

82
83 **Section 8. Warranty in Favor of National and Local Governments.** - The
84 grantee shall hold the national, provincial, city, and municipal governments of the
85 Philippines free from all claims, liabilities, demands, or actions arising out of
86 accidents, causing injury to persons or damage to properties, during the
87 construction or operation of the stations of the grantee.

88
89 **Section 9. Commitment to Provide and Promote the Creation of**
90 **Employment Opportunities.** – The grantee shall create employment opportunities
91 and shall allow on-the-job trainings in their franchise operation: *Provided*, That
92 priority shall be accorded to the residents in areas where any of its offices is
93 located: *Provided, further*, That the grantee follow the applicable labor standards
94 and allowance entitlement under existing labor laws, rules and regulations and
95 similar issuances: *Provided, finally*, That the employment opportunities or jobs
96 created shall be reflected in the General Information Sheet to be submitted to the
97 Securities and Exchange Commission (SEC) annually.

98
99 **Section 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.** -
100 The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this
101 franchise or the rights and privileges acquired thereunder to any person, firm,
102 company, corporation or other commercial or legal entity, nor merge with any
103 other corporation or entity, nor shall transfer the controlling interest in the grantee,
104 simultaneously or contemporaneously, to any such person, firm, company,
105 corporation or entity without the prior approval of the Congress of the Philippines.
106 Congress shall be informed of any sale, lease, transfer, grant of usufruct, or
107 assignment of franchise or the rights and privileges acquired thereunder, or of the
108 merger or transfer of the controlling interest of the grantee, within sixty (60) days
109 after the completion of the said transaction. Failure to report to the Congress such
110 change of ownership shall render the franchise *ipso facto* revoked. Any person or
111 entity to which this franchise is sold, transferred or assigned shall be subject to all
112 the same conditions, terms, restrictions and limitations of this Act.

113
114 **Section 11. Disposal of Ownership.** – In accordance with the constitutional
115 provision to encourage public participation in public utilities, the grantee shall
116 offer to Filipino citizens at least thirty percent (30%) or a higher percentage that
117 may hereafter be provided by law of its outstanding capital stock in any securities
118 exchange in the Philippines within five (5) years from the commencement of its
119 operations: *Provided*, That in cases where public offer of shares is not applicable,
120 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.

Section 12. Reportorial Requirement. – During the term of its franchise, 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 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 every year.

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 and 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.

Section 13. 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.

Section 14. Equality Clause. – Except for taxes and customs duties, 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.

Section 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 for.

Section 16. Separability Clause. - If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

Section 17. Repealing Clause. – All laws, decrees, orders, resolutions, instructions, rules and regulations, and other issuance or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

Section 18. Effectivity . - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

170 Approved,
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