



HOUSE OF REPRESENTATIVES

H. No. 4581

BY REPRESENTATIVES JIMENEZ, ALVAREZ (F.), SALCEDA AND
MARQUEZ, PER COMMITTEE REPORT NO. 11

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO GOLDEN BROADCAST
PROFESSIONAL, INC. UNDER REPUBLIC ACT NO. 8025,
ENTITLED "AN ACT GRANTING THE GOLDEN BROADCAST
PROFESSIONAL, INC., A FRANCHISE TO CONSTRUCT,
MAINTAIN AND OPERATE A STATION FOR FM RADIO
AND TELEVISION BROADCASTING IN THE ISLAND OF
MINDANAO", AND EXPANDING ITS COVERAGE TO THE
ENTIRE PHILIPPINES

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

1 SECTION 1. *Nature and Scope of Franchise.* – Subject to the
2 provisions of the Constitution and applicable laws, rules and
3 regulations, the franchise granted to Golden Broadcast Professional,
4 Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 8025, to construct, install,
6 establish, operate, and maintain for commercial purposes and in the
7 public interest, radio and/or television broadcasting stations,
8 including digital television system, through microwave, satellite or
9 whatever means as well as the use of any new technology in
10 television and radio systems, with the corresponding technological
11 auxiliaries and facilities, special broadcast and other program and
12 distribution services and relay stations in the Philippines, is hereby

1 renewed for another twenty-five (25) years from the effectivity of
2 this Act.

3 SEC. 2. *Manner of Operation of Stations or Facilities.* – The
4 stations or facilities of the grantee shall be constructed and
5 operated in a manner as will, at most, result only in the minimum
6 interference on the wavelengths or frequencies of existing stations
7 or other stations which may be established by law, without in any
8 way diminishing its own privilege to use its assigned wavelengths
9 or frequencies and the quality of transmission or reception thereon
10 as should maximize rendition of the grantee's services and/or the
11 availability thereof.

12 SEC. 3. *Prior Approval of the National Telecommunications*
13 *Commission.* – The grantee shall secure from the National
14 Telecommunications Commission (NTC) the appropriate permits
15 and licenses for the construction and operation of its stations or
16 facilities and shall not use any frequency in the radio/television
17 spectrum without authorization from the NTC. The NTC, however,
18 shall not unreasonably withhold or delay the grant of any such
19 authority.

20 The grantee shall not dispose or lease its facilities except to
21 entities with radio or television broadcasting franchise: *Provided,*
22 That the grantee shall inform and secure written authorization to
23 proceed from the NTC, and report the transaction to the NTC
24 within sixty (60) days after its completion: *Provided, further,* That
25 the NTC shall determine the corresponding sanction for any
26 violation of this provision.

27 SEC. 4. *Responsibility to the Public.* – The grantee shall
28 provide, free of charge, adequate public service time which is
29 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. *Terms 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. *Renewal or Extension of Franchise.* – The grantee shall apply for the renewal or extension of its franchise five (5) years before its expiration, reckoned from fifteen (15) days after the publication of the franchise in the *Official Gazette* or in a newspaper of general circulation.

SEC. 8. *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

1 immoral: *Provided, further,* That willful failure to do so shall
2 constitute a valid cause for the cancellation of this franchise.

3 SEC. 9. *Warranty in Favor of the National and Local*
4 *Governments.* – The grantee shall hold the national, provincial,
5 city, and municipal governments of the Philippines free from all
6 claims, liabilities, demands, or actions arising out of accidents
7 causing injury to persons or damage to properties, during the
8 construction or operation of the stations of the grantee.

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

20 SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or*
21 *Assignment of Franchise.* – The grantee shall not sell, lease,
22 transfer, grant the usufruct of, nor assign this franchise or the
23 rights and privileges acquired thereunder to any person, firm,
24 company, corporation, or other commercial or legal entity, nor
25 merge with any other corporation or entity, nor the controlling
26 interest of the grantee be transferred, simultaneously or
27 contemporaneously, to any person, firm, company, corporation, or
28 entity without the prior approval of the Congress of the Philippines.
29 Congress shall be informed of any sale, lease, transfer, grant of

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

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

21 SEC. 13. *Reportorial Requirement.* – The grantee shall
22 submit an annual report to the Congress of the Philippines, through
23 the Committee on Legislative Franchises of the House of
24 Representatives and the Committee on Public Services of the
25 Senate, on its compliance with the terms and conditions of the
26 franchise and on its operations on or before April 30 of every year
27 during the term of its franchise.

28 The annual report shall include an update on the roll-out,
29 development, operation and/or expansion of business; audited

1 financial statements; latest GIS officially submitted to the SEC, if
 2 applicable; certification of the NTC on the status of its permits and
 3 operations; and an update on the dispersal of ownership
 4 undertaking, if applicable.

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

8 SEC. 14. *Fine.* – Failure of the grantee to submit the
 9 requisite annual report to Congress shall be penalized by a fine of
 10 Five hundred pesos (P500.00) per working day of noncompliance.
 11 The fine shall be collected by the NTC from the delinquent franchise
 12 grantee separate from the reportorial penalties imposed by the NTC
 13 and the same shall be remitted to the National Treasury.

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

23 SEC. 16. *Repealability and Nonexclusivity Clause.* – This
 24 franchise shall be subject to amendment, alteration, or repeal by the
 25 Congress of the Philippines when the public interest so requires and
 26 shall not be interpreted as an exclusive grant of the privileges
 27 herein provided for.

1 SEC. 17. *Separability Clause.* – If any of the sections or
 2 provisions of this Act is held invalid, all other provisions not
 3 affected thereby shall remain valid.

4 SEC. 18. *Repealing Clause.* – All laws, decrees, orders,
 5 resolutions, instructions, rules and regulations, and other issuances
 6 or parts thereof which are inconsistent with the provisions of this
 7 Act are hereby repealed, amended, or modified accordingly.

8 SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15)
 9 days after its publication in the *Official Gazette* or in a newspaper of
 10 general circulation.

Approved,

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