

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

EIGHTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 6124



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*Introduced by Rep. Wilfrido Mark M. Enverga*

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**EXPLANATORY NOTE**

This bill seeks the renewal of the Legislative Franchise granted to KAISSAR BROADCASTING NETWORK, INC. (KBNI) under Republic Act (RA) 8027 on the 27<sup>th</sup> of March in the year 1998.

Since it started operations KAISSAR BROADCASTING NETWORK has consistently provided its audience with variety of programs in the eleven (11) AM and FM stations around the country providing various entertainment, information and instructional programs for the public.

KAISSAR can only continue its contribution to the nation if its franchise is renewed. Hence the network earnestly seeks the grant of the renewal of its congressional franchise so that it can continue the operation and maintenance of its radio broadcast stations in the country.

  
WILFRIDO MARK M. ENVERGA

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**AN ACT RENEWING THE FRANCHISE GRANTED TO KAISSAR BROADCASTING NETWORK, INC.(KBNI) UNDER REPUBLIC ACT NO. 8027, ENTITLED "AN ACT GRANTING A FRANCHISE TO THE KAISSAR BROADCASTING NETWORK, INC. (KBNI), TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, MANAGE AND MAINTAIN A NETWORK OF RADIO AND TELEVISION STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES", FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT**

*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, there is hereby granted to the KAISSAR BROADCASTING NETWORK, INC., its successors or assigns and hereunder referred to as the grantee, a franchise to construct, establish, maintain and operate for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines with the corresponding technological auxiliary equipment, special broadcast, and other broadcast distribution services and relay stations for another twenty-five (25) years from the effectivity of this Act.

**SECTION 2. Manner of Operation of Stations or Facilities.** — The stations or facilities of the grantee shall be so constructed and operated in a manner as will avoid interference on the wavelengths or frequencies of authorized users, whether for broadcasting or telecommunications purposes, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception of thereon should maximize rendition of the grantee's services and/or the availability thereof.

**SECTION 3. Radio Spectrum.** — The radio spectrum is a finite resource that is part of the national patrimony and the use of thereof is a privilege conferred upon the grantee by the State that maybe withdrawn or modified in the public interest at any time after due process.



**SECTION 4. Prior Approval of the National Telecommunications Commission.** — The grantee shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses for its stations and shall not use any frequency in the radio/television spectrum without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

**SECTION 5. Responsibility to the Public.** — The grantee shall provide reasonable and adequate public service time to enable the government, through the said broadcasting stations, to reach the population on important public issues; provide at all times sound and balanced programming; promote public participation such as in community programming; assist in the functions of public information and education, conform to the ethics of honest enterprise; 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 public interest; or to incite, encourage, or assist in subversive or treasonable acts.

**SECTION 6. Right of the 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.

**SECTION 6. Term of Franchise.** — This franchise shall be for a term of twenty-five (25) years from the date of 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.

**SECTION 7. 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 after the approval of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

**SECTION 8. Tax Provisions.** — The grantee, its successors or assigns shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns shall pay a value-added tax on sale of services; pursuant to the relevant provisions of the National Internal Revenue Code (RA 8424), as amended: provided that the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code, as amended, pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed in which case the amendment or repeal shall be applicable thereto.



**SECTION 9. Self-regulation by and Undertaking of the Grantee.** — The grantee shall not require any prior censorship in any speech, play, act or scene or other matter to be broadcast or telecast from its stations: provided, that the grantee during any broadcast or telecast may cut off from the air any speech, play, act or scene or other matter being broadcast or telecast if the tendency thereof is to propose and/or incite treason, rebellion or sedition or the language used therein is indecent or immoral, and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

**SECTION 10. Warranty in Favor of the National and Local Governments.** — The grantee shall hold the national, provincial, city, and municipal governments of the Philippines free or harmless 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.

**SECTION 11. Sale, Lease, Transfer, Usufruct etc.** — The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, nor the rights or privileges acquired thereunder to any person, firm, company, partnership, corporation or other commercial or legal entity, nor merge with any other person, firm, company, partnership or corporation not otherwise enfranchised for broadcasting services without the prior approval of the Congress of the Philippines. Provided, that Congress shall be informed of any sale, lease, transfer, grant of usufruct of, or assignment of franchise or 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 the this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

**SECTION 12. 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.

**SECTION 13. 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 every year during the term of its franchise. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

**SECTION 14. Equality Clause.** — Any advantage, favor, privilege, exemption, or immunity granted under existing franchise, or which may hereafter be granted for radio and/or television broadcasting, upon prior review and approval of Congress, shall automatically become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: *Provided, however,* That the foregoing shall not apply to nor affect provisions of broadcasting franchises concerning territory covered by 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.

**SECTION 12. 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 13. 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. This franchise shall not be interpreted to mean as an exclusive grant of the privileges herein provided for.

**SECTION 14. Effectivity Clause.** — This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) national newspapers of general circulation in the Philippines.

*Approved,*