

**EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session**



Senate
Office of the Secretary

20 MAR -5 P1:38

**SENATE
S.B. No. 1403**

RECEIVED

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO ABS-CBN BROADCASTING CORPORATION, PRESENTLY
KNOWN AS ABS-CBN CORPORATION, UNDER REPUBLIC ACT NO. 7966,
ENTITLED "AN ACT GRANTING THE ABS-CBN BROADCASTING
CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND
MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN THE
PHILIPPINES, AND FOR OTHER PURPOSES"**

EXPLANATORY NOTE

In 1953, the Philippines made its first commercial broadcast making it the first Southeast Asian country and 2nd in Asia to do so. This is attributed to the then Alto Broadcasting System, the nucleus of the present ABS-CBN Corporation, and its hardworking Filipino engineers.

ABS-CBN Corporation is reportedly the largest entertainment and media conglomerate in terms of revenue, operating income, net income, assets, equity, market capitalization, and number of employees¹². It owns and operates both national and regional television and radio networks. It also distributes international television channels. In recent years, the corporation ventured in other businesses such as over-the-top platform, and digital terrestrial television service.

¹ Lucas, Daxim (23 June 2012). TV5 losses double to P4.1B in 2011. In Philippine Daily Inquirer

² Gonzales, David (17 July 1999). Philippines Indie VIVA Music Group. International Newswire... in Billboard

In 2018, the Corporation contributed, in estimate, an amount of P2.5-B in various taxes paid to the government³.

On May 4, 2020, the franchise granted to ABS-CBN Corporation by virtue of Republic Act No. 7966, otherwise known as "An Act Granting the ABS-CBN Broadcasting Corporation A Franchise To Construct, Install, Operate and Maintain Television And Radio Broadcasting Stations In The Philippines, And For Other Purposes", will expire. This bill seeks to renew the franchise of ABS-CBN Corporation for another 25 years. Further, it lays additional provisions so that public service is truly ensured and accountability is better guaranteed. Further, this proposed measure is a step towards the social protection of the more than eleven thousand employees⁴ of the Corporation.

In view of the foregoing, immediate consideration of this bills is earnestly sought.


RAMON BONG REVILLA, JR.
Senator

³ Senate Committee on Public Services Public Hearing, February 24, 2020. TSN p. 154

⁴ SEC Form 17-A (11 April 2019)

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[Signature]

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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ABS-CBN BROADCASTING CORPORATION, PRESENTLY KNOWN AS ABS-CBN CORPORATION, UNDER REPUBLIC ACT NO. 7966, ENTITLED "AN ACT GRANTING THE 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 House of Representatives of the Congress assembled:

1 Section 1. Section 1 of Republic Act No. 7966 is hereby amended to read as
2 follows:

3
4 "Section 1. *Nature and Scope of Franchise.* – Subject to the
5 provisions of the Constitution and applicable laws, rules and
6 regulations, [~~the ABS-CBN Broadcasting Corporation, hereunder~~
7 ~~referred to as the grantee, its successors or assigns, is hereby~~
8 ~~granted a franchise]~~ **THE FRANCHISE GRANTED UNDER**
9 **REPUBLIC ACT NO. 7966 TO ABS-CBN BROADCASTING**
10 **CORPORATION, PRESENTLY KNOWN AS ABS-CBN**
11 **CORPORATION, HEREUNDER REFERRED TO AS THE**
12 **GRANTEE, ITS SUCCESSORS OR ASSIGNEES** to construct,
13 **INSTALL, ESTABLISH, operate and maintain, for commercial**

1 purposes and in the public interest, television and radio
2 broadcasting stations in and throughout the Philippines, through
3 microwave, satellite or whatever means including the use of any
4 new technologies in television and radio systems with the
5 corresponding technological auxiliaries or facilities, special
6 broadcast and other broadcast distribution services and relay
7 stations[.], **IS HEREBY RENEWED FOR ANOTHER TWENTY-**
8 **FIVE YEARS."**

9
10 Sec. 2. Sec. 2 of Republic Act No. 7966 is hereby amended to read as follows:

11
12 "Sec. 2. *Manner of Operation of Stations or Facilities.* – The
13 existing and future stations or facilities of the grantee shall be
14 constructed in a manner as will at most result in the minimum
15 interference on the wavelengths or frequencies of [~~the other~~]
16 existing station**S** or **OTHER** stations which may be established by
17 law without in any way diminishing its own right to use its [~~selected~~]
18 **ASSIGNED** wavelengths or frequencies and the quality of
19 transmission or reception thereon as should maximize rendition of
20 the grantee's services and/or the availability thereof."

21
22 Sec. 3. Section 3 of Republic Act No. 7966 is hereby amended to read as
23 follows:

24
25 "Sec. 3. [~~Prior Approval~~] **AUTHORITY** of the National
26 *Telecommunications Commission.* – The grantee shall secure from
27 the National Telecommunications Commission (**NTC**) the
28 appropriate permits and licenses for its stations **OR FACILITIES**
29 and shall not use any frequency in the television or radio spectrum
30 without [~~having been authorized by the Commission~~]
31 **AUTHORIZATION FROM THE NTC.** The [~~Commission~~] **NTC**,
32 however, shall not unreasonably withhold or delay the grant of any
33 such authority.

1 IN CASE OF VIOLATION/S OF ANY OF THE PROVISIONS OF
2 THIS FRANCHISE, THE NTC SHALL HAVE THE AUTHORITY TO
3 REVOKE OR SUSPEND, AFTER DUE PROCESS, THE
4 PERMITS, OR LICENSES ISSUED BY NTC PURSUANT TO THE
5 FRANCHISE.
6

7 Sec. 4. Section 4 of Republic Act No. 7966 is hereby amended to read as
8 follows:
9

10 "Sec. 4. *Responsibility to the Public.* – The grantee shall provide
11 **FREE OF CHARGE**, adequate public service time to enable the
12 government, through the said broadcasting stations, to reach the
13 **PERTINENT** populationS OR PORTIONS THEREOF, on important
14 public issues; **AND RELAY IMPORTANT PUBLIC**
15 **ANNOUNCEMENTS AND WARNINGS CONCERNING PUBLIC**
16 **EMERGENCIES AND CALAMITIES, AS NECESSITY, URGENCY**
17 **OR LAW MAY REQUIRE**; provide at all times sound and balanced
18 programming; promote public participation [such as in community
19 programming]; assist in the functions of public information and
20 education; conform to the ethics of honest enterprise; **PROMOTE**
21 **AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING**
22 **CLOSED CAPTIONING**; and not use its stations for the
23 broadcasting of obscene and indigent language, speech, act, [or]
24 scene[,] or for the dissemination of deliberately false information or
25 willful misrepresentation to the detriment of the public interest, or to
26 incite, encourage, or assist in subversive or treasonable acts.

27 **PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE**
28 **EQUIVALENT TO A MAXIMUM AGGREGATE OF TEN PERCENT**
29 **(10%) OF THE PAID COMMERCIALS OR ADVERTISEMENTS**
30 **WHICH SHALL BE ALLOCATED BASED ON NEED TO THE**
31 **EXECUTIVE AD LEGISLATIVE BRANCHES, THE JUDICIARY,**
32 **CONSTITUTIONAL COMMISSIONS AND INTERNATIONAL**
33 **HUMANITARIAN ORGANIZATIONS DULY RECOGNIZED BY**
34 **STATUTES: PROVIDED, THAT THE NTC SHALL INCREASE**

1 THE PUBLIC SERVICE TIME IN CASE OF EXTREME
2 EMERGENCY OR CALAMITY. THE NTC SHALL ISSUE RULES
3 AND REGULATIONS FOR THIS PURPOSE, THE EFFECTIVITY
4 OF WHICH SHALL COMMENCE UPON APPLICABILITY WITH
5 OTHER SIMILARLY SITUATED BROADCAST NETWORK
6 FRANCHISE HOLDERS.”
7

8 Sec. 5. Section 5 of Republic Act No. 7966 is hereby amended to read as
9 follows:
10

11 “Sec. 5. *Right of Government.* – THE RADIO SPECTRUM IS A
12 FINITE RESOURCE THAT IS PART OF THE NATIONAL
13 PATRIMONY AND THE USE THEREOF IS A PRIVILEGE
14 CONFERRED UPON THE GRANTEE BY THE STATE AND MAY
15 BE WITHDRAWN ANY TIME AFTER DUE PROCESS.

16 “A special right is hereby reserved to the President of the
17 Philippines, in time of rebellion, public peril, calamity, emergency,
18 disaster or disturbance of peace and order, to temporarily take over
19 and operate the stations of the grantee, to temporarily suspend the
20 operation of any station in the interest of public safety, security and
21 public welfare, or to authorize the temporary use and operation
22 thereof by any agency of the government, upon due compensation
23 to the grantee, for the use of the said stations during the period
24 when they shall be so operated.”
25

26 Sec. 6. Section 6 of Republic Act No. 7966 is hereby amended to read as
27 follows:
28

29 “Sec. 6. *Term of Franchise.* – The franchise shall be for a term
30 of twenty-five (25) years from the date of effectivity of this Act,
31 **UNLESS SOONER REVOKED OR CANCELLED. THIS**
32 **FRANCHISE SHALL BE DEEMED IPSO FACTO REVOKED IN**
33 **THE EVENT THE GRANTEE FAILS TO OPERATE**
34 **CONSTINUOUSLY FOR TWO (2) YEARS.”**

1
2 Sec. 7. Section 7 of Republic Act No. 7966 is hereby amended to read as
3 follows:

4
5 “Sec. 7. *Acceptance and Compliance.* – Acceptance of this
6 franchise shall be given in writing to **THE Congress OF THE**
7 **PHILIPPINES, THROUGH THE COMMITTEE ON LEGISLATIVE**
8 **FRANCHISES OF THE HOUSE OF REPRESENTATIVES AND**
9 **THE COMMITTEE ON PUBLIC SERVICES OF THE SENATE OF**
10 **THE PHILIPPINES** within sixty (60) days from the effectivity of this
11 Act. Upon giving such acceptance, the grantee shall exercise the
12 privileges granted under this Act, **NON-ACCEPTANCE SHALL**
13 **RENDER FRANCHISE VOID.**”

14
15 Sec. 8. Section 9 of Republic Act No. 7966 is hereby amended to read as
16 follows:

17
18 “Sec. 9. *Self-regulation by and Undertaking of Grantee.* — The
19 grantee shall not require any previous censorship of any speech,
20 play, act or scene, or other matter to be broadcast and/or telecast
21 from its stations: *Provided*, that the grantee, during any broadcast
22 and/or telecast, shall ~~[cut-off from]~~ **NOT ALLOW TO BE AIRED** ~~[the~~
23 ~~air]~~ the speech, play, act or scene, or other matter being broadcast
24 and/or telecast if the tendency thereof is to propose and/or incite
25 treason, rebellion or sedition; or the language used therein or the
26 theme thereof is indecent or immoral:~~—and]~~ **PROVIDED,**
27 **FURTHER, THAT** willful failure to do so shall constitute a valid
28 cause for the cancellation of this franchise.”

29
30 Sec. 9. Section 10 of Republic Act No. 7966 is hereby amended to read as
31 follows:

32
33 “Sec. 10. *Warranty in Favor of National and Local Governments.*
34 — The grantee shall hold the national, provincial, **CITY**, and

1 municipal governments of the Philippines [harmless] **FREE** from all
2 claims, [accounts,] **LIABILITIES**, demands or actions arising out of
3 accidents [or injuries, whether to property or to persons, caused by]
4 **CAUSING INJURY TO PERSONS OR DAMAGE TO**
5 **PROPERTIES, DURING** the construction or operation of the
6 stations of the grantee.”
7

8 Sec. 10. A new Section 11 is hereby inserted after Section 10 of Republic Act
9 No. 7966, to read as follows:
10

11 **“SEC. 11. COMMITMENT TO PROVIDE AND PROMOTE THE**
12 **CREATION OF EMPLOYMENT OPPORTUNITIES. – THE**
13 **GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITES**
14 **AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR**
15 **FRANCHISE OPERATION: PROVIDED, THAT PRIORITY SHALL**
16 **BE ACCORDED TO THE RESIDENTS IN AREAS WHERE ANY**
17 **OF ITS OFFICES IS LOCATED: PROVIDED, FURTHER, THAT**
18 **THE GRANTEE SHALL COMPLY WITH THE APPLICABLE**
19 **LABOR STANDARDS AND ALLOWANCE ENTITLEMENT**
20 **UNDER EXISTING LABOR LAWS, RULES AND REGULATIONS**
21 **AND SIMILAR ISSUANCES: PROVIDED, FINALLY, THAT THE**
22 **EMPLOYMENT OPPORTUNITIES OR JOBS CREATED SHALL**
23 **BE REFLECTED IN THE GENERAL INFORMATION SHEET TO**
24 **BE SUBMITTED TO THE SECURITIES AND EXCHANGE**
25 **COMMISSION (SEC) ANNUALLY.”**
26

27 Sec. 11. The present Section 11 of Republic Act No. 7966 is hereby
28 renumbered as Section 12 and amended to read as follows:
29

30 **“Sec. [14] 12. Sale, Lease, Transfer, GRANT OF Usufruct[,-etc.]**
31 **OR ASSIGNMENT OF FRANCHISE. —** The grantee shall not
32 **SELL**, lease, transfer, grant the usufruct of, [sell] nor assign this
33 franchise or the rights and privileges acquired thereunder to any
34 person, firm, company, corporation or other commercial or legal

1 entity, **NOR MERGE WITH ANY OTHER CORPORATION OR**
2 **ENTITY**, without the approval of the Congress of the
3 Philippines. **CONGRESS SHALLL BE INFORMED OF ANY**
4 **SALE, LEASE, TRANSFER, GRANT OF USUFRUCT, OR**
5 **ASSIGNMENT OF FRANCHISE OR THE RIGHTS AND**
6 **PRIVILEGES ACQUIRED THEREUNDER, OR OF THE MERGER**
7 **OR TRANSFER OF THE CONTROLLING INTEREST OF THE**
8 **GRANTEE, WITHIN SIXTY (60) DAYS AFTER THE**
9 **COMPLETION OF THE SAID TRANSACTION. FAILURE TO**
10 **REPORT TO CONGRESS SUCH CHANGE OF OWNERSHIP**
11 **SHALL RENDER THE FRANCHISE *IPSO FACTO* REVOKED.**
12 Any person or entity to which this franchise is sold, transferred or
13 assigned shall be subject to all the same conditions, terms, and
14 limitations of this Act.
15

16 Sec. 12. A new Section 13 is hereby inserted after Section 12 of Republic Act
17 No. 7966, to read as follows:
18

19 **"SEC 13. *COMPLIANCE TO REPUBLIC ACT NO. 8370.* -**
20 **PURSUANT TO RA 8370, THE GRANTEE SHALL ALLOT A**
21 **MINIMUM OF FIFTEEN (15%) OF THE DAILY TOTAL AIR TIME**
22 **OF EACH BROADCASTING NETWORK TO CHILD-FRIENDLY**
23 **SHOW/S WITHIN ITS REGULAR PROGRAMMING."**
24

25 Sec. 13. A new Section 14 is hereby inserted after new Section 13 of
26 this Act to read as follows:
27

28 **"SEC. 14. *DISPERSAL OF OWNERSHIP.* - IN**
29 **ACCORDANCE WITH THE CONSTITUTIONAL PROVISION TO**
30 **ENCOURAGE PUBLIC PARTICIPATION IN PUBLIC UTILITIES,**
31 **THE GRANTEE SHALL OFFER TO FILIPINO CITIZENS AT**
32 **LEAST THIRTY PERCENT (30%) OF A HIGHER PERCENTAGE**
33 **THAT MAY HEREAFTER BE PROVIDED BY LAW OF ITS**
34 **OUTSTANDING CAPITAL STOCK IN ANY SECURITIES**

1 EXCHANGE IN THE PHILIPPINES WITHIN FIVE (5) YEARS
2 FROM THE COMMENCEMENT OF ITS OPERATIONS:
3 *PROVIDED*, THAT IN CASES WHERE PUBLIC OFFER OF
4 SHARES IS NOT APPLICABLE, THE GRANTEE SHALL APPLY
5 OTHER METHODS OF ENCOURAGING PUBLIC
6 PARTICIPATION BY CITIZES AND CORPORATIONS
7 OPERATING PUBLIC UTILITIES AS ALLOWED BY LAW.
8 NONCOMPLIANCE THEREWITH SHALL RENDER THE
9 FRANCHISE *IPSO FACTO* REVOKED.”

10
11 Sec. 14. A new Section 15 is hereby inserted after the new Section 14 of
12 Republic Act No. 7966, to read as follows:

13
14 “SEC. 15. *REPORTORIAL REQUIREMENT.* – DURING THE
15 TERM OF ITS FRANCHISE, THE GRANTEE SHALL SUBMIT AN
16 ANNUAL REPORT TO THE CONGRESS OF THE PHILIPPINES,
17 THROUGH THE COMMITTEE ON LEGISLATIVE FRANCHISES
18 OF THE HOUSE OF REPRESENTATIVES AND THE
19 COMMITTEE ON PUBLIC SERVICES OF THE SENATE, ON ITS
20 COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE
21 FRANCHISE AND ON ITS OPERATIONS ON OR BEFORE APRIL
22 30 OF EVERY YEAR.

23
24 “THE ANNUAL REPORT SHALL INCLUDE AN UPDATE ON
25 THE ROLL-OUT, DEVELOPMENT, OPERATION, OR
26 EXPANSION OF BUSINESS; AUDITED FINANCIAL
27 STATEMENTS; LATEST GENERAL INFORMATION SHEET
28 OFFICIALLY SUBMITTED TO THE SEC (IF APPLICABLE);
29 CERTIFICATION OF THE NTC ON THE STATUS OF ITS
30 PERMITS AND OPERATIONS; AND AN UPDATE ON THE
31 DISPERSAL OF ITS OWNERSHIP UNDERTAKING, IF
32 APPLICABLE.

1 **"THE REPORTORIAL COMPLIANCE CERTIFICATE ISSUED**
2 **BY CONGRESS SHALL BE REQUIRED BEFORE AN**
3 **APPLICATION FOR PERMIT, CERTIFICATE, OR ANY**
4 **EQUIVALENT THEREOF, IS ACCEPTED BY THE NTC."**

5
6 Sec. 15. A new Section 16 is hereby inserted after the new Section 15 of
7 Republic Act No. 7966, to read as follows:

8
9 **"SEC. 16. *FINE.* – FAILURE OF THE GRANTEE TO SUBMIT**
10 **THE REQUISITE ANNUAL REPORT TO CONGRESS SHALL BE**
11 **PENALIZED BY A FINE OF FIVE HUNDRED PESOS (P500.00)**
12 **PER WORKING DAY OF NON-COMPLIANCE. THE FINE SHALL**
13 **BE COLLECTED BY THE NTC FROM THE DELINQUENT**
14 **FRANCHISE GRANTEE SEPARATE FROM THE REPORTORIAL**
15 **PENALTIES IMPOSED BY THE NTC AND THE SAME SHALL BE**
16 **REMITTED TO THE NATIONAL TREASURY."**

17
18 Sec. 16. A new Section 17 is hereby inserted after the new Section 16 of
19 Republic Act No. 7966, to read as follows:

20
21 **"SEC. 17. *EQUALITY CLAUSE.* – ANY ADVANTAGE, FAVOR,**
22 **PRIVILEGE, EXEMPTION, OR IMMUNITY GRANTED UNDER**
23 **EXISTING FRANCHISES, OR WHICH MAY HEREAFTER BE**
24 **GRANTED FOR RADIO AND TELEVISION BROADCASTING,**
25 **UPON PRIOR REVIEW AND APPROVAL OF CONGRESS,**
26 **SHALL BECOME PART OF THIS FRANCHISE AND SHALL BE**
27 **ACCORDED IMMEDIATELY AND UNCONDITIONALLY TO THE**
28 **HEREIN GRANTEE: *PROVIDED,* THAT THE FOREGOING**
29 **SHALL NEITHER APPLY TO NOR AFFECT PROVISIONS OF**
30 **BROADCASTING FRANCHISES CONCERNING TERRITORIL**
31 **COVERAGE, THE TERM, OR THE TYPE OF SERVICE**
32 **AUTHORIZED UNDER THIS FRANCHISE."**

1 Sec. 17. *Repealability and Nonexclusivity Clauses.* – This franchise shall be
2 subject to amendment, alteration or repeal by the Congress of the Philippines when
3 the public interest so requires and shall not be interpreted as an exclusive grant of
4 the privileges herein provided for.

5
6 Sec. 18. *Separability Clause.* If any provision or part hereof, is held invalid or
7 unconstitutional, the remainder of the law or the provision not otherwise affected shall
8 remain valid and subsisting.

9
10 Sec. 19. *Repealing Clause.* – All laws, presidential decrees or issuances,
11 executive orders, letter of instructions, administrative order, rule or regulation contrary
12 to, or inconsistent with the provisions of this Act is hereby repealed, modified or
13 amended accordingly.

14
15 Sec. 20. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its
16 publication in at least two (2) newspapers of general circulation.

Approved.