

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

FIFTEENTH CONGRESS

First Regular Session

House Bill No. 4028

Introduced by **HON. JESUS CRISPIN C. REMULLA**

This bill seeks to renew the franchise granted to SBS Radio Network, Inc., under Republic Act No. 7397 entitled, "AN ACT GRANTING SBS RADIO NETWORK, INC., A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS IN THE PHILIPPINES AND FOR OTHER PURPOSES" enacted into law on 13 April 1992.

The term of the franchise of SBS Radio network, Inc., which is twenty-five (25) years, will expire in April 2017. The filing of this bill is very timely considering that it will undergo public hearings and consultations in the committee level and be processed thru the legislative mill. The renewal of its franchise is needed for long-term planning and capital investment due to the emerging technologies that make the broadcasting industry capital intensive.

Communications and media play a vital role in the development and growth of our country. The state policy is laid down in the 1987 Constitution which provides that "The state recognizes the vital role of communication and information in nation-building." A most effective means of communication and dissemination of information is broadcast media particularly radio in the remote places of the Philippine archipelago.

It is imperative that the government continue to play an active role in sustaining and encouraging the development of broadcast media.

In view of the foregoing, approval of this bill is earnestly requested.


JESUS CRISPIN C. REMULLA

Republic of the Philippines
HOUSE OF THE REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 4028

Introduced by **HON. JESUS CRISPIN REMULLA**

AN ACT RENEWING THE FRANCHISE GRANTED TO SBS RADIO NETWORK, INC. TO CONSTRUCT, MAINTAIN AND OPERATE RADIO BROADCASTING STATIONS IN THE PHILIPPINES UNDER REPUBLIC ACT NUMBERED SEVENTY THREE HUNDRED AND NINETY SEVEN TO ANOTHER TWENTY-FIVE YEARS FROM THE DATE OF APPROVAL OF THIS ACT

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

Section 1. Renewal of Franchise. – The franchise of the SBS Radio Network, Inc., its successors and assigns, hereinafter referred to as the grantee, to construct, maintain and operate radio broadcasting stations in the Philippines under Republic Act Numbered Seventy Three Hundred Ninety Seven, is hereby renewed to another twenty-five years from the date of approval of this Act.

Section 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 the existing stations or other stations which may be established in accordance with law of other telecommunications services grantees, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception thereof as should maximize rendition of the grantee's services and/or the availability thereof.

Section 3. Prior Approval of the National Telecommunications Commission. – The grantee shall secure from the National Telecommunications Commission 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 grant of any such authority.

Section 4. Responsibility to the Public. --- The grantee shall provide reasonable public service time to enable the Government, through 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 private 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 the public interest, or to incite, encourage, or assist in subversive or reasonable acts.

Section 5. 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 franchise tax equivalent to three percent (3%) of all gross receipts of the business transacted under this franchise by the grantee, its successors, or assigns: 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 (NIRC) 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.

The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the NIRC and the return shall be subject to audit by the Bureau of Internal Revenue.

Section 6. Self-regulation by and Undertaking of Grantee. --The grantee shall not require any previous censorship of any speech, play, act, scene, or other matter to be broadcast and/or telecast from its stations: Provided, That the grantee, during any broadcast and/or telecast shall cut off from the air the speech, play, act, 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; and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

Section 7. Sale, Lease, Transfer, Usufruct, etc. – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in part and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is validly sold or transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

Section 8. General Broadcast Policy. – The grantee shall comply with and be subject to the provisions of a general broadcast policy law which Congress may hereafter enact.

Section 9. Reportorial Requirement. – The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

Section 10. 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 11. Effectivity Clause. – This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,