

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 5227



Introduced by **REPS. FELICIANO BELMONTE, JR.,**
NEPTALI M. GONZALES II and MARCELINO R. TEODORO

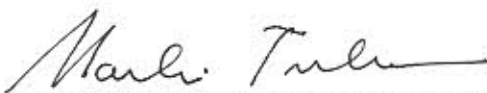
EXPLANATORY NOTE

Eagle Broadcasting Corporation (EBC), in its almost half a century of existence, recognizes and upholds the state policy that information and communication are vital in nation-building. Being such, EBC has been true to its legislative franchise granted under Republic Act No. 4916, and renewed under Republic Act No. 7299 the validity of which is until November 2, 2018.

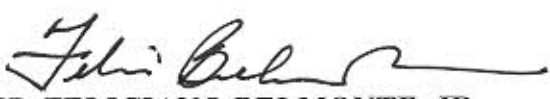
This measure recognizes EBC's faithful compliance to its mandate of providing quality public service to the Filipino society it serves through broadcasts with quality multifaceted content. EBC has been protective of the right of the public to information on matters that are of public concern as well as balanced news and content that uphold the morals and public policy of the society. Further, EBC has been proactive in environment, social and humanitarian concerns, promotion of historical and cultural heritages, promotion of original Filipino values and artistic creation and communitarianism. EBC's broadcasting expansion abroad through international bureaus and correspondents have opened up windows to the world for the Filipino society.

Having proven its responsibility in using its franchise, the renewal or extension of EBC's legislative franchise is most warranted to help it pursue and achieve its honorable broadcasting objectives.

The earliest passage, therefore, of this bill is earnestly sought.


REP. MARCELINO R. TEODORO
Representative
1st District, Marikina City


REP. NEPTALI M. GONZALES II
Representative
Lone District-Mandaluyong City


REP. FELICIANO BELMONTE, JR
Representative
4th District, Quezon City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 5227

**Introduced by REPS. FELICIANO BELMONTE, JR.,
NEPTALI M. GONZALES II and MARCELINO R. TEODORO**

AN ACT
RENEWING THE FRANCHISE GRANTED TO EAGLE BROADCASTING CORPORATION FOR ANOTHER TWENTY-FIVE (25) YEARS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4196, AS AMENDED BY REPUBLIC ACT NO. 7299

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

1 SECTION 1. Section 1 of Republic Act No. 4196 is amended to read as
2 follows:

3 “SECTION 1. *NATURE AND SCOPE OF FRANCHISE.* - SUBJECT TO THE
4 PROVISIONS OF THE 1987 PHILIPPINE CONSTITUTION AND APPLICABLE
5 LAWS, RULES, AND REGULATIONS, THE FRANCHISE GRANTED TO EAGLE
6 BROADCASTING CORPORATION HEREUNDER REFERRED TO AS GRANTEE,
7 AND/OR ITS SUCCESSORS AND ASSIGNS, TO CONSTRUCT, INSTALL,
8 ESTABLISH, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES AND
9 IN THE PUBLIC INTEREST, RADIO AND/OR TELEVISION BROADCASTING
10 STATIONS IN THE PHILIPPINES, WHERE FREQUENCIES AND/OR CHANNELS
11 ARE STILL AVAILABLE OR ARE ASSIGNED FOR RADIO AND/OR TELEVISION
12 BROADCASTING, INCLUDING DIGITAL TELEVISION AND/OR RADIO
13 SYSTEMS, THROUGH MICROWAVE, SATELLITE, OR THE USE OF ANY NEW
14 TECHNOLOGIES IN TELEVISION AND RADIO SYSTEMS, WITH THE
15 CORRESPONDING TECHNOLOGICAL AUXILIARIES AND/OR FACILITIES,

1 SPECIAL BROADCAST, AND OTHER PROGRAM AND DISTRIBUTION
2 SERVICES AND RELAY STATIONS, IS HEREBY RENEWED FOR ANOTHER
3 TWENTY-FIVE (25) YEARS FROM NOVEMBER 3, 2018.”

4 SEC. 2. *Manner of Operation of Stations of Facilities.* – The stations or
5 facilities of the grantee shall be constructed and operated in a manner as will,
6 at most, result only in the minimum interference on the wavelengths or
7 frequencies of existing stations or other stations which may be established by
8 law, without in any way diminishing its own right to use its selected
9 wavelengths or frequencies and the quality of transmission or reception
10 thereon as should maximize rendition of the grantee’s services and/or
11 availability thereof.
12

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

19 SEC. 4. *Responsibility to the Public.* - The Grantee shall provide adequate
20 public service time to enable the government, through the said broadcasting
21 stations or facilities, to reach the population on important public issues;
22 provide at all times sound and balanced programming; assist in the functions
23 of public information and education; conform to the ethics of honest enterprise;
24 and not use its stations and facilities for the broadcasting of obscene and
25 indecent language, speech, act or scene; or for the dissemination of deliberately
26 false information or willful misrepresentation, to the detriment of the public
27 interest, or to incite, encourage, or assist in subversive or treasonable acts.

1 SEC. 5. *Right of Government.* - A special right is hereby reserved to the
2 President of the Philippines, in times of war, rebellion, public peril, calamity,
3 emergency, disaster or disturbance of peace and order, to temporarily take over
4 and operate the stations or facilities of the grantee, to temporarily suspend the
5 operation of any station or facility in the interest of public safety, security and
6 public welfare, or to authorize the temporary use and operation thereof by any
7 agency of the government, upon due compensation to the grantee, for the use
8 of said stations or facilities during the period when they shall be so operated.

9 The radio spectrum is a finite resource that is part of the national
10 patrimony and the use thereof is a privilege conferred upon the Grantee by the
11 State and may be withdrawn anytime after due process.

12 SEC. 6. *Term of Franchise.* - This franchise shall be in effect for a period
13 of twenty-five (25) years, beginning on November 3, 2018, unless sooner
14 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the
15 grantee fails to operate continuously for two (2) years.

16
17 SEC. 7. *Acceptance and Compliance.* - Acceptance of this franchise shall
18 be given in writing to the Congress of the Philippines, through the Committee
19 on Legislative Franchises of the House of Representatives and the Committee
20 on Public Services of the Senate within sixty (60) days from the effectivity of
21 this Act. Upon giving such acceptance, the grantee shall exercise the privileges
22 granted under this Act. Non-acceptance shall render the franchise void.

23
24 SEC. 8. *Self-Regulation by and Undertaking of Grantee.* - The grantee
25 shall not require any previous censorship of any speech, play, act, or scene, or
26 other matter to be broadcast from its stations: *Provided*, That the grantee,
27 during any broadcast, shall cut off from the air the speech, play, act or scene,
28 or other matter being broadcast if the tendency thereof is to propose and/or

1 incite treason, rebellion or sedition; or the language used therein or the theme
2 thereof is indecent or immoral: *Provided, further,* That willful failure to do so
3 shall constitute a valid cause for the cancellation of this franchise.

4 SEC. 9. *Warranty in Favor of National and Local Governments.* - The
5 grantee shall hold the national, provincial, city and municipal governments of
6 the Philippines free from all claims, accounts, demands, or actions arising out
7 of accidents or injuries, whether to property or to persons, caused by the
8 construction or operation of the stations of the grantee.

9 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* -
10 The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this
11 franchise or the rights and privilege acquired thereunder to any person, firm,
12 company, corporation or other commercial or legal entity, nor merge with any
13 other corporation or entity, nor shall the controlling interest of the grantee be
14 transferred, whether as a whole or in parts and whether simultaneously or
15 contemporaneously, to any such person, firm, company, corporation or entity
16 without the prior approval of the Congress of the Philippines: *Provided,* That
17 Congress shall be informed of any lease, transfer, granting the usufruct of, sale
18 or assignment of franchise or the rights or privileges acquired within sixty (60)
19 days after the completion of said transaction: *Provided, further,* that failure to
20 report to Congress such change of ownership shall render the franchise *ipso*
21 *facto* revoked: *Provided, finally,* That any person or entity to which this
22 franchise is sold, transferred, or assigned, shall be subject to the same
23 conditions, terms, restrictions and limitations of this Act.

24 SEC. 11. *Dispersal of Ownership.* - In accordance with the
25 Constitutional provision to encourage public participation in public utilities,
26 the grantee shall offer to Filipino citizens at least ten per centum (10%) of its
27 outstanding capital stock or a higher percentage that may hereafter be

1 provided by law in any securities exchange in the Philippines within five (5)
2 years from the time it has achieved the status of a national broadcasting
3 network. A national broadcasting network is hereby defined as one that
4 operates at least three (3) radio/television stations. Noncompliance therewith
5 shall render the franchise *ipso facto* revoked.

6
7 SEC. 12. *General Broadcast Policy Law.* - The grantee shall comply with
8 and be subject to the provisions of a general broadcast policy law, which
9 Congress may hereafter enact.

10
11 SEC. 13. *Parity Clause.* - Any advantage, favor, privilege, exemption, or
12 immunity granted under existing franchise, or which may hereafter be granted
13 for radio and/or television broadcasting, upon prior review and approval of
14 Congress, shall become part of this franchise and shall be accorded
15 immediately and unconditionally to the herein grantee: *Provided however,* That
16 the foregoing shall neither apply to nor affect provisions of broadcasting
17 franchises concerning territory covered by the franchise, the life span of the
18 franchise or the type of service authorized by the franchise: *Provided further,*
19 That the foregoing shall not apply to sale, lease, transfer, grant of usufruct or
20 assignment of legislative franchise with prior Congressional approval.

21
22 SEC. 14. *Reportorial Requirement.* - The grantee shall submit an annual
23 report to the Congress of the Philippines, through the Committee on Legislative
24 Franchises of the House of Representatives and the Committee on Public
25 Services of the Senate, on its compliance with the terms and conditions of the
26 franchise and on its operations on or before April 30 of the succeeding year.

27
28 SEC. 15. *Penalty Clause.* - Any grantee who fails to submit the Annual
29 Report to Congress will be fined five hundred pesos (P500.00) per working day
30 of non-compliance. Said fine will be collected by NTC from said delinquent

1 franchise grantee separate from the reportorial penalties imposed by NTC. The
2 collected funds shall accrue to the monitoring fund of the NTC in line with its
3 supervisory and regulatory functions. The reportorial compliance certificate
4 issued by Congress shall be required before any application for permit or
5 certificate is accepted by NTC.

6
7 SEC. 16. *Separability Clause.* – If any of the sections or provisions of this
8 Act is held invalid, all other provisions not affected thereby shall remain valid.

9
10 SEC. 17. *Repealability and Non-exclusivity Clause.* – This franchise shall
11 be subject to amendment, alteration, or repeal by the Congress of the
12 Philippines when the public interest so requires and shall not be interpreted as
13 an exclusive grant of the privileges herein provided for.

14 SEC. 18. *Publication.* This Act shall be published, through the initiative
15 of the grantee, fifteen (15) days after this Act is signed by the President of the
16 Philippines or after it has lapsed into law.

17
18 SEC. 19. *Effectivity Clause.* – This Act shall take effect after its
19 publication in at least two (2) newspapers of general circulation in the
20 Philippines.

21 Approved,
22
23
24