



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **5749**

Introduced by: **REP. ELEANDRO JESUS F. MADRONA**

EXPLANATORY NOTE

The Subic Broadcasting Corporation was granted a franchise to construct, install, operate and maintain radio broadcasting stations in the Philippines effective May 21, 1992 under Republic Act 7511. The same law has given the grantee the rights, privileges, and authority to function for a period of twenty-five (25) years.

For forty-six years now, the Subic Broadcasting Corporation serves as an important instrument in information dissemination that bridges communication gaps among the populace of the country. It was able to provide sound and balanced programming, as rendered by its broadcasting stations, making information easily accessible to the general public. It has also frequently communicated with the people on important issues that concern the public interest.

In three years' time, the law that has given life and mandate to the Subic Broadcasting Corporation's existence and operation will expire. Therefore, this bill seeks to extend the term of the franchise of the Subic Broadcasting Corporation for another twenty-five (25) years from its original expiration date, for radio and television broadcast in Luzon, Visayas, and Mindanao.

In view of the foregoing, the passage of this bill is earnestly sought.

ELEANDRO JESUS F. MADRONA



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AN ACT

RENEWING THE FRANCHISE GRANTED TO SUBIC BROADCASTING CORPORATION UNDER REPUBLIC ACT. NO. 7511 ENTITLED "AN ACT GRANTING THE SUBIC BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS 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 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to Subic Broadcasting Corporation, hereunder referred to as the grantee, its successors or assignees, under Republic Act No. 7511 entitled "An act granting the Subic Broadcasting Corporation a franchise to construct, install, operate and maintain radio and television broadcasting stations in the Philippines and for other purposes", to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations, where frequencies and/or channels are still available for radio and/or televisions broadcasting, including digital television system, through microwave, satellite or whatever means, including the use of any new technologies in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in the Philippines, is hereby renewed 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 constructed and operated in a manner as will, at most, result only in the minimum interference on the wavelengths or frequencies of existing stations or other stations which may be established by law, without in any way diminishing its own privilege to use its

assigned wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's services and/or availability thereof.

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

SECTION 4. Responsibility to the Public. - The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations or facilities, to reach the population on important public issues; provide at all times sound and balanced programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations and facilities 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 treasonable acts.

SECTION 5. Right of 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.

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 anytime after due process.

SECTION 6. Term of Franchise. – This franchise shall be in effect for a period of twenty-five (25) years from the effectivity of the 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 new 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 from the effectivity of this Act. Upon giving such acceptance, the

grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

SECTION 8. Self-Regulation by and Undertaking of 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: Provided, That the grantee, during any broadcast, shall cut off from the air the 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 immoral: Provided, further, That willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SECTION 9. Warranty in Favor of National and Local Governments. - The grantee shall hold the national, provincial, city and municipal governments of the Philippines free 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 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise. - 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 other commercial or legal entity, nor merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in parts, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: Provided, That Congress shall be informed of any lease, transfer, granting the usufruct of, sale or assignment of franchise or the rights or privileges acquired thereunder, or the merger, or transfer of the controlling interest, 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 this franchise is sold, transferred or assigned, shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

SECTION 11. Dispersal of Ownership. - In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty per cent (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital stock in any securities exchange in the Philippines within five (5) years from the commencement of its operations: Provided, That in cases where public offer of shares is not applicable, establishment of cooperatives and other methods of encouraging public participation by citizens and corporations operating public utilities must be implemented. Noncompliance therewith shall render the franchise ipso facto revoked.

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. Penalty Clause – Failure of the grantee to submit the requisite annual report to Congress will be penalized by a fine in the amount of Five hundred pesos (P500.00) per working day of noncompliance. The fine will be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.

SECTION 15. Equality Clause. - Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio and/or television broadcasting, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: Provided, That the foregoing shall neither apply to nor affect the provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise or the type of service authorized by the franchise.

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

SECTION 17. Repealability and Nonexclusivity 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 18. Effectivity.– This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,