Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6323

Introduced by **REP. GIORGIDI B. AGGABAO**

EXPLANATORY NOTE

In 1995, Peñafrancia Broadcasting Corporation (PBC) was granted a legislative franchise to install, operate, and maintain, for educational and commercial purposes, radio and TV stations within the Bicol Region. For the past 20 years, PBC has been compliant with the provisions as contained in the legislative franchise and NTC permits it was able to secure, as it rolled out its broadcasting operations in the region.

After decades of responsible programming, PBC collaborated with Eagle Broadcasting Corporation to further the provision of morally uplifting and family-oriented and educational programs that suit the existing lifestyle of the Bicolanos.

It is also in this spirit that PBC aims to bring about progress in the region by utilizing broadcasting as its medium, in the context that technology has advanced a lot and development in the global and national arena is coming in a fast pace. PBC aspires to provide the Bicol Region with an alternative radio and TV station that showcases religious values while providing timely national and Bicolandia news and information.

Hence the passage of this bill is earnestly sought.

REP. GIORGIDI B. AGGABAO
4TH District, Isabela

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AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO PENAFRANCIA BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8166

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 under Republic Act No. 8166 entitled "An Act Granting Penafrancia Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain for Educational and Commercial Purposes, Radio and Television Broadcasting Stations Within the Bicol Region and For Other Purposes", to Penafrancia Broadcasting Corporation, hereunder referred to as the grantee, whose majority of the number of shares have been transferred to Eagle Broadcasting Corporation, to construct, install, establish, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations, 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 within the Bicol Region, is hereby renewed for another twenty-five (25) years to start on September 23, 2020.

SEC. 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.

SEC. 3. *Prior Approval of the National Telecommunications Commission (NTC).* – The grantee shall secure from the 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.

SEC. 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.

SEC. 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.

SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a period of twenty-five (25) years from September 23, 2020, 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.

SEC. 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. Non-acceptance shall render the franchise void.

SEC. 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 and 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:

Provided, further, That willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 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.

SEC. 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 privilege 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 sale, lease, transfer, grant of usufruct of, assignment of franchise or the rights or privileges acquired thereunder, or of the merger, or transfer of controlling interest of the grantee, within sixty (60) days after the completion of the 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.

SEC. 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.

SEC. 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.

SEC. 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 the franchise.

SEC. 14. *Penalty Clause.* – Failure to submit the annual report to Congress shall be penalized with a fine of five hundred pesos (P500.00) per working day of noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

SEC. 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, however,* That the foregoing shall neither apply to nor affect 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: *Provided, further,* That the foregoing shall not apply to sale, lease, transfer, or grant of usufruct of legislative franchise with prior congressional approval.

SEC. 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.

SEC. 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.

SEC. 18. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,