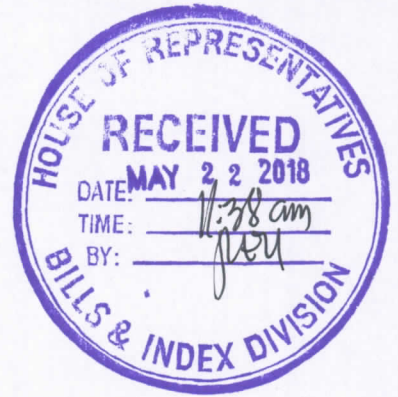


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session



COMMITTEE REPORT NO. 746

Submitted by the Committee on Legislative Franchises on **MAY 22 2018**

Re: House Bill No. **7754**

Recommending its approval in substitution of House Bill No. 6347

Sponsors: Representatives Franz E. Alvarez and Seth Frederick P. Jalosjos

MR. SPEAKER:

The Committee on Legislative Franchises to which was referred House Bill No. 4118, authored by Rep. Seth Frederick P. Jalosjos, entitled:

"AN ACT RENEWING THE FRANCHISE TO FIRST LOVE BROADCASTING NETWORK, INC., UNDER REPUBLIC ACT NO. 8100 ENTITLED "AN ACT GRANTING THE FIRST LOVE BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL FM AND AM RADIO STATIONS AND TELEVISION STATIONS IN THE VISAYAS AND MINDANAO" FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT"

has considered the same and recommends that the attached House Bill No. _____, entitled:

"AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST LOVE BROADCASTING NETWORK, INC. UNDER REPUBLIC ACT NO. 8100, ENTITLED "AN ACT GRANTING THE FIRST LOVE BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL FM AND AM STATIONS AND TELEVISION STATIONS IN THE VISAYAS AND MINDANAO"

be approved in substitution of House Bill No. 4118 with Reps. Seth Frederick P. Jalosjos and Franz E. Alvarez, as authors thereof.

Respectfully submitted:



FRANZ E. ALVAREZ

Chairman

Committee on Legislative Franchises

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7754

Introduced by REPS. SETH FREDERICK P. JALOSJOS and FRANZ E. ALVAREZ

AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO FIRST LOVE BROADCASTING NETWORK, INC. UNDER
REPUBLIC ACT NO. 8100, ENTITLED "AN ACT GRANTING THE FIRST LOVE
BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT,
ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL FM AND AM RADIO
STATIONS AND TELEVISION STATIONS IN THE VISAYAS AND MINDANAO"

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

1 SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of
2 the Constitution and applicable laws, rules and regulations, the franchise granted to
3 First Love Broadcasting Network, Inc. hereunder referred to as the grantee, its
4 successor or assignee, under Republic Act No. 8100 to construct, establish, maintain
5 and operate in the public interest and for commercial purposes, radio and/or
6 television broadcasting stations, including digital television system, through
7 microwave, satellite, terrestrial or whatever means, including the use of any new
8 technologies in television and radio systems, with the corresponding technological
9 auxiliaries and facilities, special broadcast and other program and distribution
10 services and relay stations in the Visayas and Mindanao, is hereby renewed for
11 another twenty-five (25) years.
12

13 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or
14 facilities of the grantee shall be constructed and operated in a manner as will, at
15 most, result only in the minimum interference on the wavelengths or frequencies of
16 existing stations or other stations which may be established by law, without in any
17 way diminishing its own privilege to use its assigned wavelengths or frequencies and
18 the quality of transmission or reception thereon as should maximize rendition of the
19 grantee's services and/or availability thereof.
20

21 SEC. 3. *Prior Approval of the National Telecommunications Commission.* –
22 The grantee shall secure from the National Telecommunications Commission (NTC)
23 the appropriate permits and licenses for the construction and operation of its stations

1 or facilities and shall not use any frequency in the radio/television spectrum without
2 authorization from the NTC.

3
4 SEC. 4. *Responsibility to the Public.* - The grantee shall provide, free of
5 charge, adequate public service time which is reasonable and sufficient to enable the
6 government, through its broadcasting stations or facilities of the grantee, to reach the
7 pertinent population/s or portions thereof on important public issues and relay
8 important public announcements and warnings concerning public emergencies and
9 calamities, as necessity, urgency or law may require; provide at all times sound and
10 balanced programming; promote public participation; assist in the functions of public
11 information and education; conform to the ethics of honest enterprise; promote
12 audience sensibility and empowerment through, but not limited to, closed captioning;
13 and not use its stations or facilities for the broadcasting of obscene or indecent
14 language, speech, act or scene; or for the dissemination of deliberately false
15 information or willful misrepresentation, to the detriment of public interest; or to incite,
16 encourage or assist in subversive or treasonable acts.

17
18 Public service time referred herein shall be equivalent to a maximum
19 aggregate of ten percent (10%) of the paid commercials or advertisements which
20 shall be allocated based on need to the executive, legislative, judiciary, constitutional
21 commissions and international humanitarian organizations duly recognized by
22 statutes: *Provided*, That the NTC shall increase the public service time in case of
23 extreme emergency or calamity. The NTC shall issue rules and regulations for this
24 purpose, the effectivity of which shall commence upon applicability with other
25 similarly situated broadcast network franchise holders.

26
27 SEC. 5. *Compliance with Labor Standards.* - The grantee, its successor or
28 assignee shall comply with the applicable labor standards under existing labor laws,
29 rules and regulations and such other issuances as may be promulgated by the
30 Department of Labor and Employment, taking into consideration the nature and
31 peculiarities of the broadcast industry.

32
33 SEC. 6. *Right of Government.* - The radio spectrum is a finite resource that is
34 part of the national patrimony and the use thereof is a privilege conferred upon the
35 grantee by the State and may be withdrawn any time after due process.

36
37 A special right is hereby reserved to the President of the Philippines, in times
38 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace
39 and order: to temporarily take over and operate the stations or facilities of the
40 grantee; to temporarily suspend the operation of any station or facility in the interest
41 of public safety, security and public welfare; or to authorize the temporary use and
42 operation thereof by any agency of the government, upon due compensation to the
43 grantee, for the use of said stations or facilities during the period when these shall be
44 so operated.

45
46 SEC. 7. *Term of Franchise.* - This franchise shall be in effect for a period of
47 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
48 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the
49 grantee fails to operate continuously for two (2) years.

1 SEC. 8. *Self-regulation by and Undertaking of Grantee.* - The grantee shall
2 not require any previous censorship of any speech, play, act or scene, or other
3 matter to be broadcast from its stations, but if any such speech, play, act or scene,
4 or other matter should constitute a violation of the law or infringement of a private
5 right, the grantee shall be free from any liability, civil or criminal, for such speech,
6 play, act or scene, or other matter from its stations: *Provided*, That the grantee,
7 during any broadcast and/or telecast shall cut off from the air the speech, play, act or
8 scene, or other matter being broadcast and/or telecast if the tendency thereof is to
9 propose and/or incite treason, rebellion or sedition; or the language used therein or
10 the theme thereof is indecent or immoral: *Provided, further*, That willful failure to do
11 so shall constitute a valid cause for the revocation and cancellation of this franchise.
12

13 SEC. 9. *Warranty in Favor of the National and Local Governments.* - The
14 grantee shall hold the national, provincial, city, and municipal governments of the
15 Philippines free from all claims, liabilities, demands, or actions arising out of
16 accidents, causing injury to persons or damage to properties, during the construction
17 or operation of the stations of the grantee.
18

19 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* - The
20 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise
21 or the rights and privileges acquired thereunder to any person, firm, company,
22 corporation, or other commercial or legal entity, nor merge with any other corporation
23 or entity, nor the controlling interest of the grantee be transferred, whether as a
24 whole or in part, and whether simultaneously or contemporaneously, to any such
25 person, firm, company, corporation, or entity without the prior approval of the
26 Congress of the Philippines: *Provided*, That such transfer, sale or issuance is in
27 accordance with any applicable constitutional limitation: *Provided, finally*, That any
28 person or entity to which this franchise is sold, transferred or assigned, shall be
29 subject to the same conditions, terms, restrictions, and limitations of this Act.
30

31 SEC. 11. *Dispersal of Ownership.* - In accordance with the constitutional
32 provision to encourage public participation in public utilities, the grantee shall offer to
33 Filipino citizens at least thirty per cent (30%) or a higher percentage that may
34 hereafter be provided by law of its outstanding capital stock in any securities
35 exchange in the Philippines within five (5) years from the commencement of its
36 operations: *Provided*, That in cases where public offer of shares is not applicable,
37 the grantee shall apply other methods of encouraging public participation by citizens
38 and corporations operating public utilities as allowed by law. Noncompliance
39 therewith shall render the franchise *ipso facto* revoked.
40

41 SEC. 12. *Reportorial Requirement.* - The grantee shall submit an annual
42 report to the Congress of the Philippines, through the Committee on Legislative
43 Franchises of the House of Representatives and the Committee on Public Services
44 of the Senate, on its compliance with the terms and conditions of the franchise and
45 on its operations on or before April 30 of every year during the term of its franchise.
46

47 The annual report shall include an update on the roll-out, development,
48 operation and/or expansion of business; audited financial statements; latest General
49 Information Sheet officially submitted to SEC (if applicable); certification of the NTC

1 on the status of its permits and operations; and an update on the dispersal of
2 ownership undertaking, if applicable.

3
4 The reportorial compliance certificate issued by Congress shall be required
5 before any application for permit or certificate is accepted by the NTC.

6
7 SEC. 13. *Fine.* – Failure of the grantee to submit the requisite annual report
8 to Congress shall be penalized by a fine of five hundred pesos (P500.00) per
9 working day of noncompliance. The fine shall be collected by the NTC from the
10 delinquent franchise grantee separate from the reportorial penalties imposed by the
11 NTC and the same shall be remitted to the National Treasury.

12
13 SEC. 14. *Equality Clause.* – Any advantage, favor, privilege, exemption, or
14 immunity granted under existing franchises, or which may hereafter be granted for
15 radio and/or television broadcasting, upon prior review and approval of Congress,
16 shall become part of this franchise and shall be accorded immediately and
17 unconditionally to the herein grantee: *Provided,* That the foregoing shall neither
18 apply to nor affect the provisions of broadcasting franchises concerning territorial
19 coverage, the term, or the type of service authorized by the franchise.

20
21 SEC. 15. *Repealability and Nonexclusivity Clause.* – This franchise shall be
22 subject to amendment, alteration, or repeal by the Congress of the Philippines when
23 the public interest so requires and shall not be interpreted as an exclusive grant of
24 the privileges herein provided for.

25
26 SEC. 16. *Separability Clause.* – If any section or provision of this Act is held
27 invalid, all other provisions not affected thereby shall remain valid.

28
29 SEC. 17. *Repealing Clause.* - All other laws, orders, issuances, rules and
30 regulations or parts thereof inconsistent with this Act are hereby repealed, amended
31 or modified accordingly.

32
33 SEC. 18. *Effectivity.* -This Act shall take effect fifteen (15) days after its
34 publication in the *Official Gazette* or in a newspaper of general circulation.

35
36 Approved,

FACT SHEET

House Bill No. **7754**

In substitution of House Bill No. 4118
(As approved on May 16, 2018)

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST LOVE BROADCASTING NETWORK, INC. UNDER REPUBLIC ACT NO. 8100, ENTITLED "AN ACT GRANTING THE FIRST LOVE BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL FM AND AM RADIO STATIONS AND TELEVISION STATIONS IN THE VISAYAS AND MINDANAO"

Introduced by: **REP. SETH FREDERICK P. JALOSJOS**

Committee Referral: **LEGISLATIVE FRANCHISES**
Committee Chairperson: **HON. FRANZ E. ALVAREZ**

OBJECTIVE:

- To allow the First Love Broadcasting Network, Inc. to continue its effective public service through commercial FM and AM radio and television broadcasting in Visayas and Mindanao.

KEY PROVISIONS:

- Extends another franchise term of twenty-five (25) years to the First Love Broadcasting Network, Inc.;
- Requires the grantee to inform NTC and secure its written authorization to proceed, and report the same within 60 days from the completion of such transaction;
- Requires the grantee to provide the government adequate public service time, with a maximum aggregate of ten percent (10%), to enable it to inform the population on important public issues and assist in the performance of the functions of public information and education;
- Prohibits the grantee to 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;
- Reserves the right of the President of the Philippines 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, in times of war,

rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order;

- Directs the grantee to hold the national, provincial, city, and municipal governments of the Philippines free from all claims, liabilities, demands, or actions arising out of accidents causing injury to persons or damage to property;
- Prohibits the grantee from leasing, transferring, selling nor assigning the franchise or the controlling interest thereof without the prior approval of the Congress of the Philippines;
- Requires the grantee to submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of the succeeding year, failure of which shall have a fine of five hundred pesos per working day of non-compliance; and
- Provides an equality clause, which aims to grant existing and potential franchise grantees equal privileges.

RELATED LAW:

- REPUBLIC ACT NO. 8100 - AN ACT GRANTING THE FIRST LOVE BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL FM AND AM STATIONS AND TELEVISION STATIONS IN THE VISAYAS AND MINDANAO