

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5166



Introduced by Honorable Rodolfo T. Albano III, Hon. Napoleon S. Dy, Hon. Ana Cristina S. Go, Hon. Ma. Lourdes R. Aggabao and Hon. Jose T. Panganiban, Jr.

EXPLANATORY NOTE

Northeastern Broadcasting Services, Incorporated (NBSI) serves as an important instrument in information dissemination that will redound to increase public awareness. It also help to educate the public especially in the far flung areas.

The Northeastern Broadcasting Services, Incorporated (NBSI) has been serving the Isabela Province and a greater part of Region 2 for decades.

On the 12th Congress, a similar bill (HB5071) was filed. It was approved by the Committee on Legislative Franchises and reported back to the House as a substitute bill (HB5259). Based on this substitute bill, HB 2684 was filed on the 13th Congress, and thereafter referred to the Committee on Legislative Franchises where it remained pending until the end of the 13th Congress.

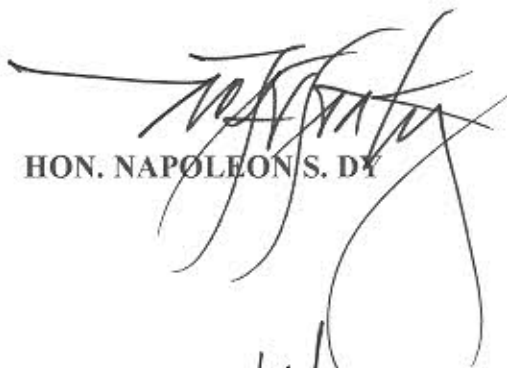
House Bill 2811 was filed on the 15th Congress and was considered also by the Committee on Legislative Franchises whereby Committee Report Number 2031 recommends approval of HB6030 in substitution of HB2811. The House approved the bill on third reading and transmitted the same to the Senate where it remained pending until the end of the 15th Congress.

House Bill 4157 was filed on the 16th Congress and was considered also by the Committee on Legislative Franchises. The House approved the bill on third reading and transmitted the same to the Senate where it remained pending until the end of the 16th Congress.

In view of the urgent need of the Isabelinos, the immediate approval of this bill is earnestly requested.



HON. RODOLFO T. ALBANO III



HON. NAPOLEON S. DY



HON. ANA CRISTINA S. GO



HON. MA. LOURDES R. AGGABAO



HON. JOSE T. PANGANIBAN, JR.

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AN ACT

GRANTING NORTHEASTERN BROADCASTING SERVICES, INCORPORATED A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN ISABELA PROVINCE AND IN REGION TWO.

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 the
2 Philippine Constitution and applicable laws, rules and regulations, there is hereby granted to
3 Northeastern Broadcasting Services, Incorporated, hereunder referred to as the grantee, its
4 successors or assignees, a franchise to construct, install, establish, operate and maintain for
5 commercial purposes and in the public interest, radio and/or television broadcasting stations
6 in Isabela Province and in Region Two, where frequencies and /or channels are still available
7 for radio and/or television broadcasting, including digital television system, through
8 microwave, satellite or whatever means, including the use of any new technology in
9 television and radio system, with the corresponding technological auxiliaries and facilities,
10 special broadcast, and other program and distribution services and relay stations.

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

7
8 SEC. 3. *Prior Approval of the National Telecommunications Commission (NTC).* The
9 grantee shall secure from the NTC the appropriate permits and licenses for the construction
10 and operation of its stations and facilities and shall not use any frequency in the
11 radio/television spectrum without authorization from the NTC. The NTC, however, shall not
12 unreasonably withhold or delay the grant of any such authority.

13
14 SEC. 4. *Responsibility to the Public.*– The grantee shall provide adequate public
15 service time to enable the government, through the said broadcasting stations or facilities, to
16 reach the population on important public issues; provide at all times sound and balanced
17 programming; assist in the functions of public information and education; conform to the
18 ethics of honest enterprise; and not use its stations and facilities for the broadcasting of
19 obscene and indecent language, speech, act or scene or for the dissemination of deliberately
20 false information or willful misrepresentation to the detriment of the public interest, or to
21 incite, encourage, or assist in subversive or treasonable acts.

22
23 SEC. 5. *Right of Government* – A special right is hereby reserved to the President of
24 the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or
25 disturbance of peace and order: to temporarily suspend the operation of any station or facility
26 in the interest of public safety, security and public welfare; or to authorize the temporary use
27 and operation thereof by any agency of the government, upon due compensation to the
28 grantee, for the use of said stations or facilities during the period when they shall be so
29 operated.

30 The radio spectrum is a finite resource that is part of the national patrimony and the
31 use thereof is a privilege conferred upon the grantee by the State and may be withdrawn
32 anytime after due process.

1 SEC. 6 *Term of Franchise*.—This franchise shall be in effect of a period of twenty five
2 (25) years, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto*
3 revoked in the event the grantee fails to comply with any of the following conditions

- 4 (a) Commence operations with one (1) year from the approval of its operating permit by
5 the NTC;
6 (b) Commence operations within three (3) years from the effectivity of this Act; and
7 (c) Operate continuously for two (2) years.

8
9 SEC 7. *Acceptance and Compliance*— Acceptance of this franchise shall be given in
10 writing to the Congress of the Philippines, through the Committee on Legislative Franchises
11 of the House of Representatives and the Committee on Public Services of the Senate, within
12 sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee
13 shall exercise the privileges granted under this Act. Non-acceptance shall render the
14 franchise void.

15
16 SEC. 8. *Bond*.—The grantee shall file a bond with the NTC, in the amount that the
17 NTC shall determine, to guarantee compliance with the fulfillment of the conditions under
18 which this franchise is granted. If, after three (3) years from the date of the approval of its
19 permit by the NTC, the grantee shall have fulfilled the same, the bond shall be cancelled by
20 the Commission. Otherwise, the bond shall be forfeited in favor of the government and the
21 franchise *ipso facto* revoked.

22
23 SEC. 9. *Self-regulation by and Undertaking of the Grantee*.—The grantee shall not
24 require any previous censorship of any speech, play act or scene, or other matter to be
25 broadcast from its stations: *Provided*, That the grantee, during any broadcast, shall cut off
26 from the air the speech, play act or scene or other matter being broadcast if the tendency
27 thereof is to propose and/or incite treason, rebellion or sedition; or the language used therein
28 or the theme thereof is indecent or immoral: *Provided*, further, That willful failure to do so
29 shall constitute a valid cause for the cancellation of this franchise.

30
31 SEC. 10. *Warranty in favor of National and Local Governments*.— The grantee shall
32 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. 11. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.*- The grantee shall not sell, lease, transfer, grant the usufruct of nor assign this franchise or the rights and privileges acquired there under to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, 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: Provided, That Congress shall be informed of any sale, lease, transfer, grant or usufruct or assignment of franchise or the rights or privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, 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.

SEC. 12. *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, other methods of encouraging public participation by citizens and corporations operating public utilities must be implemented. Non compliance therewith shall render the franchise *ipso facto* revoked .

SEC. 13. *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. 14. *Reportorial Requirement.* - The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the House

1 of Representatives and the Committee on Public Services of the Senate, on its compliance
2 with the terms and conditions of the franchise and on its operations on or before April 30 of
3 every year during the term of its franchise. The reportorial compliance certificate issued by
4 congress shall be required before any application for permit or certificate is accepted by the
5 NTC.

6
7 SEC. 15. *Penalty Clause.* - Failure of the grantee to submit the requisite annual report
8 to Congress will be penalized by a fine in the amount of five hundred pesos (P500.00) per
9 working day of noncompliance. The fine will be collected by the NTC from the delinquent
10 franchise grantee separate from the reportorial penalties imposed by the NTC.

11
12 SEC. 16. *Equality Clause.* - Any advantage, favor, privilege, exemption, or immunity
13 granted under existing franchises, or which may hereafter be granted for radio and/or
14 television broadcasting, upon prior review and approval of Congress, shall become part of
15 this franchise and shall be accorded immediately and unconditionally to the herein grantee:
16 Provided, That the foregoing shall neither apply to nor affect the provisions of broadcasting
17 franchises concerning territory covered by the franchise, the life span of the franchise or the
18 type of service authorized by the franchise.

19
20 SEC. 17. *Separability Clause.* - If any of the sections or provisions of this Act is held
21 invalid, all other provisions not affected thereby shall remain valid.

22
23 SEC. 18. *Repealability and Non-exclusivity Clause.* - This franchise shall be subject to
24 amendment, alteration, or repeal by the Congress of the Philippines when the public interest
25 so requires and shall not be interpreted as an exclusive grant of the privileges herein provided
26 for.

27
28 SEC. 19. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication
29 in the Official Gazette or in a newspaper of general circulation.

30
31 Approved,