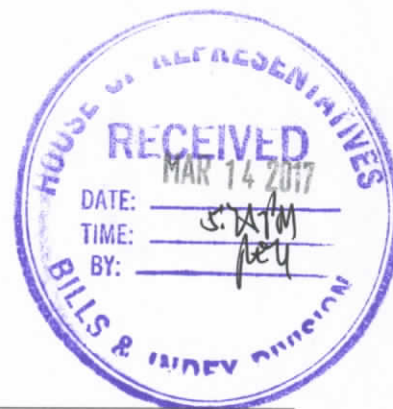


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
1st Regular Session

HOUSE BILL NO. **5265**



Introduced by REP. FLORIDA P. ROBES

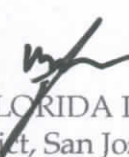
EXPLANATORY NOTE

In 1995, Penafrancia 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 21 years, PBC has been compliant with the provisions as contained in the legislative franchise and NTC permits it secured, 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, 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 & Bicolandia news and information.

Hence, the passage of this bill is earnestly sought.


REP. FLORIDA P. ROBES
Lone District, San Jose del Monte
Province of Bulacan

1 Republic of the Philippines
2 HOUSE OF REPRESENTATIVES
3 Quezon City

4
5 SIXTEENTH CONGRESS
6 Third Regular Session

7 HOUSE BILL NO. **5265**
8

9
10 Introduced by REP. FLORIDA P. ROBES
11

12 AN ACT
13 RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
14 GRANTED TO PENAFRANCIA BROADCASTING CORPORATION UNDER
15 REPUBLIC ACT NO. 8166
16

17 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
18 *assembled:*
19

20 SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the
21 1987 Philippine Constitution and applicable laws, rules and regulations, the
22 franchise granted under Republic Act No. 8166 entitled "An Act Granting
23 Penafrancia Broadcasting Corporation a Franchise to Construct, Install, Operate and
24 Maintain for Educational and Commercial Purposes, Radio and Television
25 Broadcasting Stations Within the Bicol Region and For Other Purposes", to
26 Penafrancia Broadcasting Corporation, hereunder referred to as the grantee, whose
27 majority shares have been transferred to Eagle Broadcasting Corporation, to
28 construct, install, establish, operate and maintain for commercial purposes and in the
29 public interest, radio and/or television broadcasting stations, including digital
30 television system, through microwave, satellite or whatever means, including the
31 use of any new technologies in television and radio systems, with the corresponding
32 technological auxiliaries and facilities, special broadcast and other program and
33 distribution services and relay stations within the Bicol Region, is hereby renewed
34 for another twenty-five (25) years from September 23, 2020.

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

42 SEC. 3. *Prior Approval of the National Telecommunications Commission (NTC).* -
43 The grantee shall secure from the NTC, the appropriate permits and licenses for the

1 construction and operation of its stations and facilities and shall not use any
2 frequency in the radio/television spectrum without authorization from the NTC.
3 The NTC, however, shall not unreasonably withhold or delay the grant of any such
4 authority.

5 SEC. 4. *Responsibility to the Public.* - The grantee shall provide adequate public
6 service time to enable the government, through the said broadcasting stations or
7 facilities, to reach the population on important public issues; provide at all times
8 sound and balanced programming; assist in the functions of public information and
9 education; conform to the ethics of honest enterprise; and not use its stations and
10 facilities for the broadcasting of obscene and indecent language, speech, act or scene;
11 or for the dissemination of deliberately false information or willful
12 misrepresentation, to the detriment of the public interest, or to incite, encourage or
13 assist in subversive or treasonable acts.

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

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

25 SEC. 6. *Term of Franchise.* - This franchise shall be in effect for a period of
26 twenty-five (25) years from September 23, 2020, unless sooner revoked or cancelled.
27 This franchise shall be deemed ipso facto revoked in the event the grantee fails to
28 operate continuously for two (2) years.

29 SEC. 7. *Acceptance and Compliance.* - Acceptance of this new franchise shall be
30 given in writing to the Congress of the Philippines, through the Committee on
31 Legislative Franchises of the House of Representatives and the Committee on Public
32 Services of the Senate within sixty (60) days from the effectivity of this Act. Upon
33 giving such acceptance, the grantee shall exercise the privileges granted under this
34 Act. Non-acceptance shall render the franchise void.

35 SEC. 8. *Self-Regulation by and Undertaking of Grantee.* - The grantee shall not
36 require any previous censorship of any speech, play, act or scene, or other matter to
37 be broadcast from its stations: *Provided*, That the grantee, during any broadcast, shall
38 cut off from the air the speech, play, act or scene, or other matter being broadcast if
39 the tendency thereof is to propose and/or incite treason, rebellion or sedition; or the
40 language used therein or the theme thereof is indecent or immoral: *Provided, further*,

1 That willful failure to do so shall constitute a valid cause for the cancellation of this
2 franchise.

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

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

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

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

36 SEC. 13. *Reportorial Requirement.* - The grantee shall submit an annual report
37 to the Congress of the Philippines, through the Committee on Legislative Franchises
38 of the House of Representatives and the Committee on Public Services of the Senate,
39 on its compliance with the terms and conditions of the franchise and on its
40 operations on or before April 30 of every year during the term of the franchise.

1 SEC. 14. *Penalty Clause.*— Failure to submit the annual report to Congress shall
2 be penalized with a fine of five hundred pesos (P500.00) per working day of
3 noncompliance. The fine shall be collected by the NTC from the delinquent franchise
4 grantee separate from the reportorial penalties imposed by the NTC. The collected
5 funds shall accrue to the monitoring fund of the NTC in line with its supervisory
6 and regulatory functions. The reportorial compliance certificate issued by Congress
7 shall be required before any application for permit or certificate is accepted by the
8 NTC.

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

19 SEC. 16. *Separability Clause.* - If any of the sections or provisions of this Act is
20 held invalid, all other provisions not affected thereby shall remain valid.

21 SEC. 17. *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 SEC. 18. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its
26 publication in the *Official Gazette* or in a newspaper of general circulation.

27 Approved,
28