

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL No. **8092**



Introduced by Rep. ANNA KATRINA M. ENVERGA

EXPLANATORY NOTE

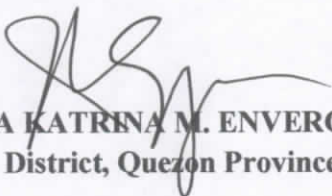
This bill seeks the renewal of the franchise of BEACON COMMUNICATIONS SYSTEMS, INC.

BEACON COMMUNICATIONS SYSTEMS, INC. was granted a franchise to construct, install, operate and maintain radio broadcasting stations under RA 8063. This law has given the grantee the rights, privileges and authority to function for a period of twenty-five (25) years from June 15, 1995.

For more than twenty-two (22) years now, BEACON COMMUNICATIONS SYSTEMS, INC. has served as an important vehicle in information dissemination that bridges communication gaps among the populace of the country. Its radio stations have provided sound and balanced programming, making information easily accessible to the general public. It has also frequently communicated with the people on important and major issues confronting the nation.

In less than three (3) years' time, the law that has given life and mandate to BEACON COMMUNICATIONS SYSTEMS, INC. to operate will expire. Therefore, this bill seeks to extend the term of franchise of BEACON COMMUNICATIONS SYSTEMS, INC. for another twenty-five (25) years from its original expiration date.

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


ANNA KATRINA M. ENVERGA
1st District, Quezon Province

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**SEVENTEENTH CONGRESS
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HOUSE BILL NO. 8092

Introduced by REP. ANNA KATRINA M. ENVERGA

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BEACON COMMUNICATIONS SYSTEMS, INC. UNDER REPUBLIC ACT NO. 8063 ENTITLED "AN ACT GRANTING THE BEACON COMMUNICATIONS SYSTEMS, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL RADIO STATIONS IN THE PHILIPPINES"

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

SECTION 1. The Franchise granted to Beacon Communications Systems, Inc. under Republic Act No. 8063 is hereby amended to read as follows:

"SEC. 1. *Nature and Scope of Franchise.* – Subject to the provisions of the 1987 Constitution and applicable laws, rules and regulations, the franchise granted to Beacon Communications Systems, Inc. hereunder referred to as the grantee, its successors or assignees, under Republic Act No. 8063 to construct, install, establish, operate and maintain for commercial purposes and in the public interest, radio broadcasting stations in the Philippines, including digital radio system, through microwave, satellite, terrestrial or whatever means, or the use of any new technologies in radio systems, with the corresponding auxiliary, special broadcast and other program and distribution services and relay stations, and to install radio communication facilities for the grantee's private use in its broadcast services is hereby renewed for another twenty-five (25) years from the expiration of its original franchise.

"SEC. 2. *Manner of Operations 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 right 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 the availability thereof.

"SEC.3. *Prior Approval of the National Telecommunications Commission.* – The grantee shall secure from the National Telecommunications Commission(NTC) the appropriate permits and licenses for its stations and shall not use any frequency in the radio spectrum without having been authorized by the NTC.

"SEC. 4. *Responsibility to the Public.* – The grantee shall provide free of charge, adequate public service time which is reasonable and sufficient to enable the government, through the broadcasting stations or facilities of the grantee, to reach the pertinent population/s or portions thereof on important public issues and relay important public announcements and warnings as necessity, urgency or law may require; provide at all times sound and balanced programming; promote public participation; assist in the functions of public information and education; conform to the ethics of honest enterprise; promote audience sensibility and empowerment through, but not limited to, closed captioning; and not use its stations or 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.

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

"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 serious 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 stations or facilities of the grantee during the period when these shall be operated.

“SEC. 6. *Term of Franchise*— The renewal of the franchise granted under Republic Act No. 8063 for another twenty-five (25) years shall take effect on June 16, 2020, unless sooner revoked. In the event the grantee fails to operate continuously for two (2) years, this franchise shall be deemed *ipso facto* revoked.

“SEC. 7. *Acceptance and Compliance*. — The renewed franchise shall become effective upon acceptance given in writing by the grantee 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 of the grantee shall render the franchise void.

“SEC. 8. *Tax Provisions*. — The grantee, its successors or assignees, shall continue to be subject to all applicable taxes, duties, fees or charges and other impositions under Republic Act. No. 8424, otherwise known as “The National Internal Revenue Code of 1997”, as amended, Republic Act. No. 7160, otherwise known as “The Local Government Code of 1991”, as amended, and other applicable laws.

“SEC. 9. *Compliance with Labor Standards*. — The grantee, its successors or assignees, shall comply with the applicable labor standards under existing labor laws, rules and regulations and such other issuances as may be promulgated by the Department of Labor and Employment, taking into consideration the nature and peculiarities of the broadcast industry.

“SEC. 10. *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 not allow to be aired 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.

“SEC. 11. *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. 12. *Sale, Lease, Transfer, 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 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 private person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: *Provided*, That any person or entity to which this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions, and limitations of this Act.

"SEC. 13. *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 percent (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, the grantee shall apply other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law. Noncompliance therewith shall render the franchise *ipso facto* revoked.

"SEC. 14. *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. 15. *Reportorial Requirements.* -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. 16. *Equality Clause.* - Any advantage, favor, privilege, exemption, or immunity granted under existing franchise, or which may hereafter be granted for radio 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 not apply to nor affect provisions of broadcasting franchises concerning territory covered by the franchise, the lifespan of the franchise or the type of service authorized by the franchise.

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

“SEC. 18. *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 2. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,