

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
Second Regular Session  
**8256**  
**HOUSE BILL NO. \_\_\_\_\_**



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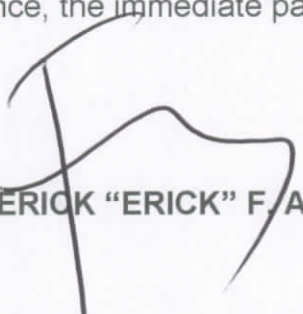
Introduced by REPS. FREDERICK "ERICK" F. ABUEG  
and GIL "KABARANGAY" P. ACOSTA

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For several years, ROMEO CABRESTANTE SERVANDO has made it his personal mission to disseminate information to the public in the far-flung areas of the Philippines. Primarily located in the Province of Palawan, his radio stations have served as one of the most reliable sources of news and information needed by the public through relevant, timely and balanced broadcast programs.

In three (3) years' time, the law that has given ROMEO CABRESTANTE SERVANDO the mandate to fulfill his mission will cease to have effect. With full knowledge of the importance of the franchise given to him, as well as having the interest of the public at heart, this bill seeks to extend the term of the franchise granted to ROMEO CABRESTANTE SERVANDO for another twenty-five (25) years.

Hence, the immediate passage of this bill is earnestly sought.



FREDERICK "ERICK" F. ABUEG



GIL "KABARANGAY" P. ACOSTA

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**AN ACT**

1 **RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE**  
2 **GRANTED TO ROMEO CABRESTANCE SERVANDO UNDER REPUBLIC ACT**  
3 **NO. 8202, TITLED "AN ACT GRANTING ROMEO CABRESTANCE SERVANDO, A**  
4 **FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO**  
5 **AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF PALAWAN"**

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

6 **SECTION 1. *Nature and Scope of Franchise.*** – Subject to the provisions of the  
7 Constitution and applicable laws, rules and regulations, the franchise granted to  
8 Romeo Cabrestante Servando hereunder referred to as the grantee, its successor or  
9 assignees, under Republic Act No.8202, to construct, establish, maintain and operate  
10 in the public interest and for and commercial purposes, radio and/or television  
11 broadcasting stations, including digital television system, through microwave, satellite,  
12 terrestrial or whatever means, including the use of any new technologies in television  
13 and radio systems, with the corresponding technological auxiliaries and facilities,  
14 special broadcast and other program and distribution services and relay stations in the  
15 province of Palawan, is hereby renewed for another twenty-five (25) years.

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

24  
25 **SEC. 3. *Prior Approval of the National Telecommunications Commission.*** – The  
26 grantee shall secure from the National Telecommunications Commission (NTC) the  
27 appropriate permits and licenses for the construction and operation of its stations or  
28 facilities and shall not use any frequency in the radio and/or television spectrum  
29 without authorization from the NTC.  
30

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

14  
15        Public service time referred herein shall be equivalent to a maximum aggregate  
16 of ten percent (10%) of the paid commercials or advertisements which shall be  
17 allocated based on need to the executive, legislative, judiciary, constitutional  
18 commissions and international humanitarian organizations duly recognized by  
19 statutes: *Provided*, That the NTC shall increase the public service time in case of  
20 extreme emergency or calamity. The NTC shall issue rules and regulations for this  
21 purpose, the effectivity of which shall commence upon applicability with other similarly  
22 situated broadcast network franchise holders.

23  
24  
25        SEC. 5. *Right of the Government.* - The radio spectrum is a finite resource that  
26 is part of the national patrimony and the use thereof is a privilege conferred upon the  
27 grantee by the State and may be withdrawn any time after due process.

28  
29        A special right is hereby reserved to the President of the Philippines, in times  
30 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace  
31 and order: to temporarily take over and operate the stations or facilities of the grantee;  
32 to temporarily suspend the operation of any station or facility in the interest of public  
33 safety, security and public welfare; or to authorize the temporary use and operation  
34 thereof by any agency of the government, upon due compensation to the grantee, for  
35 the use of said stations or facilities during the period when these shall be so operated.

36  
37        SEC. 6. *Term of Franchise.* - This franchise shall be in effect for a period of  
38 twenty-five (25) years from the effectivity of this Act, unless sooner revoked and  
39 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee  
40 fails to operate continuously for two (2) years.

41  
42        SEC. 7. *Renewal or Extension of Franchise.* - The grantee shall apply for the  
43 renewal or extension of its franchise five (5) years before its expiration date which shall  
44 be reckoned fifteen (15) days after the publication of the franchise in the Official  
45 Gazette or in any newspaper of general circulation, whichever comes earlier.

46  
47        SEC. 8. *Self-regulation by and Undertaking of the Grantee.* - The grantee shall  
48 not require any previous censorship of any speech, play, act or scene, or other matter  
49 to be broadcast from its stations, but if any such speech, play, act or scene, or other  
50 matter should constitute a violation of the law or infringement of a private right, the

1 grantee shall be free from any liability, civil or criminal, for such speech, play, act or  
2 scene, or other matter from its stations: *Provided*, That the grantee, during any  
3 broadcast and/or telecast shall cut off from the air the speech, play, act or scene, or  
4 other matter being broadcast and/or telecast if the tendency thereof is to propose  
5 and/or incite treason, rebellion or sedition; or the language used therein or the theme  
6 thereof is indecent or immoral: *Provided, further*, That willful failure to do so shall  
7 constitute a valid cause for the revocation and cancellation of this franchise.

8  
9 SEC. 9. *Warranty in Favor of the National and Local Governments.* - The  
10 grantee shall hold the national, provincial, city, and municipal governments of the  
11 Philippines free from all claims, liabilities, demands, or actions arising out of accidents,  
12 causing injury to persons or damage to properties, during the construction or operation  
13 of the stations of the grantee.

14  
15 SEC. 10. *Commitment to Provide and Promote the Creation of Employment*  
16 *Opportunities.* - The grantee shall create employment opportunities and shall allow  
17 on-the-job trainings in their franchise operation: *Provided*, That priority shall be  
18 accorded to the residents in areas where any of its offices is located: *Provided further*,  
19 That the grantee shall follow the applicable labor standards and allowance entitlement  
20 under existing labor laws, rules and regulations and similar issuances: *Provided*,  
21 *finally*, That the employment opportunities or jobs created shall be reflected in the  
22 General Information Sheet (GIS) to be submitted to Securities and Exchange  
23 Commission annually.

24  
25 SEC. 11. *Tax Provisions.* - The grantee, its successors or assignees shall  
26 continue to be subject to all applicable taxes, duties, fees or charges and other  
27 impositions under Republic Act No. 8424, otherwise known as "The National Internal  
28 Revenue Code of 1997", as amended, and other applicable laws.

29  
30 SEC. 12. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* - The  
31 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or  
32 the rights and privileges acquired thereunder to any person, firm, company,  
33 corporation, or other commercial or legal entity, nor merge with any other corporation  
34 or entity, nor the controlling interest of the grantee be transferred, whether as a whole  
35 or in part, and whether simultaneously or contemporaneously, to any such person,  
36 firm, company, corporation, or entity without the prior approval of the Congress of the  
37 Philippines: *Provided*, That such transfer, sale or issuance is in accordance with any  
38 applicable constitutional limitation: *Provided, finally*, That any person or entity to which  
39 this franchise is sold, transferred or assigned, shall be subject to the same conditions,  
40 terms, restrictions, and limitations of this Act.

41  
42 SEC. 13. *Dispersal of Ownership.* - In accordance with the constitutional  
43 provision to encourage public participation in public utilities, the grantee shall offer to  
44 Filipino citizens at least thirty per cent (30%) or a higher percentage that may hereafter  
45 be provided by law of its outstanding capital stock in any securities exchange in the  
46 Philippines within five (5) years from the commencement of its operations: *Provided*,  
47 That in cases where public offer of shares is not applicable, the grantee shall apply  
48 other methods of encouraging public participation by citizens and corporations  
49 operating public utilities as allowed by law. Noncompliance therewith shall render the  
50 franchise *ipso facto* revoked.

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2 SEC. 14. *Compliance with Labor Standards.* – The grantee, its successors or  
3 assignees shall comply with the applicable labor standards under existing labor laws,  
4 rules and regulations and such other issuances as may be promulgated by the  
5 Department of Labor and Employment, taking into consideration the nature and  
6 peculiarities of the broadcasting industry.

7  
8 SEC. 15. *Reportorial Requirement.* – The grantee shall submit an annual report  
9 to the Congress of the Philippines, through the Committee on Legislative Franchises  
10 of the House of Representatives and the Committee on Public Services of the Senate,  
11 on its compliance with the terms and conditions of the franchise and on its operations  
12 on or before April 30 of every year during the term of its franchise.

13  
14 The annual report shall include an update on the roll-out, development,  
15 operation and/or expansion of business; audited financial statements; latest General  
16 Information Sheet officially submitted to SEC (if applicable); certification of the NTC  
17 on the status of its permits and operations; and an update on the dispersal of  
18 ownership undertaking, if applicable.

19  
20 The reportorial compliance certificate issued by Congress shall be required  
21 before any application for permit or certificate is accepted by the NTC.

22  
23 SEC. 16. *Fine.* – Failure of the grantee to submit the requisite annual report to  
24 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working  
25 day of noncompliance. The fine shall be collected by the NTC from the delinquent  
26 franchise grantee separate from the reportorial penalties imposed by the NTC and the  
27 same shall be remitted to the National Treasury.

28  
29 SEC. 17. *Equality Clause.* – Any advantage, favor, privilege, exemption, or  
30 immunity granted under existing franchises, or which may hereafter be granted for  
31 radio and/or television broadcasting, upon prior review and approval of Congress, shall  
32 become part of this franchise and shall be accorded immediately and unconditionally  
33 to the herein grantee: *Provided,* That the foregoing shall neither apply to nor affect the  
34 provisions of broadcasting franchises concerning territorial coverage, the term, or the  
35 type of service authorized by the franchise.

36  
37 SEC. 18. *Repealability and Nonexclusivity Clause.* – This franchise shall be  
38 subject to amendment, alteration, or repeal by the Congress of the Philippines when  
39 the public interest so requires and shall not be interpreted as an exclusive grant of the  
40 privileges herein provided for.

41  
42 SEC. 19. *Separability Clause.* – If any section or provision of this Act is held  
43 invalid, all other provisions not affected thereby shall remain valid.

44  
45 SEC. 20. *Repealing Clause.* – All other laws, orders, issuances, rules and  
46 regulations or parts thereof inconsistent with this Act are hereby repealed, amended  
47 or modified accordingly.

48  
49 SEC. 21. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
50 publication in the *Official Gazette* or in any newspaper of general circulation.

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Approved,