

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 8284

Introduced by HONORABLE SALVIO B. FORTUNO

EXPLANATORY NOTE

The Bicol Broadcasting Systems, Inc. (BBSI) was granted a franchise to construct, install, operate and maintain radio broadcasting stations in the Bicol Region effective July 6, 1995 under Republic Act No. 8092. The same law has given the grantee the rights, privileges, and authority to function for a period of twenty-five (25) years.

For twenty-three (23) years now, the Bicol Broadcasting Systems, Inc. through its sound and balanced programming has made information accessible to the general public. Bicol Broadcasting Systems, Inc. (BBSI) has regularly communicated with the people on vital and relevant issues that concern the public. Through all these years, Bicol Broadcasting Systems, Inc. has also been consistent in the promotion of Bicol songs and music on the air and in launching of Bicol compositions on original music and lyrics.

The renewal of its franchise would allow Bicol Broadcasting Systems, Inc. to continue providing public service while taking into account the latest technologies in the broadcasting industry to improve the quality of its service.

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


SALVIO B. FORTUNO

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AN ACT
RENEWING THE FRANCHISE GRANTED TO **BICOL BROADCASTING SYSTEMS, INC.** (UNDER REPUBLIC ACT NO. 8092 ENTITLED "AN ACT GRANTING THE BICOL BROADCASTING SYSTEMS, INC. (BBSI) A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL RADIO AND TELEVISION BROADCASTING STATIONS IN REGION V") - FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT

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
2 the provisions of the 1987 Philippine Constitution and
3 applicable laws, rules and regulations, the franchise granted to
4 **Bicol Broadcasting Systems, Inc.**, hereunder referred to as
5 the grantee, its successors or assignees, under **Republic Act**
6 **No. 8092** entitled "**An Act Granting the Bicol Broadcasting**
7 **Systems, Inc. (BBSI), a Franchise to Establish, Operate and**
8 **Maintain Commercial Radio and Television Broadcasting**

1 **Stations in Region V**", to construct, install, establish, operate,
2 and maintain for commercial purposes and in the public
3 interest, radio and/or television broadcasting stations, where
4 frequencies and/or channels are still available for radio and/or
5 television broadcasting, including digital television system,
6 through microwave, satellite or whatever means, including the
7 use of any new technologies in television and radio systems,
8 with the corresponding technological auxiliaries and facilities,
9 special broadcast and other program and distribution services
10 and relay stations in the Bicol Region, is hereby renewed for
11 another twenty-five (25) years from the effectivity of this Act.

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

21
22 SEC. 3. *Prior Approval of the National*
23 *Telecommunications Commission.* – The grantee shall secure
24 from the National Telecommunications Commission (NTC) the

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

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

18 SEC. 5. *Right of Government.* - A special right is hereby
19 reserved to the President of the Philippines, in times of war,
20 rebellion, public peril, calamity, emergency, disaster or
21 disturbance of peace and order, to temporarily take over and
22 operate the stations or facilities of the grantee; to temporarily
23 suspend the operation of any station or facility in the interest of

1 public safety, security and public welfare; or to authorize the
2 temporary use and operation thereof by any agency of the
3 government, upon due compensation to the grantee, for the
4 use of its stations or facilities during the period when they shall
5 be so operated.

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

10 SEC. 6. *Term of Franchise.* – This franchise shall be in
11 effect for a period of twenty-five (25) years from the effectivity
12 of the Act, unless sooner revoked or cancelled. This franchise
13 shall be deemed *ipso facto* revoked in the event the grantee
14 fails to operate continuously for two (2) years.

15 SEC. 7. *Acceptance and Compliance.* – Acceptance of this
16 new franchise shall be given in writing to the Congress of the
17 Philippines, through the Committee on Legislative Franchises
18 of the House of Representatives and the Committee on Public
19 Services of the Senate, within sixty (60) days from the
20 effectivity of this Act. Upon giving such acceptance, the grantee
21 shall exercise the privileges granted under this Act.
22 Nonacceptance shall render the franchise void.

1 SEC. 8. *Self-regulation by and Undertaking of Grantee.* -

2 The grantee shall not require any previous censorship of any
3 speech, play, act or scene, or other matter to be broadcast from
4 its stations: *Provided*, That the grantee, during any broadcast,
5 shall cut off from the air the speech, play, act or scene, or other
6 matter being broadcast if the tendency thereof is to propose
7 and/or incite treason, rebellion or sedition; or the language
8 used therein or the theme thereof is indecent or immoral:
9 *Provided, further*, That willful failure to do so shall constitute a
10 valid cause for the cancellation of this franchise.

11 SEC. 9. *Warranty in Favor of National and Local*

12 *Governments.* - The grantee shall hold the national, provincial,
13 city and municipal governments of the Philippines free from all
14 claims, accounts, demands, or actions arising out of accidents
15 or injuries, whether to property or to persons, caused by the
16 construction or operation of the stations of the grantee.

17 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*

18 *Assignment of Franchise.* - The grantee shall not lease,
19 transfer, grant the usufruct of, sell nor assign this franchise or
20 the rights and privileges acquired thereunder to any person,
21 firm, company, corporation or other commercial or legal entity,
22 nor merge with any other corporation or entity, nor shall transfer
23 the controlling interest of the grantee, whether as a whole or in

1 parts, and whether simultaneously or contemporaneously, to
2 any such person, firm, company, corporation or entity without
3 the prior approval of the Congress of the Philippines: *Provided*,
4 That Congress shall be informed of any sale, lease, transfer,
5 grant of usufruct of, or assignment of franchise or the rights or
6 privileges acquired thereunder, or the merger or transfer of the
7 controlling interest of the grantee, within sixty (60) days after
8 the completion of said transaction: *Provided, further*, That
9 failure to report to Congress such change of ownership shall
10 render the franchise *ipso facto* revoked: *Provided, finally*, That
11 any person or entity to which this franchise is sold, transferred
12 or assigned, shall be subject to the same conditions, terms,
13 restrictions, and limitations of this Act.

14 SEC. 11. *Dispersal of Ownership*. - In accordance with
15 the constitutional provision to encourage public participation in
16 public utilities, the grantee shall offer to Filipino citizens at least
17 thirty per cent (30%) or a higher percentage that may hereafter
18 be provided by law of its outstanding capital stock in any
19 securities exchange in the Philippines within five (5) years from
20 the commencement of its operations: *Provided*, That in cases
21 where public offer of shares is not applicable, establishment of
22 cooperatives and other methods of encouraging public
23 participation by citizens and corporations operating public

1 utilities must be implemented. Noncompliance therewith shall
2 render the franchise *ipso facto* revoked.

3
4 SEC. 12. *General Broadcast Policy Law.* – The grantee
5 shall comply with and be subject to the provisions of a general
6 broadcast policy law, which Congress may hereafter enact.

7 SEC. 13. *Reportorial Requirement.* – The grantee shall
8 submit an annual report to the Congress of the Philippines,
9 through the Committee on Legislative Franchises of the House
10 of Representatives and the Committee on Public Services of
11 the Senate, on its compliance with the terms and conditions of
12 the franchise and on its operations on or before April 30 of
13 every year during the term of its franchise. The reportorial
14 compliance certificate issued by Congress shall be required
15 before any application for permit or certificate is accepted by
16 the NTC.

17
18 SEC. 14. *Penalty Clause* – Failure of the grantee to
19 submit the requisite annual report to Congress will be penalized
20 by a fine in the amount of Five hundred pesos (P500.00) per
21 working day of noncompliance. The fine will be collected by the
22 NTC from the delinquent franchise grantee separate from the
23 reportorial penalties imposed by the NTC.

1 SEC. 15. *Equality Clause.* - Any advantage, favor,
2 privilege, exemption, or immunity granted under existing
3 franchises, or which may hereafter be granted for radio and/or
4 television broadcasting, upon prior review and approval of
5 Congress, shall become part of this franchise and shall be
6 accorded immediately and unconditionally to the herein
7 grantee: *Provided*, That the foregoing shall neither apply to nor
8 affect the provisions of broadcasting franchises concerning
9 territory covered by the franchise, the life span of the franchise
10 or the type of service authorized by the franchise.

11
12 SEC. 16. *Separability Clause.* - If any of the sections or
13 provisions of this Act is held invalid, all other provisions not
14 affected thereby shall remain valid.

15
16 SEC. 17. *Repealability and Nonexclusivity Clause.* - This
17 franchise shall be subject to amendment, alteration, or repeal
18 by the Congress of the Philippines when the public interest so
19 requires and shall not be interpreted as an exclusive grant of
20 the privileges herein provided for.

21
22 SEC. 18 *Effectivity.*— This Act shall take effect fifteen (15)
23 days after its publication in the *Official Gazette* or in a
24 newspaper of general circulation.

Approved,

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