

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. **8379**



**Introduced by HON. ROMERO "MIRO" S. QUIMBO and HON. XAVIER
JESUS D. ROMUALDO**

EXPLANATORY NOTE

This bill proposes the renewal of the congressional franchise granted under R.A. 7831 to TV5 Network Inc. (formerly known as ABC Development Corporation, under the business name of "Associated Broadcasting Company") in order that it can continue its operations as a broadcasting company.

Since the commencement of its operations and approval of its congressional franchise, TV5 Network Inc. has successfully provided its viewers nationwide with a well-balanced array of programming consisting of accurate news, wholesome entertainment, inspiring sports programs and other informative and relevant services, which has immensely contributed to the social, cultural and economic well-being of Filipinos all over the country.

Today, more than ever, the Philippines needs access to news, entertainment, sports and information that will result in a more progressive, well-informed and inspired citizenship. TV5 Network Inc. remains committed in its quest to continue providing such programming to our countrymen, as broadcasting services are critical in nation-building.

Through its program offerings the franchise grantee has brought our countrymen all across the Philippines closer to the economic and social mainstream, if not closer to the global arena. If granted the renewal sought, the franchise grantee intends to take advantage of new technologies as well as equipment available to provide for superior informative, entertaining and educational programs to its nationwide viewers.

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



ROMERO "MIRO" S. QUIMBO
Representative
Second District, Marikina City

A handwritten signature in black ink, consisting of a large 'X' followed by a stylized 'J' and 'R'.

XAVIER JESUS D. ROMUALDO
Representative
Lone District, Camiguin

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Introduced by HON. ROMERO "MIRO" S. QUIMBO and HON. XAVIER JESUS D. ROMUALDO

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ABC DEVELOPMENT CORPORATION, PRESENTLY KNOWN AS TV5 NETWORK, INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7831 ENTITLED, "AN ACT GRANTING ABC DEVELOPMENT CORPORATION, UNDER BUSINESS NAME 'ASSOCIATED BROADCASTING COMPANY,' A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"

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

1 **SECTION 1. Nature and Scope of Franchise.** – Subject to the
2 provisions of the Constitution and applicable laws, rules and regulations,
3 [there is hereby granted to the Associated Broadcasting Company, its
4 successors or assigns and hereunder referred to as the grantee,] THE
5 FRANCHISE GRANTED TO ABC DEVELOPMENT CORPORATION,
6 PRESENTLY KNOWN AS TV5 NETWORK, INC., HEREUNDER REFERRED
7 TO AS THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, UNDER
8 REPUBLIC ACT NO. 7831, to construct, install, operate and maintain for
9 commercial purposes and in the public interest radio and television
10 broadcasting stations in the Philippines with the corresponding
11 technological auxiliary or facilities, special broadcast and other broadcast
12 distribution services and relay stations, IS HEREBY RENEWED FOR
13 ANOTHER TWENTY FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS
14 ACT.

15
16 **SEC. 2. Manner of Operation of Stations or Facilities.** – The
17 facilities stations or facilities of the grantee shall be constructed and
18 operated in a manner as will avoid interference on the wavelengths or
19 frequencies of authorized users, whether for broadcasting or
20 telecommunications purposes without in any way diminishing its own right
21 to use its selected wavelengths or frequencies and the quality of
22 transmission or reception of signals.
23

1 **SEC. 3. Prior Approval of the National Telecommunications**
2 **Commission.** – The grantee shall secure from the National
3 Telecommunications Commission (NTC) the appropriate permits and
4 licenses for its stations and shall not use any frequency in the
5 radio/television spectrum without having been authorized by the
6 [Commission] NTC.
7

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

20 **SEC. 5. Right of Government.** – The President of the Philippines, in
21 times of rebellion, public peril, calamity, emergency, disaster or disturbance
22 of peace and order, may temporarily take over and operate the stations of
23 the grantee, temporarily suspend the operation of any station in the interest
24 of public safety, security and public welfare, or to authorize the temporary
25 use and operation thereof by any department of the government, upon due
26 compensation to the grantee, for the use of said stations during the period
27 when they shall be so operated.
28

29 **SEC. 6. Term of Franchise.** — This franchise shall be in effect for a
30 period of twenty-five (25) years from the effectivity of this Act, unless sooner
31 revoked or cancelled. In the event the grantee fails to operate continuously
32 for two (2) years [or within two (2) years from the approval of its permit by
33 the National Telecommunications Commission], this franchise shall be
34 deemed *ipso facto* revoked.
35

36 **SEC. 7. Acceptance and Compliance.** – Acceptance of this franchise
37 shall be given in writing to the [Secretary of Transportation and
38 Communications] CONGRESS OF THE PHILIPPINES, THROUGH THE
39 COMMITTEE ON LEGISLATIVE FRANCHISES OF THE HOUSE OF
40 REPRESENTATIVES AND THE COMMITTEE ON PUBLIC SERVICES OF THE
41 SENATE, [with a copy furnished to the Chairman of the National
42 Telecommunications Commission] within sixty (60) days after the approval
43 of this Act. Upon giving such acceptance, the grantee shall exercise the
44 privileges granted under this Act.
45

46 **SEC. 8. Tax Provisions.** – The grantee, its successors or assigns shall
47 be liable to pay the same taxes on their real estate, buildings and personal
48 property, exclusive of this franchise, as other persons or corporations are
49 now or hereafter may be required by law to pay. In addition thereto, the

1 grantee, its successors or assigns shall pay a franchise tax equivalent to
2 three percent (3%) of all gross receipts of the radio/television business
3 transacted under this franchise by the grantee, its successors or assigns
4 shall continue to be liable for income taxes payable under Title II of the
5 National Internal Revenue Code pursuant to Section 2 of Executive Order
6 No. 72 unless the latter enactment is amended or repealed, in which case
7 the amendment or repeal shall be applicable thereto.

8
9 The grantee shall file the return with and pay the tax due thereon to
10 the Commissioner of Internal Revenue or his duly authorized representative
11 in accordance with the National Internal Revenue Code and the return shall
12 be subject to audit by the Bureau of Internal Revenue.

13
14 **SEC. 9. Self-regulation by and Undertaking of Grantee.** -The
15 grantee shall not require any previous censorship of any speech, play, act,
16 scene, or other matter to be broadcast and/or telecast from its stations:
17 Provided, That the grantee, during any broadcast and/or telecast, shall cut
18 off from the air such speech, play, act, scene, or other matter being
19 broadcast and/or telecast if the tendency thereof is to propose and/or incite
20 treason, rebellion or sedition; or the language used therein or the theme
21 thereof is indecent or immoral; and willful failure to do so shall constitute a
22 valid cause for the cancellation-of this franchise.

23
24 **SEC. 10. Warranty in Favor of National and Local Governments.**
25 - The grantee shall hold the national, provincial and municipal governments
26 of the Philippines harmless from all claims, accounts, demands or actions
27 arising out of accidents or injuries, whether to property or to persons,
28 caused by the construction or operation of the stations of the grantee.

29
30 **SEC. 11. Sale, Lease, Transfer, Usufruct, etc.** - The grantee shall
31 not lease, transfer, grant the usufruct of, sell nor assign this franchise or
32 the rights and privileges acquired thereunder to any person, firm, company,
33 corporation or entity not otherwise enfranchised for broadcasting services
34 without the prior approval of the Congress of the Philippines. The controlling
35 interest in the grantee shall not be transferred, assigned nor sold whether as
36 a whole or in parts and whether simultaneously or contemporaneously
37 within five (5) years from the date of the effectivity of this Act. Any person or
38 entity to which this franchise is sold, transferred or assigned shall be
39 subject to all the same conditions, terms, restrictions, and limitations of this
40 Act.

41
42 **SEC. 12. General Broadcast Policy Law.** - The grantee shall comply
43 with and be subject to the provisions of a general broadcast policy law which
44 Congress may hereafter be enacted.

45
46 **SEC. 13. Equality Clause.** — ANY ADVANTAGE, FAVOR,
47 PRIVILEGE, EXEMPTION, OR IMMUNITY GRANTED UNDER EXISTING
48 FRANCHISE, OR WHICH MAY HEREAFTER BE GRANTED FOR RADIO
49 AND/OR TELEVISION BROADCASTING, UPON PRIOR REVIEW AND

1 APPROVAL OF CONGRESS, SHALL BECOME PART OF THIS FRANCHISE
2 AND SHALL BE ACCORDED IMMEDIATELY AND UNCONDITIONALLY TO
3 THE HEREIN GRANTEE: *PROVIDED*, THAT THE FOREGOING SHALL NOT
4 APPLY TO NOT AFFECT PROVISIONS OF BROADCASTING FRANCHISES
5 CONCERNING TERRITORY COVERED BY THE FRANCHISE, THE LIFESPAN
6 OF THE FRANCHISE OR THE TYPE OF SERVICE AUTHORIZED BY THE
7 FRANCHISE.
8

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

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

18 **SEC. 16. *Effectivity Clause.*** – This Act shall take effect fifteen (15)
19 days after its publication in the *Official Gazette* or in a newspaper of general
20 circulation.
21

22 Approved.