

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

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7845



Introduced by HON. ANTONIO "TONYPET" T. ALBANO

EXPLANATORY NOTE

Broadcasting is the most inexpensive form of information and entertainment for the people. Radio, television, and cable television have provided the general public with news that have wide ranging consequences to their day-to-day activities, and entertainment that perks and stimulates the creativity of a public longing for holistic growth. Once upon a time, development communications (or Devcom) was a virtual beacon for those engaged in broadcasting. It was anchored on the philosophy that broadcasting, like all forms of communications, has to have a clearly defined purpose: to help facilitate communion or unity among peoples and institutions that would contribute to the greater good.

FICTAP BROADCASTING NETWORK INC. is a newly-formed corporation. The company's incorporators come from many different parts of the country – from far north all the way to the south. They have a very good grasp and understanding of the socio-cultural nuances of their respective communities. They are considered mavens of the industry and their expertise has been acknowledged locally and abroad.

It is a certainty that **FICTAP BROADCASTING NETWORK INC.** will contribute immensely to the positive development of broadcast communications in the country.

It is on this note that the immediate approval of this bill is earnestly sought.

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AN ACT
GRANTING FICTAP RADIO BROADCASTING NETWORK INC. A
FRANCHISE TO INSTALL, CONSTRUCT, OPERATE AND MAINTAIN
COMMERCIAL RADIO AND TELEVISION BROADCASTING, AND CABLE
TELEVISION, STATIONS, THROUGHOUT THE PHILIPPINES

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 the
2 provisions of the 1987 Philippine Constitution and applicable laws, rules
3 and regulations, there is hereby granted to FICTAP Broadcasting Network,
4 Inc., hereunder referred to as the grantee, its successors or assignees, a
5 franchise to construct, install, operate, and maintain, for commercial
6 purposes and in the public interest, radio and television broadcasting
7 stations, cable television, digital television, television white space systems,
8 pay service, through microwave, satellite, terrestrial, or whatever mean, as
9 well as the use of any new technology in television systems, with the
10 corresponding auxiliaries and facilities, special broadcast and other program
11 and distribution services and relay stations in the Philippines.

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

1 **SECTION 3. *Prior Approval of the National Telecommunications Commission.***

2 - The grantee shall secure from the National Telecommunications
3 Commission (NTC) the appropriate permits and licenses for the construction
4 and operation of its stations or facilities and shall not use any frequency in
5 the radio/television spectrum without authorization from the NTC. The NTC,
6 however, shall not unreasonably withhold or delay the grant of any such
7 authority. The grantee shall not dispose or lease its facilities except to
8 entities with radio or television broadcasting franchise: Provided, That the
9 grantee shall inform and secure written authorization to proceed from the
10 NTC, and report the transaction to the NTC within sixty (60) days after its
11 completion: Provided, further, That the NTC shall determine the
12 corresponding sanction for any violation of this provision. In case of
13 violation/s of any of the provisions of this franchise, the NTC shall have the
14 authority to revoke or suspend, after due process, the permits, or licenses
15 issued by the NTC pursuant to the franchise. NTC may recommend to
16 Congress the revocation of the franchise if there are any violation/s of the
17 provisions of the franchise.

18 **SECTION 4. *Responsibility to the Public.*** - The grantee shall provide,
19 free of charge, adequate public service time which is reasonable and
20 sufficient to enable the government, through the broadcasting stations or
21 facilities of the grantee, to reach the pertinent populations or portions
22 thereof, on important public issues and relay important public
23 announcements and warnings concerning public emergencies and
24 calamities, as necessity, urgency or law may require; provide at all times
25 sound and balanced programming; promote public participation; assist in
26 the functions of public information and education; conform to the ethics of
27 honest enterprise; promote audience sensibility and empowerment; and not
28 use its stations or facilities for the broadcasting of obscene or indecent
29 language, speech, act, or scene; or for the dissemination of deliberately false
30 information or willful misrepresentation, to the detriment of the public
31 interest; or to incite, encourage, or assist in subversive or treasonable acts.
32 Public service time referred herein shall be equivalent to a maximum
33 aggregate of ten percent (10%) of the paid commercials or advertisements
34 which shall be allocated based on need to the Executive and Legislative
35 branches, the Judiciary, Constitutional Commissions, and international
36 humanitarian organizations duly recognized by statutes: Provided, That the
37 NTC shall increase the public service time in case of extreme emergency or
38 calamity. The NTC shall issue rules and regulations for this purpose, the
39 effectivity of which shall commence upon applicability with other similarly
40 situated broadcast network franchise holders. Pursuant to Republic Act
41 No.8370, the grantee shall allot a minimum of fifteen percent (15%) of the
42 daily total air time of the broadcasting network to child-friendly show/s
43 within its regular programming.

44 **SECTION 5. *Right of the Government.*** - The radio spectrum is a finite
45 resource that is part of the national patrimony and the use thereof is a
46 privilege conferred upon the grantee by the State and may be withdrawn any
47 time after due process. A special right is hereby reserved to the President of
48 the Philippines, in times of war, rebellion, public peril, calamity, emergency,

1 disaster, or disturbance of peace and order, to temporarily take over and
2 operate the stations or facilities of the grantee; to temporarily suspend the
3 operation of any station or facility in the interest of public safety, security
4 and public welfare; or to authorize the temporary use and operation thereof
5 by any agency of the government, upon due compensation to the grantee, for
6 the use of stations or facilities during the period when these shall be so
7 operated.

8
9 **SECTION 6. *Term of Franchise.*** - This franchise shall be in effect for
10 a period of twenty-five (25) years from the effectivity of this Act, unless
11 sooner revoked or cancelled. This franchise shall be deemed ipso facto
12 revoked in the event the grantee fails to operate continuously for two (2)
13 years.

14 **SECTION 7. *Self-regulation by and Undertaking of the Grantee.*** - The
15 grantee shall not require any previous censorship of any speech, play, act or
16 scene, or other matter to be broadcast from its stations, but if any such
17 speech, play, act or scene, or other matter should constitute a violation of
18 the law or infringement of a private right, the grantee shall be free from any
19 liability, civil or criminal, for such speech, play, act or scene or other matter:
20 Provided, That the grantee, during any broadcast, shall cut off the airing of
21 speech, play, act or scene, or other matter being broadcast if the tendency
22 thereof is to propose and/or incite treason, rebellion or sedition; or the
23 language used therein or the theme thereof is indecent or immoral:
24 Provided, further. That willful failure to do so shall constitute a valid cause
25 for the cancellation of this franchise.

26 **SECTION 8. *Warranty in Favor of the National and Local Governments.***
27 The grantee shall hold the national, provincial, city, and municipal
28 governments of the Philippines free from all claims, liabilities, demands, or
29 actions arising out of accidents causing injury to persons or damage to
30 properties, during the construction or operation of the stations of the
31 grantee.

32 **SECTION 9. *Commitment to Provide and Promote the Creation of***
33 ***Employment Opportunities.*** - The grantee shall create employment
34 opportunities and shall allow on-the-job trainings in their franchise
35 operation: Provided, That priority shall be accorded to the residents of the
36 place where their principal office is located: Provided, further, That the
37 grantee shall follow the applicable labor standards and allowance
38 entitlement under existing labor laws, rules and regulations and similar
39 issuances: Provided, finally. That the employment opportunities or jobs
40 created shall be reflected in the General Information Sheet (GIS) to be
41 submitted to the Securities and Exchange Commission (SEC) annually.

42 **SECTION 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment***
43 ***of Franchise.*** - The grantee shall not sell, lease, transfer, grant the usufruct
44 of, nor assign this franchise or the rights and privileges acquired thereunder
45 to any person, firm, company, corporation or other commercial or legal
46 entity, nor merge with any other corporation or entity, nor the controlling

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

12 **SECTION 11. *Dispersal of Ownership.*** — In accordance with the
13 constitutional provision to encourage public participation in public utilities,
14 the grantee shall offer to Filipino citizens at least thirty percent (30%) or a
15 higher percentage that may hereafter be provided by law of its outstanding
16 capital stock in any securities exchange in the Philippines within five (5)
17 years from the commencement of its operations: Provided, That in cases
18 where public offer of shares is not applicable, the grantee shall apply other
19 methods of encouraging public participation by citizens and corporations
20 operating public utilities as allowed by law. Noncompliance therewith shall
21 render the franchise ipso facto revoked.

22 **SECTION 12. *Reportorial Requirement.*** - The grantee shall submit an
23 annual report to the Congress of the Philippines, through the Committee on
24 Legislative Franchises of the House of Representatives and the Committee
25 on Public Services of the Senate, on its compliance with the terms and
26 conditions of the franchise and on its operations on or before April 30 of
27 every year during the term of its franchise. The annual report shall include
28 an update on the roll-out, development, operation, and/or expansion of
29 business; audited financial statements; latest GIS officially submitted to
30 SEC, if applicable; certification of the NTC on the status of its permits and
31 operations: and an update on the dispersal of ownership undertaking, if
32 applicable. The reportorial compliance certificate issued by Congress shall
33 be required before any application for permit or certificate is accepted by the
34 NTC.

35 **SECTION 13. *Fine.*** - Failure of the grantee to submit the requisite
36 annual report to Congress shall be penalized by a fine of Five hundred pesos
37 (P500.00) per working day of noncompliance. The fine shall be collected by
38 the NTC from the delinquent franchise grantee separate from the reportorial
39 penalties imposed by the NTC and the same shall be remitted to the
40 National Treasury.

41 **SECTION 14. *Equality Clause.*** - Any advantage, favor, privilege,
42 exemption, or immunity granted under existing franchises, or which may
43 hereafter be granted for radio and/or television broadcasting, upon prior
44 review and approval of Congress, shall become part of this franchise and
45 shall be accorded immediately and unconditionally to the herein grantee:
46 Provided, That the foregoing shall neither apply to nor affect the provisions

1 of broadcasting franchises concerning territorial coverage, the term, or the
2 type of service authorized by the franchise.

3 **SECTION 15. *Repealability and Nonexclusivity Clause.*** - This
4 franchise shall be subject to amendment, alteration, or repeal by the
5 Congress of the Philippines when the public interest so requires and shall
6 not be interpreted as an exclusive grant of the privileges herein provided.
7

8 **SECTION 16. *Separability Clause.*** - If any of the sections or
9 provisions of this Act is held invalid, all other provisions not affected thereby
10 shall remain valid.
11

12 **SECTION 17. *Repealing Clause.*** — All laws, decrees, orders,
13 resolutions, instructions, rules and regulations, and other issuances or
14 parts thereof which are inconsistent with the provisions of this Act are
15 hereby repealed, amended, or modified accordingly.

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

Approved,