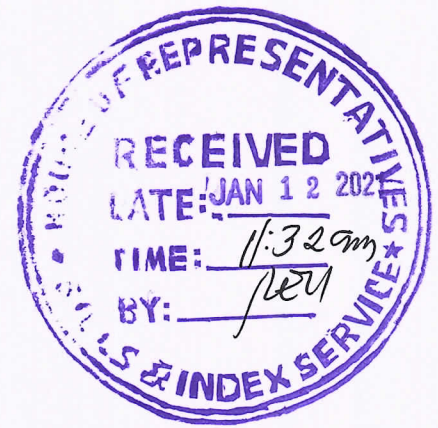


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
2nd Regular Session

House Bill No. 8333



Introduced by Representative Gabriel H. Bordado, Jr.

EXPLANATORY NOTE

Since its first television broadcast on October 23, 1953, the ABS-CBN Corporation had played an undeniably important role in the everyday lives of the Filipino people. The network had 80 television channels under its belt with a reach stretching far and wide across the Philippine archipelago. And in its service spanning almost seven decades, it had been a staple in Filipino homes, providing entertainment through its different shows, broadcasting timely and pertinent information and news, and truly taking part in Philippine history. However, it all came to an abrupt stop last May 2020 when the broadcasting network was denied the opportunity to renew its franchise to operate.

At this stage, we have been feeling the varying impacts of ABS-CBN's closure. About 11,000 employees lost their source of income and countless others in the industry have been directly and indirectly affected by the shutdown, right in the middle of a pandemic that has negatively impacted the economy of the whole world. We also stopped having possible avenues for quick and accessible information dissemination during a time when the landscape and the conduct of education are being forced to change due to the limitations brought about by the pandemic. And, as we had seen during the back-to-back onslaught of typhoons in 2020, the shutdown did prove to be a debilitating blow in providing and relaying updates, warnings, and calls for assistance to families devastated by these extreme events.

This bill, therefore, seeks to grant ABS-CBN franchise to operate for 25 years.


GABRIEL H. BORDADO, JR.,
3RD District, Camarines Sur

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House Bill No. _____

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AN ACT

GRANTING THE ABS-CBN CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL,
OPERATE AND MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN
THE PHILIPPINES AND FOR OTHER PURPOSES

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

SECTION 1. Nature and Scope of Franchise. – Subject to the provisions of the
1987 Philippine Constitution and applicable laws, rules and regulations, the ABS-
CBN Corporation (formerly ABS-CBN Broadcasting Corporation), herein after
referred to as grantee, its successors or assignees, is hereby granted a franchise to
construct, install, establish, operate and maintain for commercial purposes and in the
public interest, radio and/or television broadcasting stations in the Philippines, where
frequencies and/or channels are still available for radio and/or television
broadcasting, including digital television system, through microwave, satellite or
whatever means, or the use of any new technologies in television and in radio
systems, with the corresponding technological auxiliaries and facilities, special
broadcast and other program and distribution services and relay stations.

Sec. 2. Manner of Operation of Stations or Facilities. – The stations or facilities of
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 selected 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 television or radio spectrum without having been authorized by NTC. The NTC,
however, shall not unreasonably withhold or delay the grant of any such authority.

34 **Sec. 4. Responsibility to the Public.** – The grantee shall provide adequate public
35 service time which is reasonable and sufficient to enable the government, through
36 the aid broadcasting stations, to reach the pertinent populations or portions thereof,
37 on important public issues and relay important public announcements and warnings
38 concerning public emergencies and calamities, as necessity, urgency or law may
39 require; provided at all times sound and balanced programming; promote public
40 participation; assist in the functions of public information and education; conform to
41 the ethics of honest enterprise; promote audience sensibility and empowerment
42 including closed captioning; and not use its stations for the broadcasting of obscene
43 and indecent language, speech, act or scene; or for the dissemination of deliberately
44 false information or willful misrepresentation, to detriment of public interest, or to
45 incite, encourage or assist in subversive or treasonable acts.

46
47 **Sec. 5. Right of Government.** – A special right is hereby reserved to the President
48 of the Republic of the Philippines, in times or war, rebellion, public peril, calamity,
49 emergency, disaster or disturbance of peace and order, to temporarily take over and
50 operate the stations or facilities of the grantee; to temporarily suspend the operation
51 of any station or facility in the interest of public safety, security and public welfare; or
52 to authorize the temporary use and operation thereof by any agency of the
53 government, upon due compensation to the grantee, for the use of the said stations
54 or facilities during the period when they shall be so operated.

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

58
59 **Sec. 6. Term of Franchise.** – This franchise shall be in effect for a period of twenty
60 five (25) years, unless sooner revoked or cancelled. This Franchise shall be deemed
61 ipso facto revoked in the event the grantee fails to operate continuously for a period
62 of two (2) years.

63
64 **Sec. 7. Acceptance and Compliance.** – Acceptance of this franchise shall be given
65 in writing to the Congress of the Philippines, through the Committee on Legislative
66 Franchises of the House of Representatives and the Committee on Public Service of
67 the Senate within sixty (60) days from the effectivity of this Act. Upon giving such
68 acceptance, the grantee shall exercise the privileges granted under this Act. Non-
69 acceptance shall render the franchise void.

70
71 **Sec. 8. Self-regulation by and Undertaking of Grantee.** – The grantee shall not
72 require any previous censorship of any speech, play, act or scene, or other matter to
73 be broadcast from its stations: Provided, The grantee, during any broadcast, shall
74 cut from the air the speech, play, act or scene, or other matter being broadcast if the
75 tendency thereof is to propose and/or incite treason, sedition, rebellion or sedition; or
76 the language used therein or the theme thereof is indecent or immoral: Provided

77 further, that the willful failure to do so shall constitute a valid cause for the
78 cancellation of this franchise.

79
80 **Sec. 9. Warranty in Favor of National and Local Governments.** – The grantee
81 shall hold the national, provincial, city and municipal governments of the Philippines
82 free from all claims, accounts, demands or actions arising out of accidents or
83 injuries, whether to property or to persons, caused by the construction or operation
84 of the stations of the grantee.

85
86 **Sec. 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.**
87 The grantee shall not sell, lease, transfer, grant usufruct of, nor assign this franchise
88 or the right and privileges acquired thereunder to any person, firm, company,
89 corporation or other commercial or legal entity, nor merge with any other corporation
90 or entity, nor shall transfer the controlling interest of the grantee, whether as a whole
91 or in part and whether simultaneously or contemporaneously, to any such person,
92 firm, company, corporation or entity without the prior approval of the Congress of the
93 Philippines: Provided, that Congress shall be informed of any sale, lease, transfer,
94 grant of usufruct, or assignment of franchise of the right or privileges acquired
95 thereunder, or the merger or transfer of the controlling interest of the grantee, within
96 sixty (60) days after the completion of said transaction: Provided further, that failure
97 to report to Congress such change of ownership shall render the franchise ipso facto
98 revoked: Provided, finally, that the person or entity to which this franchise is sold,
99 transferred or assigned, shall be subject to the same conditions, terms, restrictions
100 and limitations of this Act.

101
102 **Sec. 11. Dispersal of Ownership.** – In accordance with the constitutional provision
103 to encourage public participation in public utilities, the grantee shall offer to Filipino
104 citizens at least thirty percent (30%) or a higher percentage that may hereafter be
105 provided by law of its outstanding stock in any securities exchange in the Philippines
106 within five (5) years from the commencement of its operations: Provided, that in
107 cases where public offer or shares is not applicable, establishment of cooperatives
108 and other methods of encouraging public participation by citizens and corporations
109 operating public utilities must be implemented. Non-compliance therewith shall
110 render the franchise ipso facto revoked.

111
112 **Sec. 12. General Broadcast Policy Law.** – The grantee shall comply with and be
113 subject to the provisions of a general broadcast policy law, which Congress may
114 hereinafter enact.

115
116 **Sec. 13. Reportorial Requirements.** – The grantee shall submit an annual report to
117 the Congress of the Philippines, through the Committee on Legislative Franchises of
118 the House of Representatives and the Committee on Public Service of the Senate,
119 on its compliance with the terms and conditions of the franchise and on its
120 operations on or before April 30 of the succeeding year. The reportorial compliance

certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

Sec. 14. Provisional Authority to Continue Operations. – In the event that the franchise granted under this Act expires, the grantee is automatically given a Provisional Authority to continue its operations: Provided, that a bill is already filed in Congress renewing its franchise before expiration: Provided further, that the said Provisional Authority to continue its operations shall only be valid until its franchise is renewed, rejected or until the term of Congress when the bill for renewal was filed ends.

Sec. 15. Penalty Clause. – Failure of the grantee to submit the requisite annual report to Congress shall be penalized by a fine of five hundred pesos (P500.00) per working day of non-compliance. The said penalty shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the commission. The collected funds shall accrue to the monitoring fund of the NTC in line with its supervisory and regulatory functions.

Sec. 16. Equality Clause. – Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio and/or television 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 neither apply to nor affect the provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise or the type of service authorized by the franchise: Provided further, the foregoing shall not apply to sale, lease, transfer or grant of usufruct of legislative franchise without prior approval by Congress.

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

Sec. 18. Repealing and Non-exclusivity Clause. – This franchise shall be subject to amendment, alteration, or repeal by Congress when public interest so requires and shall not be interpreted as an exclusive grant of privileges herein provided for.

Sec. 19. Effectivity Clause. – This Act shall take effect after fifteen (15) days from complete publication either in the Official Gazette or in a newspaper of general circulation.

Approved,