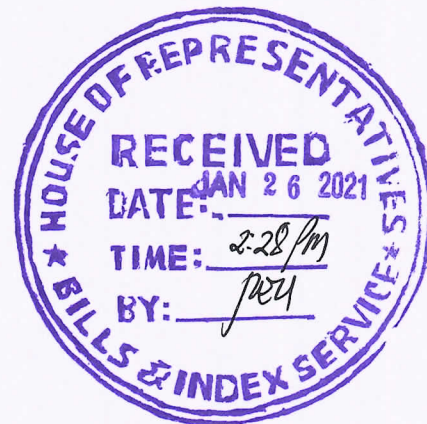


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8515



Introduced by: Hon. Alfredo A. Garbin, Jr.

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO NATION BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8623, ENTITLED "AN ACT GRANTING THE NATION BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"

EXPLANATORY NOTE

History has shown that radio is the most robust and compelling broadcasting service in the Philippines. The affordability of a radio receiver allows for all Filipinos the ability to access radio programs. Whether listening to news inside a car while driving along EDSA or listening to music in a far-flung beach resort or maybe even listening to a public service program in the sparsely populated mountain areas, radio is the broadcasting service of all Filipinos, regardless of financial capacity or geographic location.

And that is what Nation Broadcasting Corporation has done since its inception. Providing quality broadcasting programs for the Filipino people, by its news, public service, entertainment and sports programs, educational programs, religious programs, health programs, not to mention giving up to the minute updates on natural calamities and disasters.

Certainly, radio is a unifying technology for it binds a people together by providing data and information in a very quick manner, doing away with ambiguity, confusion and falsehoods. It is for this reason that Nation Broadcasting Corporation seeks a renewal of its Congressional Franchise for Broadcasting, in order that it may continue serving its vast Filipino audience.

This bill is earnestly recommended for immediate approval.

ALFREDO A. GARBIN, JR.
AKO-BICOL PARTYLIST

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AN ACT

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6 BROADCASTING STATIONS IN THE PHILIPPINES"
7

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

9
10 SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the
11 Constitution and applicable laws, rules and regulations, the franchise granted to
12 NATION BROADCASTING CORPORATION, hereunder referred to as the grantee,
13 its successor or assignee, under Republic Act No. 8623, a franchise to construct, install,
14 operate, and maintain for commercial purposes and in the public interest, radio
15 and/or television broadcasting stations throughout the Philippines, where
16 frequencies and/or channels are still available for radio and/or television
17 broadcasting, including digital television system, through microwave, satellite or
18 whatever means, as well as the use of any new technology in television and radio
19 systems, with the corresponding technological auxiliaries and facilities, special
20 broadcast and other program and distribution services and relay stations, is hereby
21 renewed for another twenty-five (25) years.

22
23 SEC. 2. *Manner of Operation of Stations or Facilities.* - The stations or facilities of
24 the grantee shall be constructed and operated in a manner as will, at most, result only
25 in the minimum interference on the wavelengths or frequencies of existing stations or
26 other stations which may be established by law, without in any way diminishing its
27 own privilege to use its assigned wavelengths or frequencies and the quality of
28 transmission or reception thereon as should maximize rendition of the grantee's
29 services and/or availability thereof.
30

1 SEC. 3. *Prior Approval of the National Telecommunications Commission.* – The grantee
2 shall secure from the National Telecommunications Commission (NTC) the
3 appropriate permits and licenses for the construction and operation of its stations or
4 facilities and shall not use any frequency in the radio/television spectrum without
5 authorization from the NTC. The NTC, however, shall not unreasonably withhold or
6 delay the grant of any such authority.

7
8 In case of any violation of the provisions of this franchise, the NTC shall have
9 the authority to revoke or suspend, after due process, the permits or licenses it issued
10 pursuant to the franchise. The NTC may recommend to Congress of the Philippines
11 the revocation of the franchise for any violation of the provisions of this franchise.
12

13 SEC. 4. *Responsibility to the Public.* – The grantee shall provide, free of charge,
14 adequate public service time which is reasonable and sufficient to enable the
15 government, through the broadcasting stations or facilities of the grantee, to reach the
16 pertinent populations or portions thereof, on important public issues and relay
17 important public announcements and warnings concerning public emergencies and
18 calamities, as necessity, urgency or law may require; provide at all times sound and
19 balanced programming; promote public participation; assist in the functions of public
20 information and education; conform to the ethics of honest enterprise; promote
21 audience sensibility and empowerment including closed captioning; and not use its
22 stations or facilities for the broadcasting of obscene or indecent language, speech, act
23 or scene, the dissemination of deliberately false information or willful
24 misrepresentation, to the detriment of public interest, or to incite, encourage, or assist
25 in subversive or treasonable acts.

26
27 Public service time referred herein shall be equivalent to a maximum aggregate
28 of ten percent (10%) of paid commercials or advertisements which shall be allocated
29 based on need to the Executive and Legislative branches, the Judiciary, Constitutional
30 Commissions, and international humanitarian organizations duly recognized by
31 statutes: *Provided*, That the NTC shall increase the public service time in case of
32 extreme emergency or calamity. The NTC shall issue rules and regulations for this
33 purpose, the effectivity of which shall commence upon applicability with other
34 similarly situated broadcast network franchise holders.

35
36 Pursuant to Republic Act No. 8370, otherwise known as the “Children’s
37 Television Act of 1997”, the grantee shall allot a minimum of fifteen percent (15%) of
38 the daily total air time of each broadcasting network to child-friendly shows within
39 its regular programming.
40

41 SEC. 5. *Right of the Government.* – The radio spectrum is a finite resource that is
42 part of the national patrimony, and the use thereof is a privilege conferred upon the
43 grantee by the State that may be withdrawn any time after due process.
44

45 A special right is hereby reserved to the President of the Philippines, in times
46 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace
47 and order, to temporarily take over and operate the stations or facilities of the grantee;

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

5
6 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a period of
7 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
8 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee
9 fails to operate continuously for two (2) years.

10
11 SEC. 7. *Self-regulation by and Undertaking of Grantee.* – The grantee shall not
12 require any previous censorship of any speech, play, act or scene, or other matter to
13 be broadcast from its stations, but if any such speech, play, act or scene, or other matter
14 should constitute a violation of the law or infringement of a private right, the grantee
15 shall be free from any liability, civil or criminal, for such speech, play, act or scene, or
16 other matter: *Provided*, That the grantee, during any broadcast, shall cut off the airing
17 of speech, play, act or scene, or other matter being broadcast if the tendency thereof is
18 to propose and/or incite treason, rebellion or sedition; or the language used therein
19 or the theme thereof is indecent or immoral: *Provided, further*, That willful failure to do
20 so shall constitute a valid cause for the cancellation of this franchise.

21
22 SEC. 8. *Warranty in Favor of the National and Local Governments.* – The grantee
23 shall hold the national, provincial, city, and municipal governments of the Philippines
24 free from all claims, liabilities, demands, or actions arising out of accidents causing
25 injury to persons or damage to properties, during the construction or operation of the
26 stations of the grantee.

27
28 SEC. 9. *Commitment to Provide and Promote the Creation of Employment*
29 *Opportunities.* – The grantee shall create employment opportunities and accept on-the-
30 job trainees in the franchise operations: *Provided*, That priority shall be accorded to the
31 residents of the place where the principal office of the grantee is located: *Provided*
32 *further*, That the grantee shall ensure that at least sixty percent (60%) of its employees
33 are regular employees and in no case shall the percentage of contractual employees,
34 job orders, casuals, talents and independent contractors combined, exceed forty
35 percent (40%) of its total workforce: *Provided, finally*, That the grantee shall comply
36 with the applicable labor standards and allowance entitlement under existing labor
37 laws, rules and regulations and similar issuances.

38
39 The employment opportunities or jobs created shall be reflected in the General
40 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
41 (SEC) annually. In addition, the grantee shall include in its annual report to Congress
42 the number of its regularized employees and secure a compliance and clearance
43 certificate from the Department of Labor and Employment and its relevant attached
44 agencies.

1
2 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The
3 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or
4 the rights and privileges acquired thereunder to any person, firm, company,
5 corporation or other commercial or legal entity, nor merge with any other corporation
6 or entity, nor shall transfer the controlling interest of the grantee, simultaneously or
7 contemporaneously, to any person, firm, company, corporation, or entity without the
8 prior approval of Congress. Congress shall be informed of any sale, lease, transfer,
9 grant of usufruct, or assignment of franchise or the rights and privileges acquired
10 thereunder, or of the merger or transfer of the controlling interest of the grantee,
11 within sixty (60) days after the completion of the said transaction. Failure to report to
12 Congress such change of ownership shall render the franchise *ipso facto* revoked. Any
13 person or entity to which this franchise is sold, transferred, or assigned shall be subject
14 to the same conditions, terms, restrictions, and limitations of this Act.
15

16 SEC. 11. *Dispersal of Ownership.* – In accordance with the constitutional
17 provision to encourage public participation in public utilities, the grantee shall offer
18 to Filipino citizens at least thirty percent (30%) of its common stocks, or a higher
19 percentage that may hereafter be provided by law, in any securities exchange in the
20 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases
21 where public offer of shares is not applicable, other methods of encouraging public
22 participation by citizens and corporations operating public utilities must be
23 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
24

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

31 The annual report shall include an update on the roll-out, development,
32 operation and/or expansion of business; audited financial statements; latest GIS
33 officially submitted to the SEC, if applicable; certification of the NTC on the status of
34 its permits and operations; and an update on the dispersal of ownership undertaking,
35 if applicable.
36

37 The reportorial compliance certificate issued by Congress shall be required
38 before any application for permit or certificate is accepted by the NTC.
39

40 SEC. 13. *Fine.* – Failure of the grantee to submit the requisite annual report to
41 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working
42 day of noncompliance. The fine shall be collected by the NTC from the delinquent
43 franchise grantee separate from the reportorial penalties imposed by the NTC and the
44 same shall be remitted to the Bureau of the Treasury.
45

46 SEC. 14. *Equality Clause.* – Any advantage, favor, privilege, exemption, or
47 immunity granted under existing franchises, or which may hereafter be granted for
48 radio and/or television broadcasting, upon prior review and approval of Congress,

1 shall become part of this franchise and shall be accorded immediately and
2 unconditionally to the herein grantee: *Provided*, That the foregoing shall neither apply
3 to nor affect the provisions of broadcasting franchises concerning territorial coverage,
4 the term, or the type of service authorized by the franchise.
5

6 SEC. 15. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject
7 to amendment, alteration, or repeal by Congress when the public interest so requires
8 and shall not be interpreted as an exclusive grant of the privileges herein provided
9 for.
10

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

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

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

21
22 Approved,