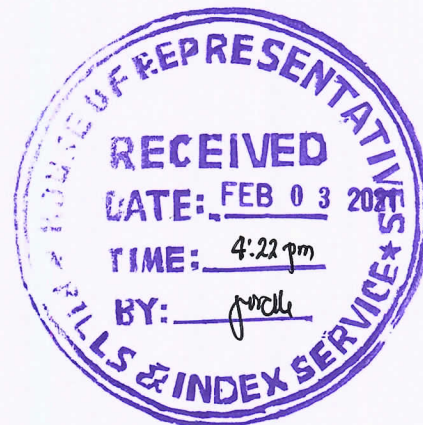


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 8619



Introduced by Rep. Edcel C. Lagman

EXPLANATORY NOTE

The authority of the Congress, particularly the House of Representatives where private bills originate, to grant legislative franchises to qualified applicants to operate radio and television networks assures the efficacy of the freedoms of speech, expression and of the press. It is also a recognition of the people's right to access legitimate sources of information.

The vital importance of the press and free speech in a democratic system of government was underscored by Chief Justice Reynato Puno in **Chavez vs. Gonzalez and NTC** (G.R. No. 168338, February 15, 2008) in this wise:

"Much has been written on the philosophical basis of press freedom as part of the larger right of free discussion and expression. Its practical importance, though, is more easily grasped. It is the chief source of information on current affairs. It is the most pervasive and perhaps most powerful vehicle of opinion on public questions. It is the instrument by which citizens keep their government informed of their needs, their aspirations and their grievances. It is the sharpest weapon in the fight to keep government responsible and efficient. Without a vigilant press, the mistakes of every administration would go uncorrected and its abuses unexposed."

Consistent with the forgoing verities, the instant bill, entitled "An Act Granting Capricom Broadcasting Network Corp. a Franchise to Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations in Tabaco City, Province of Albay, and Other Areas in the Philippines", is filed.

Capricom Broadcasting Network Corp. is a domestic corporation registered with the Securities and Exchange Commission (SEC) with Registration No. CS201952075 dated 25 April 2019. Its principal purpose is to engage in the business of radio and television broadcasting on a commercial and sustaining basis.

It is a fact that radio broadcasting is an essential component of mass media, and plays a vital role in nation-building. Consequently, the Corporation wants to contribute to and be a part of this undertaking by providing public service and contributing to the development of Tabaco City and other areas of the Philippines.

It aims to provide important, relevant, and timely news, information and commentary in various fields of business, economics, politics, and entertainment, both in the Philippines and abroad, by utilizing the latest medium in broadcasting technology.

The shareholders and officers of the company have extensive knowledge and experience in broadcasting, and are cognizant of this means of information as a tool for social change and sustainable development.

Moreover, the Corporation is aware that despite the advances in broadcast technology, radio broadcasting will always remain a relevant medium for news, information, and entertainment due to its unique capacity to reach far-flung audiences belonging to different social classes, ethnic groups and demographics.

Approval of this bill is earnestly sought.

A handwritten signature in black ink, consisting of a large, stylized 'E' followed by a series of loops and a long horizontal stroke.

EDCEL C. LAGMAN

Republic of the Philippines
HOUSE OF REPRESENTATIVES
1Quezon City

EIGHTEENTH CONGRESS
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House Bill No. 8619

Introduced by: Rep. Edcel C. Lagman

**AN ACT GRANTING CAPRICOM BROADCASTING NETWORK CORP.
A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO
AND TELEVISION BROADCASTING STATIONS IN TABACO CITY, PROVINCE
OF ALBAY, AND OTHER AREAS IN THE PHILIPPINES**

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

SECTION 1. Nature and Scope of Franchise.— Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to the Capricom Broadcasting Network Corp., its successors or assigns and hereunder referred to as the grantee, a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in Tabaco, Albay and other areas in the Philippines where frequencies and/or channels are still available for radio and television broadcasting, with the corresponding technological auxiliaries or facilities, special broadcast and other program and distribution services and relay stations, and to install radio communication facilities for the grantee's private use in its broadcast services.

SECTION 2. Manner of Operation of Stations or Facilities. – The stations or facilities of the grantee shall be constructed and operated in a manner that would result in the minimum interference on the wavelengths or frequencies of the other existing station or 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.

SECTION 3. Prior Approval of the National Telecommunications Commission. – The grantee shall secure from the National Telecommunications Commission the appropriate permits and licenses for its stations and shall not use any frequency in the radio/television spectrum without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

SECTION 4. Responsibility to the Public. – The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations, to reach the population on important public issues; provide at all times sound and balanced programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations for the broadcasting of obscene and indecent language, speech, act or scene; or for the dissemination of deliberately false information or willful misrepresentation to the detriment of the public interest; or to incite, encourage, or assist in subversive or treasonable acts.

SECTION 5. Rights of the Government. – A special right is hereby reserved to the President of the Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and

operate the stations of the grantee, to temporarily suspend the operation of any station in the interest of public safety, security, and public welfare, or to authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of said stations during the period when they shall be so operated.

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

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

SECTION 7. Acceptance and Compliance. – Acceptance of this franchise shall be given in writing to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, within sixty (60) days from the approval of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

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

SECTION 9. Warranty in Favor of National and Local Governments. – The grantee shall hold the national, provincial, city and municipal governments of the Philippines free from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the station of the grantee.

SECTION 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise. – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges as acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in part, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without prior approval of the Congress of the Philippines: **Provided**, That Congress shall be informed of any sale, lease, transfer, grant or usufruct of, or assignment of the franchise or the rights or privileges acquired thereunder, or the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of said transaction: **Provided, further**, That failure to report to Congress such change of ownership shall render the franchise ipso facto revoked: **Provided, finally**, That any person or entity to which this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions, and limitations of this Act.

SECTION 11. Dispersal of Ownership. – In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher percentage that

may hereafter be provided by law of its outstanding capital stock in any securities exchange in the Philippines within five (5) years from the commencement of its operation: **Provided**, That in cases where public offer of shares is not applicable, establishment of cooperatives and other methods of encouraging public participation by citizens and corporation operating public utilities must be implemented. Non-compliance therewith shall render the franchise ipso facto revoked.

SECTION 12. General Broadcast Policy Law. – The grantee shall comply with and be subject to the provisions of the general broadcast policy law which Congress may hereafter enact.

SECTION 13. Commitment to Provide and Promote the Creation of Employment Opportunities. – The grantee shall create employment opportunities as well as accept on-the-job trainees in their franchise operation: **Provided**, That priority shall be accorded to the residents of the place where the principal office of the grantee is located: **Provided, further**, That the grantee shall comply with the applicable labor standards and allowance entitlement under existing labor laws, rules, regulations, and similar issuances: **Provided, finally**, That the employment opportunities and jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to the Securities and Exchange Commission annually.

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

SECTION 15. Penalty Clause. – Failure of the grantee to submit the requisite annual report to Congress will be penalized by a fine in the amount of Five Hundred Pesos (P500.00) per working day of non-compliance. The fine will be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.

SECTION 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 such franchise, the life span of the franchise or the type of service authorized by the franchise.

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

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

SECTION 19. Effectivity Clause. – This act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,