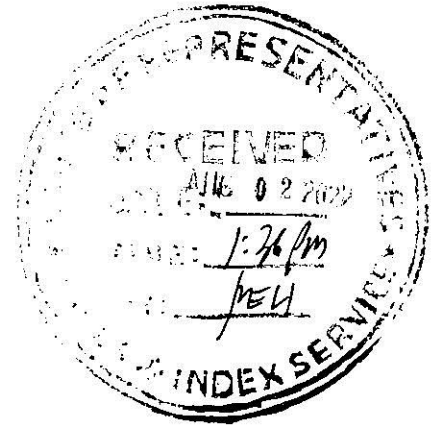


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2987



Introduced by **REP. GREG G. GASATAYA**

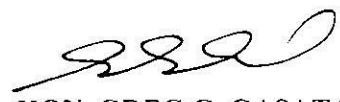
EXPLANATORY NOTE

The Five K Broadcasting Network Inc. is a corporation duly registered with the Securities and Exchange Commission since 2017. The reputable corporation has involved itself in the past in meaningful activities such as social action and community service that have helped thousands of residents of its communities including Bacolod City most evident in the time of pandemic. The said corporation has also been operating radio stations in Antique, Bacolod, Negros Oriental, and Roxas City temporarily as a community and affiliate broadcast station assisting the areas through dependable information dissemination and entertainment throughout the pandemic. Furthermore, the corporation has expressed its intent, commitment, and ability to extend the scope of their activities and services to other parts of the country.

Information dissemination plays a vital role in nation building and addressing issues of both national and local concern. Broadcasting surpasses geographical boundaries which gives the state the opportunity to inform, provide entertainment, and reach out to its constituents even in far-flung areas of the country. With every home at this day and age having a television or a radio, the recent closure of a nationwide broadcasting station, and a global pandemic amidst, it is imperative for the state to assure that information reaches Filipinos in every corner of the country.

The enactment of this bill will not only pave the way for furthering the efficiency and effectiveness of information dissemination in the country, but also bring livelihood to those who have lost their employment due to the pandemic and the recent closure of a nationwide broadcasting station.

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


HON. GREG G. GASATAYA
Lone District of Bacolod City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **2987**

Introduced by **REP. GREG G. GASATAYA**

AN ACT
GRANTING THE FIVE K BROADCASTING NETWORK INC. A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND
TELEVISION BROADCASTING STATIONS IN 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 provisions of the 1987
2 Philippine Constitution and applicable laws, rules and regulations, there is hereby granted to
3 Five K Broadcasting Inc., hereunder referred to as the grantee, its successors or assignees, a
4 franchise to construct, install, establish, operate and maintain for commercial purposes and in
5 the public interest, radio and/or television broadcasting stations throughout the Philippines,
6 where frequencies and/or channels are still available for radio and/or television broadcasting,
7 including digital television system, through microwave, satellite or whatever means, including
8 the use of new technologies in television and radio systems, with the corresponding
9 technological auxiliaries and facilities, special broadcast and other program and distribution
10 services and relay stations.

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

17

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

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

14 SEC. 5. *Right of Government*. - A special right is hereby reserved to the President of
15 the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster, or
16 disturbance of peace and order: to temporarily take over and operate the stations or facilities of
17 the grantee; to temporarily suspend the operation of any station or facility in the interest of
18 public safety, security and public welfare; or to authorize the temporary use and operation
19 thereof by any agency of the government, upon due compensation to the grantee, for the use of
20 said stations or facilities during the period when they shall be so operated.

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

24
25 SEC. 6. *Term of Franchise*. – This franchise shall be in effect for a period of twenty-five
26 (25) years, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto*
27 revoked in the event the grantee fails to comply with any of the following conditions:

28
29 (a) Commence operations within one (1) year from the approval of its operating permit by
30 the NTC;

31 (b) Commence operations within three (3) years from the effectivity of this Act; and

1 (c) Operate continuously for two (2) years.

2 SEC. 7. *Acceptance and Compliance.* - Acceptance of this franchise shall be given in
3 writing to the Congress of the Philippines, through the Committee on Legislative Franchises
4 of the House of Representatives and the Committee on Public Services of the Senate, within
5 sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall
6 exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

7 SEC. 8. *Bond.* - The grantee shall file a bond with the NTC, in the amount that the NTC
8 shall determine, to guarantee compliance with and fulfillment of the conditions under which
9 this franchise is granted. If after three (3) years from the date of the approval of its permit by
10 the Commission, the grantee shall have fulfilled the same, the bond shall be cancelled by the
11 Commission. Otherwise, the bond shall be forfeited in favor of the government and the
12 franchise *ipso facto* revoked.

13
14 SEC. 9. *Self-regulation by and Undertaking of the Grantee.* - The grantee shall not
15 require any previous censorship of any speech, play, act or scene, or other matter to be
16 broadcast from its stations: *Provided*, That the grantee, during any broadcast, shall cut off from
17 the air the 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 or the theme
19 thereof is indecent or immoral: *Provided, further*, That willful failure to do so shall constitute
20 a valid cause for the cancellation of this franchise.

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

25 SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* - The
26 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights
27 and privileges acquired thereunder to any person, firm, company, corporation or other
28 commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer
29 the controlling interest of the grantee, whether as a whole or in part, and whether
30 simultaneously or contemporaneously, to any such person, firm, company, corporation, or

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

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

17
18 SEC. 13. *General Broadcast Policy Law*. - The grantee shall comply with and be
19 subject to the provisions of a general broadcast policy law, which Congress may hereafter
20 enact.

21
22 SEC. 14. *Reportorial Requirement*. - The grantee shall submit an annual report to the
23 Congress of the Philippines, through the Committee on Legislative Franchises of the House of
24 Representatives and the Committee on Public Services of the Senate, on its compliance with
25 the terms and conditions of the franchise and on its operations on or before April 30 of every
26 year during the term of its franchise. The reportorial compliance certificate issued by Congress
27 shall be required before any application for permit or certificate is accepted by the NTC.

28
29 SEC. 15. *Penalty Clause* - Failure of the grantee to submit the requisite annual report
30 to Congress will be penalized by a fine in the amount of Five hundred pesos (P500.00) per
31 working day of noncompliance. The fine will be collected by the NTC from the delinquent
32 franchise grantee separate from the reportorial penalties imposed by the NTC.

1 SEC. 16. *Equality Clause.* - Any advantage, favor, privilege, exemption, or immunity
2 granted under existing franchises, or which may hereafter be granted for radio and/or television
3 broadcasting, upon prior review and approval of Congress, shall become part of this franchise
4 and shall be accorded immediately and unconditionally to the herein grantee: *Provided,* That
5 the foregoing shall neither apply to nor affect the provisions of broadcasting franchises
6 concerning territory covered by the franchise, the life span of the franchise, or the type of
7 service authorized by the franchise.

8
9 SEC. 17. *Separability Clause.* - If any of the sections or provisions of this Act is held
10 invalid, all other provisions not affected thereby shall remain valid.

11
12 SEC. 18. *Repealability and Nonexclusivity Clause.* - This franchise shall be subject to
13 amendment, alteration, or repeal by the Congress of the Philippines when the public interest so
14 requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

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

Approved.

17