



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

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8562



Introduced by **Honorable MARGARITA IGNACIA B. NOGRALES**

EXPLANATORY NOTE

This bill seeks the renewal of the legislative franchise granted to Katigbak Enterprises (San Pablo City) Incorporated (Katigbak Enterprises for brevity) which was passed into law on 6 February 1998 under Republic Act No. 8476. Katigbak Enterprises is a duly incorporated domestic corporation, established on November 4, 1969, with its office address at Villa Lopez Subd., Maharlika Hi-way, Brgy. Isabang, Tayabas City.

Pursuant to the State's recognition of the vital role of communication and information in nation-building, Katigbak Enterprises operates as a provider of TV, AM, and/or FM broadcast services in several cities and municipalities, such as Batangas City, Calaca, Batangas, Laurel, Batangas, Tayabas City, Quezon, Puerto Princesa, Palawan, Malay, Aklan, Cagayan de Oro City, Bacolod City, and Legaspi City.

With 52% of the Filipino population still listening to the radio, and more still watching television, it is important for the audience to have as many choices in radio and television stations as possible. With a plethora of choices in broadcast stations, we can expect that our countrymen will have more conscious minds that is essential in a progressive society.

For Katigbak Enterprises to continue delivering its quality services, its legislative franchise must be renewed. It aims to create more programs that can continue serving its listenership and viewership that will help in the development of the community.

It is therefore respectfully requested that the renewal of this legislative franchise be earnestly granted.



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AN ACT

RENEWING THE FRANCHISE GRANTED TO KATIGBAK ENTERPRISES (SAN PABLO CITY) INCORPORATED UNDER REPUBLIC ACT NO. 8476, ENTITLED "AN ACT GRANTING THE KATIGBAK ENTERPRISES (SAN PABLO CITY) INCORPORATED, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES WHERE FREQUENCIES AND/OR CHANNELS ARE STILL AVAILABLE FOR RADIO AND TELEVISION BROADCASTING", FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT.

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, the franchise granted to Katigbak Enterprises (San Pablo City) Incorporated, its successors or assigns, referred to as the grantee, to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio, and television stations anywhere in the

Philippines, where frequencies and/or channels are still available for radio and/or television broadcasting, with the corresponding technological auxiliaries or facilities, special broadcast, and other program distribution services and relay stations, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

SECTION 2. *Manner of Operation of Stations or Facilities.* – The stations or facilities of the 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 the existing stations or other stations which may be established by law, without in any way diminishing its own privilege to use its assigned wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's service and/or the availability thereof.

SECTION 3. *Prior Approval of tile National Telecommunications Commission.* – The grantee shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses for construction and operation of its stations and facilities and shall not use any frequency in the radio/television spectrum without authorization from the NTC. The NTC, 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 or facilities, to reach the population on important public issues; provide at all times sound and balanced programming; assist in the functions of the public information and education; conform to the ethics of honest enterprise; and not use its stations and facilities 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 the subversive or treasonous acts.

SECTION 5. *Right of Government.* – A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order, to temporarily take over and operate the stations or facilities of the grantee, temporarily suspend the operation of

the any station or facility in the interest of the public safety, security and public welfare, or authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of its stations or facilities 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 in effect for a period of twenty-five (25) years from effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the event of the grantee fails to operate continuously for two (2) years.

SECTION 7. *Acceptance and Compliance.* – Acceptance of this new 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 effectivity 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 by and Undertaking of Grantee.* – The grantee shall not require any previous censorship of any speech, play, act, or scene or other matter to be broadcast from its stations. Provided, that the grantee, during any broadcast shall cut off from the air the 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 stations of the grantee.

SECTION 10. *Sale, Lease, Transfer, Grant or Usufruct, or Assignment of Franchise.* – The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges 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, or corporation or entity without the prior approval of the Congress of the Philippines. Provided that, the Congress shall be informed of any sale, lease, transfer, grant of usufruct of or assignment of 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 the 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 corporations operating public utilities must be implemented.

Non-acceptance 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 a general broadcast policy law, which Congress may hereafter enact.

SECTION 13. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines, through the Committee of 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 the 30th of April 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 14. *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 noncompliance. The fine will be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.

SECTION 15. *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 16. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 17. *Repealing 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 18. *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,