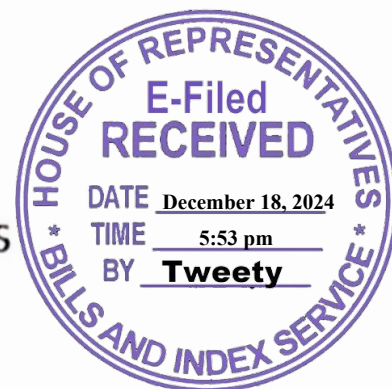




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Nineteenth Congress
Third Regular Session

HOUSE BILL NO. **11234**

Introduced by Representatives **FELIMON M. ESPARES,**
MARIA CARMEN S. ZAMORA, and PRESLEY C. DE JESUS

EXPLANATORY NOTE

This bill seeks the renewal of the Legislative Franchise for Broadcasting granted to IDDES BROADCAST GROUP, INC. under Republic Act No. 9131, entitled "AN ACT GRANTING THE IDDES BROADCAST GROUP, INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES".

Aligned with the State policy outlined in Article II, Section 24 of the 1987 Constitution, which recognizes the essential role of communication and information in nation-building, IDDES BROADCAST GROUP, INC. ("IDDES") seeks the renewal of its Legislative Franchise to continue its service to the Filipino people.

Since its establishment, IDDES has utilized its franchise to build a dynamic network of broadcasting stations in numerous areas across the Philippines, consistently delivering timely information to provinces, quality entertainment, and news coverage that communities rely on. Beyond broadcasting, IDDES has also provided valuable training and livelihood opportunities to its staff, programmers, and local talents, fostering professional growth and economic activity in various regions.

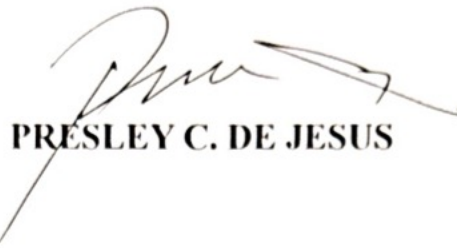
In moving forward, IDDES seeks ways to expand its community outreach by collaborating with local communities and educational institutions. This

initiative aims to enrich its programming with more educational and public affairs content that will serve both its audience and the nation.

Therefore, to enable IDDES BROADCAST GROUP, INC. to enhance and sustain its contributions to Philippine broadcasting and community development, the immediate passage of this bill is earnestly sought.


FELIMON M. ESPARES


MARIA CARMEN S. ZAMORA


PRESLEY C. DE JESUS

1 most, result only in the minimum interference on the wavelengths or frequencies
2 of existing stations or other stations which may be established by law, without in
3 any way diminishing its own privilege to use its assigned wavelengths or
4 frequencies and the quality of transmission or reception thereon should maximize
5 rendition of the Grantee's services and the availability thereof.
6

7 **Section 3. *Prior Approval of the National Telecommunications Commission.*** –

8 The Grantee shall secure from the National Telecommunications Commission
9 (NTC) the appropriate permits and licenses for the construction and operation of
10 its stations or facilities and shall not use any frequency in the radio spectrum
11 without authorization from the NTC. The NTC, however, shall not unreasonably
12 withhold or delay the grant of any such authority.
13

14 In case of any violation of the provisions of this franchise, the NTC shall have
15 the authority to revoke or suspend, after due process, the permits or licenses it
16 issued pursuant to the franchise. The NTC may recommend to Congress of the
17 Philippine the revocation of the franchise for any violation of the provisions of
18 this franchise.
19

20 **Section 4. *Responsibility to the Public.*** – The Grantee shall provide, free of
21 charge, adequate public service time which is reasonable and sufficient to enable
22 the government, through the broadcasting stations or facilities of the Grantee, to
23 reach the pertinent populations or portions thereof, on important public issues and
24 relay important public announcements and warnings concerning public
25 emergencies and calamities, as necessity, urgency, or law may require; provide at
26 all time sound and balanced programming; promote public participation; assist in
27 the functions of public information and education; conform to the ethics of honest
28 enterprise; promote audience sensibility and empowerment including closed
29 captioning and not use its stations or facilities for the broadcasting of obscene or
30 indecent language, speech, act or scene, the dissemination of deliberately false
31 information or willful misrepresentation, to the detriment of public interest, or to
32 incite, encourage, or assist in subversive or treasonable acts.
33

34 Public service time referred herein shall be equivalent to a maximum aggregate
35 of ten percent (10%) of paid commercials or advertisements which shall be
36 allocated based on need to the Executive and Legislative branches, the Judiciary,
37 Constitutional Commissions, and international humanitarian organizations duly
38 recognized by statutes: *Provided*, That the NTC shall increase the public service
39 time in case of extreme emergency or calamity. The NTC shall issue rules and
40 regulations for this purpose, the effectivity of which shall commence upon
41 applicability with other similarly situated broadcast network franchise holders.
42

1 Furthermore, pursuant to Republic Act No. 8370, otherwise known as the
2 “*Children's Television Act of 1997*,” the Grantee shall allot a minimum of fifteen
3 percent (15%) of the daily total air time of each broadcasting network or station
4 to child-friendly shows within its regular programming.
5

6 **Section 5. *Right of the Government.*** – The radio spectrum is a finite resource that
7 is part of the national patrimony, and the use thereof is a privilege conferred upon
8 the Grantee by the State that may be withdrawn at any time after due process.
9

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

19 **Section 6. *Term of Franchise.*** – This franchise shall be in effect for a period of
20 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
21 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the
22 Grantee fails to operate continuously for two (2) years.
23

24 **Section 7. *Tax Provisions.*** – The Grantee, its successors or assigns, shall be
25 subject to the payment of all taxes, duties, fees or charges and other impositions
26 under the National Internal Revenue Code (NIRC) of 1997, as amended, and
27 other applicable laws: *Provided*, That nothing herein shall be construed as
28 repealing any specific tax exemptions, incentives, or privileges granted under any
29 relevant law: *Provided, Further*, That all rights, privileges, benefits and
30 exemptions accorded to existing and future broadcasting station franchises shall
31 likewise be extended to the Grantee.
32

33 **Section 8. *Self-regulation by and Undertaking of Grantee.*** – The Grantee shall
34 not require any previous censorship of any speech, play, act or scene, or other
35 matter to be broadcast from its stations, but if any such speech, play, act or scene,
36 or other matter should constitute a violation of the law or infringement of a private
37 right, the Grantee shall be free from any liability, civil or criminal, for such
38 speech, play, act or scene, or other matter: *Provided*, That the Grantee, during any
39 broadcast, shall cut off the airing of speech, play, act or scene, or other matter
40 being broadcast if the tendency thereof is to propose or incite treason, rebellion,
41 or sedition; or the language used therein or the theme thereof is indecent or
42 immoral: *Provided, further*, That willful failure to do so shall constitute a valid
43 cause for the cancellation of this franchise.

1
2 **Section 9. *Warranty in Favor of the National and Local Governments.*** – The
3 Grantee shall hold the national, provincial, city, and municipal governments of
4 the Philippines free from all claims, liabilities, demands, or actions arising out of
5 accidents causing injury to persons or damage to properties, during the
6 construction or operation of the stations of the Grantee.

7
8 **Section 10. *Commitment to Provide and Promote the Creation of Employment***
9 ***Opportunities.*** – The Grantee shall create employment opportunities and accept
10 on-the-job trainees in the franchise operations: *Provided*, That priority shall be
11 accorded to the residents of the place where the principal office and the branches
12 of the Grantee is located: *Provided*, further, That the Grantee shall comply with
13 applicable labor standards and allowance entitlement under existing labor laws,
14 rules and regulations and similar issuances.

15
16 The employment opportunities or jobs created shall be reflected in the General
17 Information Sheet (GIS) to be submitted to the Securities and Exchange
18 Commission (SEC) annually.

19
20 **Section 11. *Sales, Lease, Transfer, Grant of Usufruct, or Assignment of***
21 ***Franchise.*** – The Grantee shall not sell, lease, transfer, grant the usufruct of, nor
22 assign this franchise or the rights and privileges acquired thereunder to any
23 person, firm, company, corporation or other commercial or legal entity, nor merge
24 with any other corporations or entity, nor shall be controlling interest of the
25 Grantee be transferred, simultaneously or contemporaneously, to any person,
26 firm, company, corporation or entity without the prior approval of Congress. The
27 Grantee shall inform Congress, through the Office of the Speaker of the House of
28 Representatives and Office of the Senate President, of any sale, lease, transfer,
29 grant of usufruct, or assignment of franchise or the rights and privileges acquired
30 thereunder, or of the merger or transfer of the controlling interest of the Grantee,
31 within sixty (60) days after the completion of the said transaction. Failure to
32 report to Congress such change of ownership shall render the franchise *ipso*
33 *facto* revoked. Any person or entity to which this franchise is sold, transferred, or
34 assigned shall be subject to the same conditions, terms, restrictions, and
35 limitations of this Act.

36
37 **Section 12. *Dispersal of Ownership.*** – In accordance with the constitutional
38 provision to encourage public participation in public utilities, the Grantee shall
39 offer to Filipino citizens at least thirty percent (30%) of its outstanding capital
40 stocks, or a higher percentage that may hereafter be provided by law, in any
41 securities exchange in the Philippines within five (5) years from the effectivity of
42 this Act: *Provided*, That in cases where public offer of shares is not applicable,
43 other methods of encouraging public participation by citizens and corporations

1 operating public utilities must be implemented. Noncompliance therewith shall
2 render the franchise ipso facto revoked.

3
4 **Section 13. Reportorial Requirement.** – The Grantee shall submit an annual
5 report on its compliance with the terms and conditions of the franchise and on its
6 operations to the Congress of the Philippines, through the Committee on
7 Legislative Franchises of the House of Representatives and the Committee on
8 Public Services of the Senate, on or before April 30 of every year during the term
9 of its franchise.

10
11 The annual report shall include an update on the commencement of activities,
12 development, operation or expansion of business; audited financial statements;
13 latest GIS officially submitted to the SEC, if applicable; certification of the NTC
14 on the status of its permits and operations; and an update on the dispersal of
15 ownership undertaking, if applicable.

16
17 The reportorial compliance certificate issued by Congress shall be required before
18 any application for permit or certificate is accepted by the NTC.

19
20 **Section 14. Fine.** – Failure of the Grantee to submit the requisite annual report to
21 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per
22 working day of noncompliance to the NTC. The fine shall be collected separately
23 from the reportorial penalties imposed by the NTC audit shall be remitted to the
24 Bureau of the Treasury.

25
26 **Section 15. General Broadcast Policy Law.** – The Grantee shall comply with and
27 be subject to the provisions of a general broadcast policy law which Congress
28 may hereafter enact.

29
30 **Section 16. Equality Clause.** – Any advantage, favor, privilege, exemption or
31 immunity granted under existing franchises, or which may hereafter be granted
32 for radio broadcasting, upon prior review and approval of Congress, shall become
33 part of this franchise and shall be accorded immediately and unconditionally to
34 the herein Grantee: *Provided*, That the foregoing shall neither apply to nor affect
35 the provisions of broadcasting franchises concerning territorial coverage, the
36 term, or the type of service authorized by the franchise.

37
38 **Section 17. Repealability and Nonexclusivity Clause.** – This franchise shall be
39 subject to amendment, alteration, or repeal by Congress when the public interest
40 so requires ad shall not be interpreted as an exclusive grant of the privileges herein
41 provided for.

1 **Section 18. *Separability Clause.*** – If any of the sections or provisions of this Act
2 is held invalid, all other provisions not affected thereby shall remain valid.
3
4 **Section 19. *Repealing Clause.*** – All laws, decrees, orders, resolutions,
5 instructions, rules and regulations, and other issuances or parts thereof which are
6 inconsistent with the provisions of this Act are hereby repealed, amended, or
7 modified accordingly.
8
9 **Section 20. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
10 publication in the Official Gazette or in a newspaper of general circulation.

Approved,