

Introduced by Honorable Dr. Edwin Ledesma Cruzado, M.D.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **7485**

Introduced by Honorable Dr. Edwin Ledesma Cruzado, M.D.

23 advisories, education, agriculture, environmental protection, peace and order, and government
24 programs and services. Through this medium, government agencies can communicate effectively
25 with the public, while citizens are empowered to make informed decisions and participate
26 meaningfully in civic life. The renewal of this franchise ensures the continuity of these essential
27 services nationwide.

28 This measure also reinforces the role of broadcasting in promoting good governance and
29 public participation. By providing a platform for dialogue among government institutions, civil
30 society organizations, and the public, broadcasting stations help strengthen transparency,
31 accountability, and democratic engagement. Informed citizenry is a cornerstone of a functioning
32 democracy, and access to credible information is fundamental to achieving this objective.

33 The bill also strengthens regulatory oversight and accountability. By requiring compliance
34 with the permits and licenses issued by the National Telecommunications Commission (NTC) and
35 mandating the submission of annual reports to Congress on operations, financial standing, and
36 regulatory compliance, the measure ensures transparency and responsible stewardship of the radio
37 spectrum. As the radio spectrum is a finite resource and part of the national patrimony, its
38 utilization must always be governed by the primacy of public interest.

39 In sum, the renewal of the legislative franchise of the Polytechnic Foundation of Cotabato
40 and Asia, Inc. is a recognition of the indispensable role of broadcasting in promoting public safety,
41 good governance, national unity, and inclusive development. It ensures the continued availability
42 of a reliable medium for public information, education, and emergency communication for
43 communities across the Philippines.

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44 In view of the vital public service rendered by the Grantee and its significant contribution
45 to the welfare, safety, and empowerment of the Filipino people, the immediate passage of this bill
46 is earnestly sought.

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48

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Hon. Dr. Edwin Ledesma Cruzado, M.D.
Representative 1st District of Cotabato

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50 **AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE**
51 **LEGISLATIVE FRANCHISE GRANTED TO POLYTECHNIC FOUNDATION OF**
52 **COTABATO AND ASIA, INC. UNDER REPUBLIC ACT NO. 8995 ENTITLED “AN**
53 **ACT GRANTING THE POLYTECHNIC FOUNDATION OF COTABATO AND**
54 **ASIA, INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND**
55 **MAINTAIN TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES”**

56
57 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
58 *assembled:*

59
60 ***SECTION 1. Nature and Scope of Franchise.*** - Subject to the provisions of the
61 Constitution and applicable laws, rules and regulations, the franchise granted to the
62 Polytechnic Foundation of Cotabato and Asia, Inc. hereunder referred to as the Grantee, its
63 successors or assignees, under Republic Act No. 8995 to construct, install, operate, and
64 maintain for commercial purposes and in the public interest, radio and television broadcasting
65 stations in the Philippines, where frequencies and channels are still available for radio and
66 television broadcasting, including digital television system, through microwave, satellite or
67 whatever means, as well as the use of any new technology in radio and television systems,
68 with the corresponding technological auxiliaries and facilities, special broadcast and other
69 program and distribution services and relay stations is hereby renewed for another Twenty-
70 Five (25) years.

71
72 ***SEC. 2. Manner of Operation of Stations or Facilities-*** The stations or facilities of
73 the Grantee shall be constructed and operated in a manner as will, at most, result only in the
74 minimum interference on the wavelengths or frequencies of existing stations or other stations

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75 which may be established by law, without in any way diminishing its own privilege to use its
76 assigned wavelengths or frequencies and the quality of transmission or reception thereon as
77 should maximize rendition of the Grantee's services and the availability thereof.
78

79 **SEC. 3. *Prior Approval of the National Telecommunications Commission-*** The
80 Grantee shall secure from the National Telecommunications Commission (NTC) the
81 appropriate permits and licenses for the construction and operation of its stations or facilities
82 and shall not use any frequency in the radio spectrum without authorization from the NTC.
83 The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.
84 In case of any violation of the provisions of this franchise, the NTC shall have the authority to
85 revoke after due process, the permits or licenses issued pursuant to the franchise. recommend
86 to Congress of the Philippines the revocation of the franchise for any violation of the
87 provisions of this franchise.
88

89 In case of any violation of the provisions of this franchise, the NTC shall have the
90 authority to revoke or suspend, after due process, the permits or licenses it issued pursuant to
91 the franchise. The NTC may recommend to Congress of the Philippines the revocation of the
92 franchise for any violation of the provisions of this franchise.
93

94 **SEC. 4. *Responsibility to the Public*** - The Grantee shall provide, free of charge,
95 adequate public service time which is reasonable and sufficient to enable the government,
96 through the broadcasting stations or facilities of the Grantee, to reach the pertinent populations
97 or portions thereof, important public announcements concerning public emergencies
98 calamities, as necessity, urgency, or law may require; provide at all times sound and balanced
99 programming; promote public participation; assist in the functions of public information and

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100 education; conform to the ethics of honest enterprise; promote audience sensibility and
101 empowerment including closed captioning; and not use its stations or facilities for the
102 broadcasting of obscene or indecent language, speech, act, or scene, the dissemination of
103 deliberately false information or willful misrepresentation, to the detriment of public interest,
104 or to incite, encourage, or assist in subversive or treasonable acts.

105
106 Public service time referred herein shall be equivalent to a maximum aggregate of ten
107 percent (10%) of paid commercials or advertisements which shall be allocated based on need
108 to the Executive and Legislative branches, the Judiciary, Constitutional Commissions, and
109 international humanitarian organizations duly recognized by statutes: Provided, That the NTC
110 shall increase the public service time in case of extreme emergency or calamity. The NTC
111 shall issue rules and regulations for this purpose, the effectivity of which shall commence upon
112 applicability with other similarly situated broadcast network franchise holders.

113
114 Pursuant to Republic Act No. 8370, otherwise known as the "Children's Television Act of
115 1997", the Grantee shall allot a minimum of fifteen percent (15%) of the daily total airtime of
116 each broadcasting network or station to child-friendly shows within its regular programming.

117
118 **SEC. 5. Right of the Government.** -The radio spectrum is a finite resource that is part
119 of the national patrimony, and the use thereof is a privilege conferred upon the Grantee by the
120 State that may be withdrawn any time after due process.

121
122 A special right is hereby reserved to the President of the Philippines, in times of war,
123 rebellion, public peril, calamity, emergency, disaster , or disturbance of peace and order: to
124 temporarily take over and operate the stations or facilities of the Grantee; to temporarily

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125 suspend the operation of any station or facility in the interest of public safety, security, and
126 public welfare; or to authorize the temporary use and operation thereof by any agency of the
127 government, upon due compensation to the Grantee, for the use of said stations or facilities
128 during the period when these shall be so operated.

129
130 **SEC. 6 *Term of Franchise.*** - This franchise shall be in effect for a period of twenty-
131 five (25) years from the effectivity of this Act, unless sooner revoked or cancelled. This
132 franchise shall be deemed ipso facto revoked in the event the Grantee fails to operate
133 continuously for two (2) years.

134
135 **SEC. 7. *Self-regulation by and Undertaking of Grantee.***-The Grantee shall not
136 require any previous censorship of any speech, play, act or scene, or other matter to be
137 broadcast from its stations, but if any such speech, play, act or scene, or other matter should
138 constitute a violation of the law or infringement of a private right, the Grantee shall be free
139 from any liability, civil or criminal, for such speech, play, act or scene, or other matter:
140 Provided, That the Grantee, during any broadcast, shall cut off the airing of speech, play, act
141 or scene, or other matter being broadcast if the tendency thereof is to propose or incite treason,
142 rebellion, or sedition; or the language used therein or the theme thereof is indecent or immoral:
143 Provided, further, That willful failure to do so shall constitute a valid cause for the cancellation
144 of this franchise.

145
146 **SEC. 8. *Warranty in Favor of the National and Local Governments.*** -The Grantee
147 shall hold the national, provincial, city, and municipal governments of the Philippines free
148 from all claims, liabilities, demands, or actions arising out of accidents causing injury to

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149 persons or damage to properties, during the construction or operation of the stations of the
150 Grantee.

151
152 **SEC. 9. *Commitment to Provide and Promote the Creation of Employment***
153 ***Opportunities.*** - The Grantee shall create employment opportunities and accept on-the-job
154 trainees in the franchise operations: Provided, That priority shall be accorded to the residents
155 of the place where the principal office of the Grantee is located: Provided, further, That the
156 Grantee shall comply with the applicable labor standards and allowance entitlement under
157 existing labor laws, rules and regulations and similar issuances. The employment opportunities
158 or jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to the
159 Securities and Exchange Commission (SEC) annually.

160
161 **SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise*** -
162 The grantee shall not sell , lease , transfer , grant the usufruct of, nor assign this franchise or
163 the rights and privileges acquired thereunder to any person, firm, company, corporation, or
164 other commercial or legal entity, nor merge with any other corporation or entity, nor shall the
165 controlling interest of the Grantee be transferred, simultaneously or contemporaneously, to
166 any person, firm, company, corporation, or entity the prior approval of Congress. The Grantee
167 shall inform Congress, through the Office of the Speaker of the House Representatives and
168 Office of the Senate President, of any sale, lease, transfer, grant of usufruct, or assignment of
169 franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the
170 controlling interest of the Grantee, within sixty (60) days after the completion of the said
171 transaction. Failure to report to Congress such change of ownership shall render the franchise
172 ipso facto revoked. Any person or entity to which this franchise is sold, transferred, or assigned
173 shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

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174 **SEC. 11. Dispersal of Ownership.** - In accordance with the constitutional provision
175 to encourage public participation in public utilities, the Grantee shall offer to Filipino citizens
176 at least thirty percent (30%) of its outstanding capital stocks, or a higher percentage that may
177 hereafter be provided by law, in any securities exchange in the Philippines within five (5) years
178 from the effectivity of this Act: Provided, That in cases where public offer of shares is not
179 applicable, other methods of encouraging public participation by citizens and corporations
180 operating public utilities must be implemented. Noncompliance therewith shall render the
181 franchise ipso facto revoked.

182
183 **SEC. 12. Reportorial Requirement.** - The Grantee shall submit an annual report on
184 its compliance with the terms and conditions of the franchise and on its operations to the
185 Congress of the Philippines, through the Committee on Legislative Franchises of the House of
186 Representatives and the Committee on Public Services of the Senate, on or before April 30 of
187 every year during the term of its franchise. The annual report should include an update on the
188 commencement of activities, development, operation, and expansion of business; audited
189 financial statements; latest GIS officially submitted to the SEC, if applicable; certification of
190 the NTC on the status of its permits and operations; and an update on the dispersal of
191 ownership undertaking, if applicable. The reportorial compliance certificate issued by
192 Congress shall be required before any application for permit or certificate is accepted by the
193 NTC.

194 **SEC. 13. Fine.** - Failure of the Grantee to submit the requisite annual report to
195 Congress shall be penalized by a fine of One hundred pesos (P 100.00) per working day of
196 non-compliance to the NTC. The fine shall be collected separately from the reportorial
197 penalties imposed by the NTC and it shall be remitted to the Bureau of the Treasury.

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198 **SEC 14. Equality Clause** - Any advantage , favor , privilege exemption, or immunity
199 granted under existing franchises, or which may hereafter be granted for radio and television
200 broadcasting , upon prior review and approval of Congress, shall become part of this franchise
201 and shall be accorded immediately and unconditionally to the herein Grantee: Provided , That
202 the foregoing shall neither apply to nor affect the provisions of broadcasting franchises
203 concerning territorial coverage , the term , or the type of service authorized by the franchise.

204
205 **SEC. 15. Repealability and Non-exclusivity Clause.** -This franchise shall be subject
206 to amendment, alteration, or repeal by Congress when the public interest so requires and shall
207 not be interpreted as an exclusive grant of the privileges herein provided for.

208
209 **SEC. 16. Separability Clause.** - If any of the sections or provisions of this Act is held
210 invalid, all other provisions not affected thereby shall remain valid.

211
212 **SEC. 17. Repealing Clause.** - All laws, decrees, orders, resolutions, instructions, rules
213 and regulations, and other issuances or parts thereof which are inconsistent with the provisions
214 of this Act are hereby repealed, amended, or modified accordingly.

215
216 **SEC. 18. Effectivity.** - This Act shall take effect fifteen (15) days after its publication
217 in the Official Gazette or in a newspaper of general circulation.

218
219 *Approved,*