

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
Third Regular Session



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**COMMITTEE REPORT NO. 1274**

Submitted by the Committee on Legislative Franchises on November 25, 2024.

Re: House Bill No. 11137

Recommending its approval in substitution of House Bill No. 10728

Sponsors: Representatives Gus S. Tambunting and Margarita “Atty. Migs” B. Nograles

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Mr. Speaker:

The Committee on Legislative Franchises to which was referred House Bill No. 10728, introduced by Rep. Margarita “Atty. Migs” B. Nograles, entitled:

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE YEARS THE FRANCHISE GRANTED TO THE SPHERE ENTERTAINMENT INC. (FORMERLY BENGUET BROADCASTING CORPORATION) UNDER REPUBLIC ACT NO. 9119, AS AMENDED, ENTITLED "AN ACT GRANTING THE BENGUET BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"

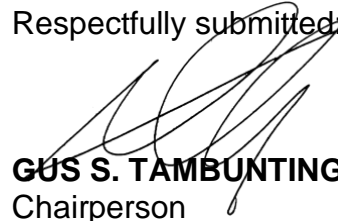
has considered the same and recommends that the attached House Bill No. 11137, entitled:

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE YEARS THE FRANCHISE GRANTED TO BENGUET BROADCASTING CORPORATION, CURRENTLY KNOWN AS SPHERE ENTERTAINMENT INC., UNDER REPUBLIC ACT NO. 9119, AS AMENDED, ENTITLED "AN ACT GRANTING THE BENGUET BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"

be approved in substitution of House Bill No. 10728 with Reps. Margarita “Atty. Migs” B. Nograles, Cheeno Miguel D. Almario, Antonio A. Ferrer, Francisco Jose “Bingo” F. Matugas II, CPA, CESO, LLB, Arthur F. Celeste, Joseph Gilbert F. Violago, Sergio C. Dagooc, Kristine Singson-Meehan, Antonieta R. Eudela, Ramon Rodrigo L.

Gutierrez, Augustina Dominique “Ditse Tina” C. Pancho, and Gus S. Tambunting as authors thereof.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Gus S. Tambunting", written over the printed name.

**GUS S. TAMBUNTING**

Chairperson

Committee on Legislative Franchises

**THE HONORABLE SPEAKER  
HOUSE OF REPRESENTATIVES  
QUEZON CITY**

Republic of the Philippines  
**House of Representatives**  
Quezon City

**NINETEENTH CONGRESS**  
Third Regular Session

HOUSE BILL NO. **11137**  
(In substitution of House Bill Numbered 10728)

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Introduced by:

REPRESENTATIVES MARGARITA “ATTY. MIGS” B. NOGRALES,  
CHEENO MIGUEL D. ALMARIO, ANTONIO A. FERRER, FRANCISCO JOSE  
“BINGO” F. MATUGAS II, CPA, CESO, LLB, ARTHUR F. CELESTE, JOSEPH  
GILBERT F. VIOLAGO, SERGIO C. DAGOOC, KRISTINE SINGSON-MEEHAN,  
ANTONIETA R. EUDELA, RAMON RODRIGO L. GUTIERREZ, AUGUSTINA  
DOMINIQUE “DITSE TINA” C. PANCHO, AND GUS S. TAMBUNTING

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**AN ACT RENEWING FOR ANOTHER TWENTY-FIVE YEARS THE FRANCHISE  
GRANTED TO BENGUET BROADCASTING CORPORATION, CURRENTLY  
KNOWN AS SPHERE ENTERTAINMENT INC., UNDER REPUBLIC ACT NO. 9119,  
AS AMENDED, ENTITLED “AN ACT GRANTING THE BENGUET  
BROADCASTING CORPORATION 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  
2 **Section 1. *Nature and Scope of Franchise.***— Subject to the provisions of the  
3 Constitution and applicable laws, rules and regulations, there is hereby granted to  
4 Benguet Broadcasting Corporation, currently known as Sphere Entertainment Inc.,  
5 hereunder referred to as the Grantee, its successors or assignees, under Republic  
6 Act No. 9119, to construct, install, establish, operate and maintain for commercial  
7 purposes and in the public interest, radio and television broadcasting stations in the  
8 Philippines, where frequencies and/or channels are still available for radio and/or  
9 television broadcasting, through microwave, satellite or whatever means including  
10 the use of any new technologies in television and radio broadcasting systems, with  
11 the corresponding technological auxiliaries and facilities, special broadcast and  
12 other program and distribution services and relay stations, is hereby renewed for  
13 another twenty-five (25) years.

1  
2 **Sec. 2. Manner of Operation of Stations or Facilities.**— The stations or facilities  
3 of the Grantee shall be constructed and operated in a manner as will, at most,  
4 result only in the minimum interference on wavelengths or frequencies of existing  
5 stations or other stations which may be established by law, without in any way  
6 diminishing its own right to use its selected wavelengths or frequencies and the  
7 quality of transmission or reception thereon as should maximize rendition of the  
8 Grantee's services and/or the availability thereof.

9  
10 **Sec. 3. Prior Approval of the National Telecommunications Commission.**— The  
11 Grantee shall secure from the National Telecommunications Commission (NTC) the  
12 appropriate permits and licenses for the construction and operation of its stations  
13 and facilities and shall not use any frequency in the radio/television spectrum  
14 without having been authorized by the NTC. The NTC, however, shall not  
15 unreasonably withhold or delay the grant of any such authority.

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

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

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

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

**Sec. 5. Right of Government.**— The radio spectrum is a finite resource that is a part of the national patrimony and the use thereof is a privilege conferred upon the Grantee by the State and may be withdrawn anytime after due process.

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, to temporarily suspend the operation of any station or facility 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 or facilities during the period when they shall be so operated.

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

**Sec. 7. 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, but if any speech, play, act or scene, or other matter should constitute a violation of the law or infringement of a private right, the Grantee shall be free from any liability, civil or criminal, for such speech, play, act or scene, or other matter: *Provided*, That the Grantee, during any broadcast, shall cut off the airing of 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.

**Sec. 8. Warranty in Favor of the National and Local Governments.**— The Grantee shall hold the national, provincial, city, and municipal governments of the Philippines free from all claims, liabilities, demands, or actions arising out of accidents, causing injury to persons or damage to properties, during the construction or operation of the stations of the Grantee.

**Sec. 9. Commitment to Provide and Promote the Creation of Employment Opportunities.**— The Grantee shall create employment opportunities and shall allow on-the-job training in its franchise operation: *Provided*, That priority shall be

1 accorded to the residents of the place where its principal office is located: *Provided,*  
2 *further,* That the Grantee shall follow the applicable labor standards and allowance  
3 entitlement under existing labor laws, rules and regulations and similar issuances.

4  
5 The employment opportunities or jobs created shall be reflected in the  
6 General Information Sheet (GIS) to be submitted to the Securities and Exchange  
7 Commission (SEC) annually.

8 **Sec. 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.** – The  
9 Grantee shall not sell, lease, transfer, grant the usufruct of, or assign this franchise  
10 or the rights and privileges acquired thereunder to any person, firm, company,  
11 corporation, or other commercial or legal entity, or merge with any other  
12 corporation, or entity, or transfer the controlling interest of the Grantee, whether as  
13 a whole or in part, and whether simultaneously or contemporaneously, to any such  
14 person, firm, company, corporation, or entity without the prior approval of Congress:  
15 *Provided,* That Congress shall be informed of any lease, transfer, grant of usufruct  
16 of, sale, or assignment of franchise or the rights and privileges acquired thereunder,  
17 or of the merger, or sale of the controlling interest within sixty (60) days after the  
18 completion of said transaction: *Provided, further,* That any such transfer, sale, or  
19 assignment is in accordance with the constitutional limitations: *Provided,*  
20 *furthermore,* That failure to report to Congress such change of ownership shall  
21 render the franchise *ipso facto* revoked: *Provided, finally,* That any person or entity  
22 to which this franchise is sold, transferred, or assigned, shall be subject to the same  
23 conditions, terms, restrictions, and limitations of this Act.

24 **Sec. 11. Dispersal of Ownership.**– In accordance with the constitutional provision  
25 encouraging public participation in public utilities, the Grantee shall offer to Filipino  
26 citizens at least thirty percent (30%) of its outstanding capital stock, or a higher  
27 percentage that may hereafter be provided by law, in any securities exchange in the  
28 Philippines within five (5) years from the effectivity of this Act: *Provided,* That in  
29 cases where public shares is not applicable, other methods of encouraging public  
30 participation by citizens and corporations operating public utilities must be  
31 implemented. Noncompliance therewith shall render the franchise *ipso facto*  
32 revoked.

33  
34 **Sec. 12. Reportorial Requirement.**– The Grantee shall submit an annual report to  
35 the Congress of the Philippines, through the Committee on Legislative Franchises  
36 of the House of Representatives and the Committee on Public Services of the  
37 Senate, on its compliance with the terms and conditions of the franchise and on its  
38 operations on or before April 30 of every year during the term of its franchise.

39  
40 The annual report shall include an update on the roll-out, development,  
41 operation and/or expansion of business; audited financial statements; latest GIS  
42 officially submitted to the SEC, if applicable; certification of the NTC on the status  
43 of its permits and operations; and an update on the dispersal of ownership

undertaking, if applicable.

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

**Sec.13. *Fine.***— The failure of the Grantee to submit the requisite annual report to Congress shall be penalized with a fine in the amount of Five hundred pesos (P500.00) per working day of non-compliance which shall be collected by the NTC. The fine shall be collected separately from the reportorial penalties imposed by the NTC and shall be remitted to the Bureau of the Treasury.

**Sec.14. *Equality Clause.***— Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to herein Grantee: *Provided, however,* That the foregoing shall neither apply to nor affect provisions concerning territory covered by the franchise, the term of the franchise, or the type of service authorized by the franchise: *Provided, further,* That the foregoing shall not apply to the sale, lease, transfer, grant of usufruct, or assignment of legislative franchises with prior congressional approval.

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

**Sec.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.

**Sec.17. *Repealing Clause.*** — All laws, presidential decrees, executive orders, letters of instruction, administrative rules and regulations or parts thereof, which are contrary to or inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

**Sec.18. *Effectivity.***— This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

## **FACT SHEET**

House Bill No. **11137**  
(In substitution of House Bill Numbered 10728)

### **AN ACT**

**RENEWING FOR ANOTHER TWENTY-FIVE YEARS THE FRANCHISE GRANTED TO BENGUET BROADCASTING CORPORATION, CURRENTLY KNOWN AS SPHERE ENTERTAINMENT INC., UNDER REPUBLIC ACT NO. 9119, AS AMENDED, ENTITLED "AN ACT GRANTING THE BENGUET BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"**

*Introduced by: **REPRESENTATIVES MARGARITA "ATTY. MIGS" B. NOGRALES, CHEENO MIGUEL D. ALMARIO, ANTONIO A. FERRER, FRANCISCO JOSE "BINGO" F. MATUGAS II, CPA, CESO, LLB, ARTHUR F. CELESTE, JOSEPH GILBERT F. VIOLAGO, SERGIO C. DAGOOC, KRISTINE SINGSON-MEEHAN, ANTONIETA R. EUDELA, RAMON RODRIGO L. GUTIERREZ, AUGUSTINA DOMINIQUE "DITSE TINA" C. PANCHO, and GUS S. TAMBUNTING***

*Committee Referral: **COMMITTEE ON LEGISLATIVE FRANCHISES**  
Committee Chairperson: **HON. GUS S. TAMBUNTING***

### **OBJECTIVE:**

- To allow the Benguet Broadcasting Corporation, currently known as the Sphere Entertainment Inc, to continue its commercial radio and television broadcasting operations in the Philippines

### **KEY PROVISIONS:**

- Renews the franchise Benguet Broadcasting Corporation, currently known as the Sphere Entertainment Inc., for another twenty-five (25) years for continuous commercial radio and television broadcasting operations in the Philippines;
- Mandates the Grantee to secure the appropriate permits and licenses for the construction, installation and operation of its radio stations or facilities from the National Telecommunications Commission (NTC);
- Requires the Grantee to provide an adequate public service time equivalent to a maximum aggregate of ten percent (10%) of the paid advertisements, to inform the population on important public issues and assist in the performance of the functions of public information and education;



- Requires the Grantee to allot a minimum of fifteen percent (15%) of the daily total airtime of each broadcasting network or station to child-friendly shows within its regular programming;
- Prohibits the Grantee to 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, or to incite, encourage, or assist in subversive or treasonable acts;
- Reserves the right of the President of the Philippines to temporarily take over and operate the stations or facilities of the Grantee, to temporarily suspend the operation of any station or facility 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 in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order;
- Provides that the national and local governments shall not be held liable for any damage to properties or injury to persons caused by accidents during construction or operation of the stations;
- Prohibits the Grantee from leasing, transferring, selling nor assigning the franchise or the controlling interest thereof without the prior approval of Congress;
- Requires the Grantee to submit an annual report to Congress on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year;
- Imposes a fine in the amount of Five hundred pesos (P500.00) per working day of noncompliance in the submission of its annual report to Congress and to be collected separately from the reportorial penalties imposed by the NTC; and
- Provides an equality clause which aims to grant existing and potential franchise grantees equal privilege.

#### **RELATED LAWS:**

- Constitution  
Article XII, Sections 11 and 17  
Article XVI, Section 11
- Republic Act No. 9119, entitled "An act granting the Benguet Broadcasting Corporation a franchise to construct, install, establish, operate and maintain radio and television broadcasting stations in the Philippines"
- Republic Act No. 8370, otherwise known as the "Children's Television Act of 1997"