

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 519

Submitted by the Committee on Legislative Franchises on July 23, 2026.

Re: House Bill No. 10211

Recommending its approval in substitution of House Bill No. 6790

Sponsors: Representatives Jeffrey P. Ferrer and Francisco Paolo P. Ortega V

Mr. Speaker:

The Committee on Legislative Franchises, to which was referred House Bill No. 6790 introduced by Representative Francisco Paolo P. Ortega V, entitled:

“AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO SEA AND SKY BROADCASTING, INC. UNDER REPUBLIC ACT NO. 9129, ENTITLED “AN ACT GRANTING THE SEA AND SKY BROADCASTING, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE ILOCOS AND CORDILLERA REGIONS”

has considered the same and recommends that the attached House Bill No. 10211, entitled:

“AN ACT GRANTING SEA AND SKY BROADCASTING, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE ILOCOS AND CORDILLERA REGIONS”

be approved in substitution of House Bill No. 6790 with Representatives Francisco Paolo P. Ortega V and Jeffrey P. Ferrer as authors thereof.

Respectfully submitted:


REP. JEFFREY P. FERRER
Chairperson
Committee on Legislative Franchises

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

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TWENTIETH CONGRESS
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House Bill No. **10211**
(In substitution of House Bill No. 6790)

Introduced by Representatives Francisco Paolo P. Ortega V and
Jeffrey P. Ferrer

AN ACT
GRANTING SEA AND SKY BROADCASTING, INC. A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND
TELEVISION BROADCASTING STATIONS IN THE ILOCOS AND CORDILLERA
REGIONS

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
2 Constitution and applicable laws, rules and regulations, there is hereby granted to Sea
3 and Sky Broadcasting, Inc., hereunder referred to as the Grantee, its successors or
4 assignees, a franchise to construct, install, establish, operate and maintain for
5 commercial purposes and in the public interest, radio and television broadcasting
6 stations in the Ilocos and Cordillera regions, where frequencies and/or channels are
7 still available for radio and/or television broadcasting, through microwave, satellite or
8 whatever means including the use of any new technologies in television and radio
9 broadcasting systems, with the corresponding technological auxiliaries and facilities,
10 special broadcast and other program and distribution services and relay stations.

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

18 **Sec. 3. Prior Approval of the National Telecommunications Commission.**—
19 The Grantee shall secure from the National Telecommunications Commission (NTC)
20 the appropriate permits and licenses for the construction and operation of its stations

1 and facilities and shall not use any frequency in the radio/television spectrum without
2 having been authorized by the NTC. The NTC, however, shall not unreasonably
3 withhold or delay the grant of any such authority.

4 In case of any violation of the provisions of this franchise, the NTC shall have
5 the authority to revoke or suspend, after due process, the permits or licenses it issued
6 pursuant to the franchise. The NTC may recommend to Congress of the Philippines
7 the revocation of the franchise for any violation of the provisions of this franchise.

8 **Sec. 4. Responsibility to the Public.**—The Grantee shall provide, free of
9 charge, adequate public service time which is reasonable and sufficient to enable the
10 government, through the broadcasting stations or facilities of the Grantee, to reach the
11 pertinent populations or portions thereof, on important public issues and relay
12 important public announcements and warnings concerning public emergencies and
13 calamities, as necessity, urgency, or law may require; provide at all times sound and
14 balanced programming; conform to the ethics of honest enterprise; promote public
15 participation; assist in the functions of public information and education; promote
16 audience sensibility and empowerment including closed captioning; and not use its
17 stations or facilities for the broadcasting of obscene and indecent language, speech,
18 act or scene, the dissemination of deliberately false information or willful
19 misrepresentation, to the detriment of the public interest, or to incite, encourage or
20 assist in subversive or treasonable acts.

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

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

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

36 A special right is hereby reserved to the President of the Philippines, in times
37 of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace
38 and order: to temporarily take over and operate the stations or facilities of the Grantee;
39 to temporarily suspend the operation of any station or facility in the interest of public
40 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 accorded to the residents of the place where its principal office is located: *Provided, further*, That the Grantee shall follow the applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances.

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

Sec. 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise. — The Grantee shall not sell, lease, transfer, grant the usufruct of, or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation, or other commercial or legal entity, or merge with any other corporation, or entity, or 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, corporation, or entity without the prior approval of Congress: *Provided*, That Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger, or transfer of the controlling interest within sixty (60) days after the completion

1 of said transaction: *Provided, further*, That any such sale, transfer, or assignment is in
2 accordance with the constitutional limitations: *Provided, furthermore*, That failure to
3 report to Congress such change of ownership shall render the franchise ipso facto
4 revoked: *Provided, finally*, That any person or entity to which this franchise is sold,
5 transferred, or assigned, shall be subject to the same conditions, terms, restrictions,
6 and limitations of this Act.

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

15 **Sec.12. Reportorial Requirement.**— The Grantee shall submit an annual
16 report to the Congress of the Philippines, through the Committee on Legislative
17 Franchises of the House of Representatives and the Committee on Public Services of
18 the Senate, on its compliance with the terms and conditions of the franchise and on its
19 operations on or before April 30 of every year during the term of its franchise.

20 The annual report shall include an update on the roll-out, development,
21 operation and/or expansion of business; audited financial statements; latest GIS
22 officially submitted to the SEC, if applicable; certification of the NTC on the status of
23 its permits and operations; and an update on the dispersal of ownership undertaking,
24 if applicable.

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

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

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

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

5 **Sec.16. *Separability Clause.***—If any of the sections or provisions of this Act is
6 held invalid, all other provisions not affected thereby shall remain valid.

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

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

Approved,