



HOUSE OF REPRESENTATIVES

H. No. 10208

BY REPRESENTATIVES DEFENSOR, FERRER (J.), CORVERA, FORTES, MARAÑON, ROMAN, GARCIA (J.A.), OAMINAL (S.F.), OUANO-DIZON, DALOG, SANTOS (M.A.), LAGDAMEO (M.Y.M.), LAGDAMEO (J.M.), BAUTISTA (J.M.), POE, ANGELES, BELTRAN, FERRER (A.), GONZALES (C.S.), ATAYDE, GARCIA (K.H.), ONGCHUAN, VIOLAGO, ACOSTA, MENDOZA, GARIN, VELOSO-TUAZON, TINIO, SAGARBARRIA, VELOSO, ESCUDERO, RODRIGUEZ (R.), CARI, CALDERON, TAN (R.M.), YAP (A.), DE JESUS, DAGOOC AND SAN FERNANDO

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE YEARS THE FRANCHISE GRANTED TO NEWSOUNDS BROADCASTING NETWORK, INC., UNDER REPUBLIC ACT NO. 9214, ENTITLED "AN ACT GRANTING THE NEWSOUNDS BROADCASTING NETWORK, INC. 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 **SECTION 1. Nature and Scope of Franchise.** – Subject to the provisions of the
2 Constitution and applicable laws, rules and regulations, the franchise granted to
3 Newsounds Broadcasting Network, Inc., hereunder referred to as the Grantee, its
4 successors or assignees, under Republic Act No. (R.A.) 9214, to construct, install,
5 establish, operate and maintain for commercial purposes and in the public interest,
6 radio and television broadcasting stations in the Philippines, where frequencies and/or
7 channels are still available for radio and/or television broadcasting, through microwave,
8 satellite or whatever means including the use of any new technologies in television and
9 radio broadcasting systems, with the corresponding technological auxiliaries and
10 facilities, special broadcast and other program and distribution services and relay
11 stations, is hereby renewed for another twenty-five (25) years.

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

8
9 **SEC. 3. *Prior Approval of the National Telecommunications Commission.*** – The
10 Grantee shall secure from the National Telecommunications Commission (NTC) the
11 appropriate permits and licenses for the construction and operation of its stations and
12 facilities and shall not use any frequency in the radio/television spectrum without
13 having been authorized by the NTC. The NTC, however, shall not unreasonably
14 withhold or delay the grant of any such authority.

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

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

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

Pursuant to R.A. 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 expiration of the Grantee’s previous franchise under R.A. No. 9214, 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.

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

22 **SEC. 11. Dispersal of Ownership.** – In accordance with the constitutional provision
23 encouraging public participation in public utilities, the Grantee shall offer to Filipino
24 citizens at least thirty percent (30%) of its outstanding capital stock, or a higher
25 percentage that may hereafter be provided by law, in any securities exchange in the
26 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases
27 where public shares is not applicable, other methods of encouraging public
28 participation by citizens and corporations operating public utilities must be
29 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
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31 **SEC. 12. Reportorial Requirement.** – The Grantee shall submit an annual report to the
32 Congress of the Philippines, through the Committee on Legislative Franchises of the
33 House of Representatives and the Committee on Public Services of the Senate, on its
34 compliance with the terms and conditions of the franchise and on its operations on or
35 before April 30 of every year during the term of its franchise.
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37 The annual report shall include an update on the roll-out, development,
38 operation and/or expansion of business; audited financial statements; latest GIS
39 officially submitted to the SEC, if applicable; certification of the NTC on the status of its
40 permits and operations; and an update on the dispersal of ownership undertaking, if
41 applicable.
42

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

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

6
7 **SEC. 14. *Equality Clause.*** – Any advantage, favor, privilege, exemption, or immunity
8 granted under existing franchises, or which may hereafter be granted, upon prior
9 review and approval of Congress, shall become part of this franchise and shall be
10 accorded immediately and unconditionally to herein Grantee: *Provided, however,* That
11 the foregoing shall neither apply to nor affect provisions concerning territory covered
12 by the franchise, the term of the franchise, or the type of service authorized by the
13 franchise: *Provided, further,* That the foregoing shall not apply to the sale, lease,
14 transfer, grant of usufruct, or assignment of legislative franchises with prior
15 congressional approval.

16
17 **SEC. 15. *Repealability and Non-exclusivity Clause.*** – This franchise shall be subject
18 to amendment, alteration, or repeal by Congress when public interest so requires and
19 shall not be interpreted as an exclusive grant of the privileges herein provided.

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

23
24 **SEC. 17. *Repealing Clause.*** – All laws, presidential decrees, executive orders, letters
25 of instruction, administrative rules and regulations or parts thereof, which are contrary
26 to or inconsistent with the provisions of this Act, are hereby repealed or modified
27 accordingly.

28
29 **SEC. 18. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in
30 the *Official Gazette* or in a newspaper of general circulation.

Approved,