



HOUSE OF REPRESENTATIVES

H. No. 6904

BY REPRESENTATIVES DEL MAR, MARAÑON, CORVERA, MADRONA, OUANO-DIZON, ALMARIO (C.M.),
ROMAN, FERRER (A.), GARCIA (K.H.), LORIA, ONGCHUAN, ANGELES, DALOG, BELTRAN,
LAGDAMEO (M.Y.M.), CAGAS, AYON, DAZA, ACOSTA, DE JESUS, DAGOOC, PADIERNOS,
RODRIGUEZ (R.), ZUBIRI, VELOSO AND FERRER (J.)

AN ACT

**GRANTING THE EXODUS BROADCASTING COMPANY, INC. A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND
MAINTAIN RADIO AND TELEVISION 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, there is hereby granted to
3 Exodus Broadcasting Company, Inc., hereunder referred to as the Grantee, its
4 successors or assignees, a franchise to construct, install, establish, operate and
5 maintain for commercial purposes and in the public interest, radio and television
6 broadcasting stations in the Philippines, where frequencies and/or channels are still
7 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

12 **Sec. 2. *Manner of Operation of Stations or Facilities.*** – The stations or
13 facilities of the Grantee shall be constructed and operated in a manner as will, at
14 most, result only in the minimum interference on wavelengths or frequencies of
15 existing stations or other stations which may be established by law, without in any
16 way diminishing its own right to use its selected wavelengths or frequencies and the
17 quality of transmission or reception thereon as should maximize rendition of the
18 Grantee's services and/or the availability thereof.
19

20 **Sec. 3. *Prior Approval of the National Telecommunications***
21 ***Commission.*** – The Grantee shall secure from the National Telecommunications
22 Commission (NTC) the appropriate permits and licenses for the construction and
23 operation of its stations and facilities and shall not use any frequency in the
24 radio/television spectrum without having been authorized by the NTC. The NTC,
25 however, shall not unreasonably withhold or delay the grant of any such authority.
26

27 In case of any violation of the provisions of this franchise, the NTC shall have
28 the authority to revoke or suspend, after due process, the permits or licenses it issued
29 pursuant to the franchise. The NTC may recommend to Congress of the Philippines
30 the revocation of the franchise for any violation of the provisions of this franchise.
31

32 **Sec. 4. *Responsibility to the Public.*** – The Grantee shall provide, free of
33 charge, adequate public service time which is reasonable and sufficient to enable the
34 government, through the broadcasting stations or facilities of the Grantee, to reach
35 the pertinent populations or portions thereof, on important public issues and relay
36 important public announcements and warnings concerning public emergencies and
37 calamities, as necessity, urgency, or law may require; provide at all times sound and
38 balanced programming; conform to the ethics of honest enterprise; promote public
39 participation; assist in the functions of public information and education; promote

1 audience sensibility and empowerment including closed captioning; and not use its
2 stations or facilities for the broadcasting of obscene and indecent language, speech,
3 act or scene, the dissemination of deliberately false information or willful
4 misrepresentation, to the detriment of the public interest, or to incite, encourage or
5 assist in subversive or treasonable acts.

6
7 Public service time referred herein shall be equivalent to a maximum aggregate
8 of ten percent (10%) of paid commercials or advertisements which shall be allocated
9 based on need to the Executive and Legislative branches, the Judiciary,
10 Constitutional Commissions, and international humanitarian organizations duly
11 recognized by statutes: *Provided*, That the NTC shall increase the public service time
12 in case of extreme emergency or calamity. The NTC shall issue rules and regulations
13 for this purpose, the effectivity of which shall commence upon applicability with other
14 similarly situated broadcast network franchise holders.

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

20
21 **Sec. 5. Right of Government.** – The radio spectrum is a finite resource that is
22 a part of the national patrimony and the use thereof is a privilege conferred upon the
23 Grantee by the State and may be withdrawn anytime after due process.

24
25 A special right is hereby reserved to the President of the Philippines, in times
26 of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace
27 and order, to temporarily take over and operate the stations or facilities of the
28 Grantee, to temporarily suspend the operation of any station or facility in the interest
29 of public safety, security and public welfare, or to authorize the temporary use and
30 operation thereof by any agency of the government, upon due compensation to the
31 Grantee, for the use of said stations or facilities during the period when they shall be
32 so operated.

33
34 **Sec. 6. Term of Franchise.** – This franchise shall be for a term of twenty-five
35 (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled.
36 This franchise shall be deemed *ipso facto* revoked in the event the Grantee fails to
37 operate continuously for two (2) years.

1 **Sec. 7. Self-regulation by and Undertaking of Grantee.**— The Grantee
2 shall not require any previous censorship of any speech, play, act or scene, or other
3 matter to be broadcast from its stations, but if any speech, play, act or scene, or other
4 matter should constitute a violation of the law or infringement of a private right, the
5 Grantee shall be free from any liability, civil or criminal, for such speech, play, act or
6 scene, or other matter: *Provided*, That the Grantee, during any broadcast, shall cut
7 off the airing of speech, play, act or scene, or other matter being broadcast if the
8 tendency thereof is to propose and or incite treason, rebellion or sedition; or the
9 language used therein or the theme thereof is indecent or immoral: *Provided, further*,
10 That willful failure to do so shall constitute a valid cause for the cancellation of this
11 franchise.

12
13 **Sec. 8. Warranty in Favor of the National and Local Governments.**— The
14 Grantee shall hold the national, provincial, city, and municipal governments of the
15 Philippines free from all claims, liabilities, demands, or actions arising out of
16 accidents, causing injury to persons or damage to properties, during the construction
17 or operation of the stations of the Grantee.

18
19 **Sec. 9. Commitment to Provide and Promote the Creation of**
20 **Employment Opportunities.**— The Grantee shall create employment opportunities
21 and shall allow on-the-job training in its franchise operation: *Provided*, That priority
22 shall be accorded to the residents of the place where its principal office is located:
23 *Provided, further*, That the Grantee shall follow the applicable labor standards and
24 allowance entitlement under existing labor laws, rules and regulations and similar
25 issuances.

26
27 The employment opportunities or jobs created shall be reflected in the General
28 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
29 (SEC) annually.

30 **Sec. 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.**
31 — The Grantee shall not sell, lease, transfer, grant the usufruct of, or assign this
32 franchise or the rights and privileges acquired thereunder to any person, firm,
33 company, corporation, or other commercial or legal entity, or merge with any other
34 corporation, or entity, or transfer the controlling interest of the Grantee, whether as
35 a whole or in part, and whether simultaneously or contemporaneously, to any such
36 person, firm, company, corporation, or entity without the prior approval of Congress:
37 *Provided*, That Congress shall be informed of any lease, transfer, grant of usufruct of,
38 sale, or assignment of franchise or the rights and privileges acquired thereunder, or

1 of the merger, or sale of the controlling interest within sixty (60) days after the
2 completion of said transaction: *Provided, further*, That any such transfer, sale, or
3 assignment is in accordance with the constitutional limitations: *Provided*,
4 *furthermore*, That failure to report to Congress such change of ownership shall render
5 the franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to which
6 this franchise is sold, transferred, or assigned, shall be subject to the same conditions,
7 terms, restrictions, and limitations of this Act.

8 **Sec. 11. Dispersal of Ownership.** – In accordance with the constitutional
9 provision encouraging public participation in public utilities, the Grantee shall offer
10 to Filipino citizens at least thirty percent (30%) of its outstanding capital stock, or a
11 higher percentage that may hereafter be provided by law, in any securities exchange
12 in the Philippines within five (5) years from the effectivity of this Act: *Provided*, That
13 in cases where public shares is not applicable, other methods of encouraging public
14 participation by citizens and corporations operating public utilities must be
15 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
16

17 **Sec. 12. Reportorial Requirement.** – The Grantee shall submit an annual
18 report to the Congress of the Philippines, through the Committee on Legislative
19 Franchises of the House of Representatives and the Committee on Public Services of
20 the Senate, on its compliance with the terms and conditions of the franchise and on
21 its operations on or before April 30 of every year during the term of its franchise.
22

23 The annual report shall include an update on the roll-out, development,
24 operation and/or expansion of business; audited financial statements; latest GIS
25 officially submitted to the SEC, if applicable; certification of the NTC on the status of
26 its permits and operations; and an update on the dispersal of ownership undertaking,
27 if applicable.
28

29 The reportorial compliance certificate issued by Congress shall be required
30 before any application for permit or certificate is accepted by the NTC.
31

32 **Sec. 13. Fine.** – The failure of the Grantee to submit the requisite annual report
33 to Congress shall be penalized with a fine in the amount of Five hundred pesos
34 (P500.00) per working day of non-compliance which shall be collected by the NTC.
35 The fine shall be collected separately from the reportorial penalties imposed by the
36 NTC and shall be remitted to the Bureau of the Treasury.
37

38 **Sec. 14. Equality Clause.** – Any advantage, favor, privilege, exemption, or
39 immunity granted under existing franchises, or which may hereafter be granted, upon

1 prior review and approval of Congress, shall become part of this franchise and shall
2 be accorded immediately and unconditionally to herein Grantee: *Provided, however,*
3 That the foregoing shall neither apply to nor affect provisions concerning territory
4 covered by the franchise, the term of the franchise, or the type of service authorized
5 by the franchise: *Provided, further,* That the foregoing shall not apply to the sale,
6 lease, transfer, grant of usufruct, or assignment of legislative franchises with prior
7 congressional approval.
8

9 **Sec. 15. *Repealability and Non-exclusivity Clause.*** – This franchise shall
10 be subject to amendment, alteration, or repeal by Congress when public interest so
11 requires and shall not be interpreted as an exclusive grant of the privileges herein
12 provided.
13

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

17 **Sec. 17. *Repealing Clause.*** – All laws, presidential decrees, executive orders,
18 letters of instruction, administrative rules and regulations or parts thereof, which are
19 contrary to or inconsistent with the provisions of this Act, are hereby repealed or
20 modified accordingly.
21

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

Approved,