



HOUSE OF REPRESENTATIVES

H. No. 7646

BY REPRESENTATIVES ALMARIO (C.M.), AYON AND FERRER (J.)

**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 **Section 1. Nature and Scope of Franchise.** – Subject to the provisions of the
2 Constitution and applicable laws, rules and regulations, the franchise
3 granted to Benguet Broadcasting Corporation, currently known as Sphere
4 Entertainment Inc., hereunder referred to as the Grantee, its successors or
5 assignees, under Republic Act No. 9119, to construct, install, establish,
6 operate and maintain for commercial purposes and in the public interest,
7 radio and television broadcasting stations in the Philippines, where
8 frequencies and/or channels are still available for radio and/or television
9 broadcasting, through microwave, satellite or whatever means including
10 the use of any new technologies in television and radio broadcasting
11 systems, with the corresponding technological auxiliaries and facilities,
12 special broadcast and other program and distribution services and relay
13 stations, is hereby renewed for another twenty-five (25) years.

14
15 **Sec. 2. Manner of Operation of Stations or Facilities.** – The stations or
16 facilities of the Grantee shall be constructed and operated in a manner as
17 will, at most, result only in the minimum interference on wavelengths or
18 frequencies of existing stations or other stations which may be established
19 by law, without in any way diminishing its own right to use its selected

1 wavelengths or frequencies and the quality of transmission or reception
2 thereon as should maximize rendition of the Grantee's services and/or the
3 availability thereof.

4
5 **Sec. 3. *Prior Approval of the National Telecommunications Commission.*** –
6 The Grantee shall secure from the National Telecommunications
7 Commission (NTC) the appropriate permits and licenses for the
8 construction and operation of its stations and facilities and shall not use
9 any frequency in the radio/television spectrum without having been
10 authorized by the NTC. The NTC, however, shall not unreasonably withhold
11 or delay the grant of any such authority.

12
13 In case of any violation of the provisions of this franchise, the NTC
14 shall have the authority to revoke or suspend, after due process, the
15 permits or licenses it issued pursuant to the franchise. The NTC may
16 recommend to Congress of the Philippines the revocation of the franchise
17 for any violation of the provisions of this franchise.

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

34
35 Public service time referred herein shall be equivalent to a maximum
36 aggregate of ten percent (10%) of paid commercials or advertisements
37 which shall be allocated based on need to the Executive and Legislative
38 branches, the Judiciary, Constitutional Commissions, and international
39 humanitarian organizations duly recognized by statutes: *Provided*, That the
40 NTC shall increase the public service time in case of extreme emergency or
41 calamity. The NTC shall issue rules and regulations for this purpose, the
42 effectivity when it shall commence upon applicability with other similarly
43 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.

1 **Sec. 9. Commitment to Provide and Promote the Creation of Employment**
2 **Opportunities.** – The Grantee shall create employment opportunities and
3 shall allow on-the-job training in its franchise operation: *Provided*, That
4 priority shall be accorded to the residents of the place where its principal
5 office is located: *Provided, further*, That the Grantee shall follow the
6 applicable labor standards and allowance entitlement under existing labor
7 laws, rules and regulations and similar issuances.

8
9 The employment opportunities or jobs created shall be reflected in
10 the General Information Sheet (GIS) to be submitted to the Securities and
11 Exchange Commission (SEC) annually.

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

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

39
40 **Sec. 12. Reportorial Requirement.** – The Grantee shall submit an annual
41 report to the Congress of the Philippines, through the Committee on
42 Legislative Franchises of the House of Representatives and the Committee
43 on Public Services of the Senate, on its compliance with the terms and

1 conditions of the franchise and on its operations on or before April 30 of
2 every year during the term of its franchise.

3
4 The annual report shall include an update on the roll-out,
5 development, operation and/or expansion of business; audited financial
6 statements; latest GIS officially submitted to the SEC, if applicable;
7 certification of the NTC on the status of its permits and operations; and
8 an update on the dispersal of ownership undertaking, if applicable.

9
10 The reportorial compliance certificate issued by Congress shall
11 be required before any application for permit or certificate is accepted by
12 the NTC.

13
14 **Sec. 13. *Fine.*** – The failure of the Grantee to submit the requisite annual
15 report to Congress shall be penalized with a fine in the amount of Five
16 hundred pesos (P500.00) per working day of noncompliance which shall
17 be collected by the NTC. The fine shall be collected separately from the
18 reportorial penalties imposed by the NTC and shall be remitted to the
19 Bureau of the Treasury.

20
21 **Sec. 14. *Equality Clause.*** – Any advantage, favor, privilege, exemption, or
22 immunity granted under existing franchises, or which may hereafter be granted,
23 upon prior review and approval of Congress, shall become part of this franchise
24 and shall be accorded immediately and unconditionally to herein Grantee:
25 *Provided, however,* That the foregoing shall neither apply to nor affect
26 provisions concerning territory covered by the franchise, the term of the
27 franchise, or the type of service authorized by the franchise: *Provided, further,*
28 That the foregoing shall not apply to the sale, lease, transfer, grant of usufruct,
29 or assignment of legislative franchises with prior congressional approval.

30
31 **Sec. 15. *Repealability and Nonexclusivity Clause.*** – This franchise shall be
32 subject to amendment, alteration, or repeal by Congress when public interest
33 so requires and shall not be interpreted as an exclusive grant of the privileges
34 herein provided.

35
36 **Sec. 16. *Separability Clause.*** – If any of the sections or provisions of this Act is
37 held invalid, all other provisions not affected thereby shall remain valid.

38
39 **Sec. 17. *Repealing Clause.*** – All laws, presidential decrees, executive orders,
40 letters of instruction, administrative rules and regulations or parts thereof,
41 which are contrary to or inconsistent with the provisions of this Act, are hereby
42 repealed or modified accordingly.

43
44 **Sec. 18. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
45 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,