

## HOUSE OF REPRESENTATIVES

H. No. 6323

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BY REPRESENTATIVES AGGABAO, TEODORO, BELLO (S.), ROBES, MADRONA,  
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### AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO PEÑAFRANCIA BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8166

*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  
2 provisions of the 1987 Philippine Constitution and applicable laws, rules and  
3 regulations, the franchise granted under Republic Act No. 8166, entitled “An  
4 Act Granting the Peñafrancia Broadcasting Corporation a Franchise to  
5 Construct, Install, Operate and Maintain for Educational and Commercial  
6 Purposes, Radio and Television Broadcasting Stations Within the Bicol  
7 Region and For Other Purposes”, to Peñafrancia Broadcasting Corporation,  
8 hereunder referred to as the grantee, whose majority of the number of shares  
9 have been transferred to Eagle Broadcasting Corporation, to construct, install,  
10 establish, operate and maintain for commercial purposes and in the  
11 public interest, radio and/or television broadcasting stations, including  
12 digital television system, through microwave, satellite or whatever means,  
13 including the use of new technologies in television and radio systems, with the

1 corresponding technological auxiliaries and facilities, special broadcast and  
2 other program and distribution services and relay stations within the Bicol  
3 Region, is hereby renewed for another twenty-five (25) years to start on  
4 September 23, 2020.

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

13       SEC. 3. *Prior Approval of the National Telecommunications*  
14 *Commission (NTC).* – The grantee shall secure from the NTC, the appropriate  
15 permits and licenses for the construction and operation of its stations and  
16 facilities and shall not use any frequency in the radio/television spectrum  
17 without authorization from the NTC. The NTC, however, shall not  
18 unreasonably withhold or delay the grant of any such authority.

19       SEC. 4. *Responsibility to the Public.* – The grantee shall provide  
20 adequate public service time to enable the government, through the said  
21 broadcasting stations or facilities, to reach the population on important public  
22 issues; provide at all times sound and balanced programming; assist in the  
23 functions of public information and education; conform to the ethics of honest  
24 enterprise; and not use its stations or facilities for the broadcasting of obscene  
25 and indocent language, speech, act or scene, or for the dissemination of  
26 deliberately false information or willful misrepresentation, to the detriment of  
27 the public interest, or to incite, encourage or assist in subversive or treasonable  
28 acts.

1        **SEC. 5. *Right of Government.*** — A special right is hereby reserved  
 2 to the President of the Philippines, in times of war, rebellion, public peril,  
 3 calamity, emergency, disaster, or disturbance of peace and order: to  
 4 temporarily take over and operate the stations or facilities of the grantee; to  
 5 temporarily suspend the operation of any station or facility in the interest of  
 6 public safety, security and public welfare; or to authorize the temporary  
 7 use and operation thereof by any agency of the government, upon due  
 8 compensation to the grantee, for the use of said stations or facilities during the  
 9 period when these shall be so operated.

10        The radio spectrum is a finite resource that is part of the national  
 11 patrimony and the use thereof is a privilege conferred upon the grantee by  
 12 the State and may be withdrawn anytime after due process.

13        **SEC. 6. *Term of Franchise.*** — This franchise shall be in effect for a  
 14 period of twenty-five (25) years from September 23, 2020, unless sooner  
 15 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the  
 16 event the grantee fails to operate continuously for two (2) years.

17        **SEC. 7. *Acceptance and Compliance.*** — Acceptance of this new  
 18 franchise shall be given in writing to the Congress of the Philippines, through  
 19 the Committee on Legislative Franchises of the House of Representatives and  
 20 the Committee on Public Services of the Senate, within sixty (60) days from  
 21 the effectivity of this Act. Upon giving such acceptance, the grantee shall  
 22 exercise the privileges granted under this Act. Nonacceptance shall render the  
 23 franchise void.

24        **SEC. 8. *Self-regulation by and Undertaking of the Grantee.*** — The  
 25 grantee shall not require any previous censorship of any speech, play, act or  
 26 scene, or other matter to be broadcast from its stations: *Provided*, That the  
 27 grantee, during any broadcast and telecast, shall cut off from the air the  
 28 speech, play, act or scene, or other matter being broadcast if the tendency  
 29 thereof is to propose and/or incite treason, rebellion, or sedition; or the

1 language used therein or the theme thereof is indecent or immoral: *Provided,*  
 2 *further,* That willful failure to do so shall constitute a valid cause for the  
 3 cancellation of this franchise.

4 SEC. 9. *Warranty in Favor of the National and Local Governments. —*

5 The grantee shall hold the national, provincial, city, and municipal  
 6 governments of the Philippines free from all claims, accounts, demands or  
 7 actions arising out of accidents or injuries, whether to property or to persons,  
 8 caused by the construction or operation of the stations of the grantee.

9 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of*

10 *Franchise. —* The grantee shall not sell, lease, transfer, grant the usufruct of  
 11 nor assign this franchise or the rights and privileges acquired thereunder to any  
 12 person, firm, company, corporation or other commercial or legal entity, nor  
 13 merge with any other corporation or entity, nor shall the controlling interest of  
 14 the grantee be transferred, whether as a whole or in part, and whether  
 15 simultaneously or contemporaneously, to any such person, firm, company,  
 16 corporation or entity without the prior approval of the Congress of the  
 17 Philippines: *Provided,* That Congress shall be informed of any sale, lease,  
 18 transfer, grant of usufruct, or assignment of franchise or the rights and  
 19 privileges acquired thereunder, or of the merger, or transfer of controlling  
 20 interest of the grantee, within sixty (60) days after the completion of the said  
 21 transaction: *Provided, further,* That failure to report to Congress such change  
 22 of ownership shall render the franchise *ipso facto* revoked: *Provided, finally,*  
 23 That any person or entity to which this franchise is sold, transferred or  
 24 assigned, shall be subject to the same conditions, terms, restrictions and  
 25 limitations of this Act.

26 SEC. 11. *Dispersal of Ownership. —* In accordance with the  
 27 constitutional provision to encourage public participation in public utilities, the  
 28 grantee shall offer to Filipino citizens at least thirty percent (30%) or a  
 29 higher percentage that may hereafter be provided by law of its outstanding

1 capital stock in any securities exchange in the Philippines within five (5) years  
 2 from the commencement of its operations: *Provided*, That in cases where  
 3 public offer of shares is not applicable, establishment of cooperatives and  
 4 other methods of encouraging public participation by citizens and corporations  
 5 operating public utilities must be implemented. Noncompliance therewith shall  
 6 render the franchise *ipso facto* revoked.

7 SEC. 12. *General Broadcast Policy Law.* — The grantee shall comply  
 8 with and be subject to the provisions of a general broadcast policy law which  
 9 Congress may hereafter enact.

10 SEC. 13. *Reportorial Requirement.* — The grantee shall submit an  
 11 annual report to the Congress of the Philippines, through the Committee on  
 12 Legislative Franchises of the House of Representatives and the Committee on  
 13 Public Services of the Senate, on its compliance with the terms and conditions  
 14 of the franchise and on its operations on or before April 30 of every year  
 15 during the term of the franchise.

16 SEC. 14. *Penalty Clause.* — Failure of the grantee to submit the  
 17 annual report to Congress shall be penalized with a fine of five hundred  
 18 pesos (P500.00) per working day of noncompliance. The fine shall be  
 19 collected by the NTC from the delinquent franchise grantee separate from the  
 20 reportorial penalties imposed by the NTC. The reportorial compliance  
 21 certificate issued by Congress shall be required before any application for  
 22 permit or certificate is accepted by the NTC.

23 SEC. 15. *Equality Clause.* — Any advantage, favor, privilege,  
 24 exemption, or immunity granted under existing franchises, or which may  
 25 hereafter be granted for radio and/or television broadcasting, upon prior  
 26 review and approval of Congress, shall become part of this franchise and shall  
 27 be accorded immediately and unconditionally to the herein grantee: *Provided*,  
 28 That the foregoing shall neither apply to nor affect provisions of broadcasting  
 29 franchises concerning territory covered by the franchise, the life span of the

1 franchise or the type of service authorized by the franchise: *Provided, further,*  
2 That the foregoing shall not apply to sale, lease, transfer, or grant of usufruct  
3 of legislative franchise with prior congressional approval.

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

7 SEC. 17. *Repealability and Nonexclusivity Clause.* — This franchise  
8 shall be subject to amendment, alteration, or repeal by the Congress of the  
9 Philippines when the public interest so requires and shall not be interpreted as  
10 an exclusive grant of the privileges herein provided for.

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

Approved,