



HOUSE OF REPRESENTATIVES

H. No. 5717

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BY REPRESENTATIVES SALCEDA, ALVAREZ (F.), MARCOLETA AND VIOLAGO,  
PER COMMITTEE REPORT NO. 261

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AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE ASSIGNED TO PBN BROADCASTING NETWORK, INC., UNDER REPUBLIC ACT NO. 8158, ENTITLED "AN ACT EXTENDING THE FRANCHISE GRANTED TO JORGE D. BAYONA UNDER REPUBLIC ACT NUMBERED FIFTY-SEVEN HUNDRED EIGHTY-NINE, ASSIGNING IT IN FAVOR OF PBN BROADCASTING NETWORK, INC., AND RENEWING THE TERM THEREOF FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF THE EFFECTIVITY OF THIS ACT"

*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 Constitution and applicable laws, rules and regulations, the  
3 franchise assigned to PBN Broadcasting Network, Inc., under Republic Act  
4 No. 8158, to construct, install, establish, operate, and maintain for commercial  
5 purposes and in the public interest, radio and/or television broadcasting  
6 stations, including digital television system, through microwave, satellite or  
7 whatever means, as well as the use of any new technology in television and  
8 radio systems, with the corresponding technological auxiliaries and facilities,  
9 special broadcast and other program and distribution services and relay

1 stations in the Philippines, is hereby extended for another twenty-five (25)  
2 years from the effectivity of this Act.

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

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

18       The grantee shall not dispose or lease its facilities except to entities with  
19 radio or television broadcasting franchise: *Provided*, That the grantee shall  
20 inform and secure written authorization to proceed from the NTC, and report  
21 the transaction to the NTC within sixty (60) days after its completion:  
22 *Provided, further*, That the NTC shall determine the corresponding sanction  
23 for any violation of this provision.

24       **SEC. 4. Responsibility to the Public.** – The grantee shall provide  
25 adequate public service time to enable the government, through the said  
26 broadcasting stations or facilities, to inform the population on important public  
27 issues; provide at all times sound and balanced programming; assist in the  
28 performance of the functions of public information and education; conform to  
29 the ethics of honest enterprise; and not use its stations or facilities for the

1 broadcasting of obscene and indecent language, speech, act or scene; or for the  
2 dissemination of deliberately false information or willful misrepresentation, to  
3 the detriment of the public interest; or to incite, encourage, or assist in  
4 subversive or treasonable acts.

5       SEC. 5. *Right of the Government.* -- The radio spectrum is a finite  
6 resource that is part of the national patrimony and the use thereof is a privilege  
7 conferred upon the grantee by the State and may be withdrawn any time after  
8 due process.

9       A special right is hereby reserved to the President of the Philippines, in  
10 times of war, rebellion, public peril, calamity, emergency, disaster, or  
11 disturbance of peace and order: to temporarily take over and operate the  
12 stations or facilities of the grantee; to temporarily suspend the operation of any  
13 station or facility in the interest of public safety, security and public welfare;  
14 or to authorize the temporary use and operation thereof by any agency of the  
15 government, upon due compensation to the grantee, for the use of said stations  
16 or facilities during the period when these shall be so operated.

17       SEC. 6. *Term of Franchise.* -- This franchise shall be in effect for a  
18 period of twenty-five (25) years from the effectivity of this Act, unless sooner  
19 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the  
20 event the grantee fails to operate continuously for two (2) years.

21       SEC. 7. *Acceptance of Franchise.* -- Acceptance of the terms of this  
22 franchise shall be given in writing to the Congress of the Philippines, through  
23 the Committee on Legislative Franchises of the House of Representatives and  
24 the Committee on Public Services of the Senate, within sixty (60) days from  
25 the effectivity of this Act. Upon giving such acceptance, the grantee shall  
26 exercise the privileges granted under this Act.

27       Nonacceptance shall render the franchise void.

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

13           SEC. 9. *Warranty in Favor of the National and Local Governments.* –  
14 The grantee shall hold the national, provincial, city, and municipal  
15 governments of the Philippines free from all claims, liabilities, demands, or  
16 actions arising out of accidents causing injury to persons or damage to  
17 properties, during the construction or operation of the stations of the grantee.

18           SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of*  
19 *Franchise.* – The grantee shall not sell, lease, transfer, grant the usufruct of,  
20 nor assign this franchise or the rights and privileges acquired thereunder to any  
21 person, firm, company, corporation, or other commercial or legal entity, nor  
22 merge with any other corporation or entity, nor the controlling interest of the  
23 grantee be transferred, whether as a whole or in parts, and whether  
24 simultaneously or contemporaneously, to any such person, firm, company,  
25 corporation or entity without the prior approval of the Congress of the  
26 Philippines: *Provided*, That Congress shall be informed of any sale, lease,  
27 transfer, grant of usufruct, or assignment of franchise or the rights and  
28 privileges acquired thereunder, or of the merger or transfer of the controlling  
29 interest of the grantee, within sixty (60) days after the completion of the said

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

6 SEC. 11. *Dispersal of Ownership*. — In accordance with the  
7 constitutional provision to encourage public participation in public utilities, the  
8 grantee shall offer to Filipino citizens at least thirty percent (30%) or a higher  
9 percentage that may hereafter be provided by law of its outstanding capital  
10 stock in any securities exchange in the Philippines within five (5) years from  
11 the commencement of its operations: *Provided*, That in cases where public  
12 offer of shares is not applicable, establishment of cooperatives and application  
13 of other methods of encouraging public participation by citizens and  
14 corporations operating public utilities as allowed by law must be implemented.

15 Noncompliance therewith shall render the franchise *ipso facto* revoked.

16 SEC. 12. *Reportorial Requirement*. — The grantee shall submit an  
17 annual report to the Congress of the Philippines, through the Committee on  
18 Legislative Franchises of the House of Representatives and the Committee on  
19 Public Services of the Senate, on its compliance with the terms and conditions  
20 of the franchise and on its operations on or before April 30 of every year  
21 during the term of its franchise. The reportorial compliance certificate issued  
22 by Congress shall be required before any application for permit or certificate is  
23 accepted by the NTC.

24 SEC. 13. *Fine*. — Failure of the grantee to submit the requisite annual  
25 report to Congress shall be penalized by a fine of five hundred pesos (P500.00)  
26 per working day of noncompliance. The fine shall be collected separately by  
27 the NTC distinct from the penalties it imposes for noncompliance of its own  
28 reportorial requirements.

1           SEC. 14. *Equality Clause.* – Except for taxes and customs duties, any  
2 advantage, favor, privilege, exemption, or immunity granted under existing  
3 franchises, or which may hereafter be granted for radio and/or television  
4 broadcasting, upon prior review and approval of Congress, shall become part  
5 of this franchise and shall be accorded immediately and unconditionally to the  
6 herein grantee: *Provided*, That the foregoing shall neither apply to nor affect  
7 provisions of broadcasting franchises concerning territorial coverage, the term,  
8 or the type of service authorized by the franchise.

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

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

16           SEC. 17. *Repealing Clause.* – All laws, decrees, orders, resolutions,  
17 instructions, rules and regulations and other issuances or parts thereof which  
18 are inconsistent with the provisions of this Act are hereby repealed, amended,  
19 or modified accordingly.

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

Approved,