



HOUSE OF REPRESENTATIVES

H. No. 7754

BY REPRESENTATIVES JALOSJOS, ALVAREZ (F.) AND SY-ALVARADO,
PER COMMITTEE REPORT NO. 746

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST LOVE BROADCASTING NETWORK, INC. UNDER REPUBLIC ACT NO. 8100, ENTITLED "AN ACT GRANTING THE FIRST LOVE BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL FM AND AM RADIO STATIONS AND TELEVISION STATIONS IN THE VISAYAS AND MINDANAO"

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
3 regulations, the franchise granted to First Love Broadcasting
4 Network, Inc., hereunder referred to as the grantee, its successor or
5 assignees, under Republic Act No. 8100, to construct, establish,
6 maintain and operate in the public interest and for commercial
7 purposes, radio and/or television broadcasting stations, including
8 digital television system, through microwave, satellite, terrestrial or

1 whatever means, including the use of any new technologies in
2 television and radio systems, with the corresponding technological
3 auxiliaries and facilities, special broadcast and other program and
4 distribution services and relay stations in the Visayas and
5 Mindanao, is hereby renewed for another twenty-five (25) years.

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

15 SEC. 3. *Prior Approval of the National Telecommunications*
16 *Commission.* – The grantee shall secure from the National
17 Telecommunications Commission (NTC) the appropriate permits
18 and licenses for the construction and operation of its stations or
19 facilities and shall not use any frequency in the radio/television
20 spectrum without authorization from the NTC.

21 SEC. 4. *Responsibility to the Public.* – The grantee shall
22 provide, free of charge, adequate public service time which is
23 reasonable and sufficient to enable the government, through the
24 broadcasting stations or facilities of the grantee, to reach the
25 pertinent population/s or portions thereof on important public issues
26 and relay important public announcements and warnings
27 concerning public emergencies and calamities, as necessity, urgency

1 or law may require; provide at all times sound and balanced
2 programming; promote public participation; assist in the functions
3 of public information and education; conform to the ethics of honest
4 enterprise; promote audience sensibility and empowerment through,
5 but not limited to, closed captioning; and not use its stations or
6 facilities for the broadcasting of obscene or indecent language,
7 speech, act or scene; or for the dissemination of deliberately false
8 information or willful misrepresentation, to the detriment of public
9 interest; or to incite, encourage or assist in subversive or
10 treasonable acts.

11 Public service time referred herein shall be equivalent to a
12 maximum aggregate of ten percent (10%) of the paid commercials or
13 advertisements which shall be allocated based on need to the
14 executive, legislative, judiciary, constitutional commissions and
15 international humanitarian organizations duly recognized by
16 statutes: *Provided*, That the NTC shall increase the public service
17 time in case of extreme emergency or calamity. The NTC shall issue
18 rules and regulations for this purpose, the effectivity of which shall
19 commence upon applicability with other similarly situated
20 broadcast network franchise holders.

21 SEC. 5. *Compliance with Labor Standards.* - The grantee,
22 its successors or assignees, shall comply with the applicable labor
23 standards under existing labor laws, rules and regulations and such
24 other issuances as may be promulgated by the Department of Labor
25 and Employment, taking into consideration the nature and
26 peculiarities of the broadcast industry.

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

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

15 SEC. 7. *Term of Franchise.* – This franchise shall be in effect
16 for a period of twenty-five (25) years from the effectivity of this Act,
17 unless sooner revoked or cancelled. This franchise shall be deemed
18 *ipso facto* revoked in the event the grantee fails to operate
19 continuously for two (2) years.

20 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* –
21 The grantee shall not require any previous censorship of any
22 speech, play, act or scene, or other matter to be broadcast from its
23 stations, but if any such speech, play, act or scene, or other matter
24 should constitute a violation of the law or infringement of a private
25 right, the grantee shall be free from any liability, civil or criminal,
26 for such speech, play, act or scene, or other matter from its stations:
27 *Provided,* That the grantee, during any broadcast and/or telecast

1 shall cut off from the air the speech, play, act or scene, or other
2 matter being broadcast and/or telecast if the tendency thereof is to
3 propose and/or incite treason, rebellion or sedition; or the language
4 used therein or the theme thereof is indecent or immoral: *Provided,*
5 *further,* That willful failure to do so shall constitute a valid cause
6 for the revocation and cancellation of this franchise.

7 SEC. 9. *Warranty in Favor of the National and Local*
8 *Governments.* - The grantee shall hold the national, provincial,
9 city, and municipal governments of the Philippines free from all
10 claims, liabilities, demands, or actions arising out of accidents,
11 causing injury to persons or damage to properties, during the
12 construction or operation of the stations of the grantee.

13 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
14 *Assignment of Franchise.* - The grantee shall not sell, lease,
15 transfer, grant the usufruct of, nor assign this franchise or the
16 rights and privileges acquired thereunder to any person, firm,
17 company, corporation, or other commercial or legal entity, nor
18 merge with any other corporation or entity, nor the controlling
19 interest of the grantee be transferred, whether as a whole or in part,
20 and whether simultaneously or contemporaneously, to any such
21 person, firm, company, corporation, or entity without the prior
22 approval of the Congress of the Philippines: *Provided,* That such
23 transfer, sale or issuance is in accordance with any applicable
24 constitutional limitation: *Provided, finally,* That any person or
25 entity to which this franchise is sold, transferred or assigned, shall
26 be subject to the same conditions, terms, restrictions, and
27 limitations of this Act.

1 SEC. 11. *Dispersal of Ownership.* – In accordance with the
2 constitutional provision to encourage public participation in public
3 utilities, the grantee shall offer to Filipino citizens at least thirty
4 percent (30%) or a higher percentage that may hereafter be
5 provided by law of its outstanding capital stock in any securities
6 exchange in the Philippines within five (5) years from the
7 commencement of its operations: *Provided,* That in cases where
8 public offer of shares is not applicable, the grantee shall apply other
9 methods of encouraging public participation by citizens and
10 corporations operating public utilities as allowed by law.
11 Noncompliance therewith shall render the franchise *ipso facto*
12 revoked.

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

20 The annual report shall include an update on the roll-out,
21 development, operation and/or expansion of business; audited
22 financial statements; latest General Information Sheet officially
23 submitted to the Securities and Exchange Commission (SEC),
24 if applicable; certification of the NTC on the status of its permits
25 and operations; and an update on the dispersal of ownership
26 undertaking, if applicable.

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

4 SEC. 13. *Fine.* – Failure of the grantee to submit the
5 requisite annual report to Congress shall be penalized by a fine of
6 Five hundred pesos (P500.00) per working day of noncompliance.
7 The fine shall be collected by the NTC from the delinquent franchise
8 grantee separate from the reportorial penalties imposed by the NTC
9 and the same shall be remitted to the National Treasury.

10 SEC. 14. *Equality Clause.* – Any advantage, favor, privilege,
11 exemption, or immunity granted under existing franchises, or which
12 may hereafter be granted for radio and/or television broadcasting,
13 upon prior review and approval of Congress, shall become part of
14 this franchise and shall be accorded immediately and
15 unconditionally to the herein grantee: *Provided*, That the foregoing
16 shall neither apply to nor affect the provisions of broadcasting
17 franchises concerning territorial coverage, the term, or the type of
18 service authorized by the franchise.

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

24 SEC. 16. *Separability Clause.* – If any section or provision of
25 this Act is held invalid, all other provisions not affected thereby
26 shall remain valid.

1 SEC. 17. *Repealing Clause.* – All other laws, orders,
2 issuances, rules and regulations or parts thereof inconsistent with
3 this Act are hereby repealed, amended or modified accordingly.

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

 Approved,

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