



HOUSE OF REPRESENTATIVES

H. No. 8175

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BY REPRESENTATIVES TUGNA, ALVAREZ (F.), ENVERGA, ZAMORA (M.C.), UNABIA, ABELLANOSA, PIMENTEL, UNICO, VIOLAGO, SAVELLANO, AGGABAO, GATCHALIAN, RELAMPAGOS, ROMUALDO, REVILLA, BRAVO (M.V.), FERRER (L.), BATOCABE, CUA, ALMARIO, CHAVEZ, ALVAREZ (M.), ATIENZA AND BRAVO (A.), PER COMMITTEE REPORT NO. 845

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO SOUTHERN BROADCASTING NETWORK, INC. UNDER REPUBLIC ACT NO. 8147, ENTITLED "AN ACT GRANTING THE SOUTHERN BROADCASTING NETWORK A FRANCHISE TO CONSTRUCT, MAINTAIN, ESTABLISH AND OPERATE COMMERCIAL RADIO/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  
2 provisions of the Constitution and applicable laws, rules and  
3 regulations, the franchise granted to Southern Broadcasting  
4 Network, Inc., hereunder referred to as the grantee, its successors  
5 or assignees, under Republic Act No. 8147, to construct, install,  
6 establish, operate, and maintain for commercial purposes, including  
7 pay television service, and in the public interest, radio and/or

1 television broadcasting stations, including digital television system,  
2 pay and pay-per-view television, through microwave, satellite or  
3 whatever means, as well as the use of any new technology in  
4 television and radio systems, with the corresponding technological  
5 auxiliaries and facilities, special broadcast and other program and  
6 distribution services and relay stations in the Philippines, is hereby  
7 renewed for another twenty-five (25) years from the effectivity of  
8 this Act.

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

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

26       SEC. 4. *Responsibility to the Public.* – The grantee shall  
27 provide, free of charge, adequate public service time which is  
28 reasonable and sufficient to enable the government, through the

1 broadcasting stations or facilities of the grantee, to reach the  
2 pertinent populations or portions thereof, on important public  
3 issues and relay important public announcements and warnings  
4 concerning public emergencies and calamities, as necessity, urgency  
5 or law may require; provide at all times sound and balanced  
6 programming; promote public participation; assist in the functions  
7 of public information and education; conform to the ethics of honest  
8 enterprise; promote audience sensibility and empowerment  
9 including closed captioning; and not use its stations or facilities for  
10 the broadcasting of obscene or indecent language, speech, act, or  
11 scene; or for the dissemination of deliberately false information or  
12 willful misrepresentation, to the detriment of the public interest; or  
13 to incite, encourage, or assist in subversive or treasonable acts.

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

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

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

11           SEC. 6. *Term of Franchise.* – This franchise shall be for a  
12 term of twenty-five (25) years from the date of the effectivity of this  
13 Act, unless sooner revoked or cancelled. This franchise shall be  
14 deemed *ipso facto* revoked in the event the grantee fails to operate  
15 continuously for two (2) years.

16           SEC. 7. *Self-regulation by and Undertaking of the Grantee.* –  
17 The grantee shall not require any previous censorship of any  
18 speech, play, act, or scene, or other matter to be broadcast from its  
19 stations: *Provided*, That the grantee, during any broadcast, shall  
20 cut off from the air the speech, play, act, or scene, or other matter  
21 being broadcast if the tendency thereof is to propose and/or incite  
22 treason, rebellion or sedition; or the language used therein or the  
23 theme thereof is indecent or immoral: *Provided, further*, That  
24 willful failure to do so shall constitute a valid cause for the  
25 cancellation of this franchise.

26           SEC. 8. *Warranty in Favor of the National and Local*  
27 *Governments.* – The grantee shall hold the national, provincial,  
28 city, and municipal governments of the Philippines free from all

1 claims, liabilities, demands, or actions arising out of accidents  
2 causing injury to persons or damage to properties, during the  
3 construction or operation of the stations of the grantee.

4       SEC. 9. *Commitment to Provide and Promote the Creation of*  
5 *Employment Opportunities.* – The grantee shall create employment  
6 opportunities and shall allow on-the-job trainings in their franchise  
7 operation: *Provided*, That priority shall be accorded to the residents  
8 in areas where any of its offices is located: *Provided, further*, That  
9 the grantee shall follow the applicable labor standards and  
10 allowance entitlement under existing labor laws, rules and  
11 regulations and similar issuances: *Provided, finally*, That the  
12 employment opportunities or jobs created shall be reflected in the  
13 General Information Sheet to be submitted to the Securities and  
14 Exchange Commission annually.

15       SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*  
16 *Assignment of Franchise.* – The grantee shall not sell, lease,  
17 transfer, grant the usufruct of, nor assign this franchise or the  
18 rights and privileges acquired thereunder to any person, firm,  
19 company, corporation or other commercial or legal entity, nor merge  
20 with any other corporation or entity, nor shall transfer the  
21 controlling interest of the grantee, whether as a whole or in part,  
22 and whether simultaneously or contemporaneously, to any person,  
23 firm, company, corporation, or entity without the prior approval of  
24 the Congress of the Philippines and compliance with legal  
25 requirements stipulated in other statutes: *Provided*, That any  
26 person or entity to which this franchise is sold, transferred, or  
27 assigned shall be subject to the same conditions, terms, restrictions,  
28 and 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 Philippine Senate, on its compliance with the terms and conditions  
18 of the franchise and on its operations on or before April 30 of every  
19 year during the term of its franchise. The reportorial compliance  
20 certificate issued by Congress shall be required before any  
21 application for permit or certificate is accepted by the NTC.

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

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

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

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

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

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

Approved,