



HOUSE OF REPRESENTATIVES

H. No. 8237

BY REPRESENTATIVES SAVELLANO, ALVAREZ (F.), PIMENTEL,
VIOLAGO, RELAMPAGOS, PANCHO, GARBIN, TAMBUNTING,
TEJADA AND BRAVO (A.), PER COMMITTEE REPORT NO. 859

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)
YEARS THE FRANCHISE GRANTED TO SOLIDNORTH
BROADCASTING SYSTEM, INC. UNDER REPUBLIC
ACT NO. 8089, ENTITLED "AN ACT GRANTING THE
SOLIDNORTH BROADCASTING SYSTEM A FRANCHISE
TO CONSTRUCT, ESTABLISH, OPERATE AND
MAINTAIN COMMERCIAL RADIO BROADCASTING
STATIONS IN THE PHILIPPINES, AND FOR OTHER
PURPOSES"

*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 Solidnorth Broadcasting
4 System, Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 8089, to construct, install,
6 establish, maintain, and operate in the public interest and for
7 commercial purposes, radio broadcasting stations, through
8 microwave, satellite or whatever means, as well as the use of any

1 new technology in radio systems, with the corresponding
2 technological auxiliaries and facilities, special broadcast and other
3 program and distribution services and relay stations in the
4 Philippines, is hereby renewed for another twenty-five years (25)
5 years from the effectivity of this Act.

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 spectrum
20 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
26 issues and relay important public announcements and warnings
27 concerning public emergencies and calamities, as necessity,

1 urgency, or law may require; provide at all times sound and
2 balanced programming; promote public participation; assist in the
3 functions of public information and education; conform to the ethics
4 of honest enterprise; promote audience sensibility and
5 empowerment through, but not limited to, closed captioning; and
6 not use its stations or facilities for the broadcasting of obscene or
7 indecent language, speech, act, or scene; or for the dissemination of
8 deliberately false information or willful misrepresentation, to the
9 detriment of public interest; or to incite, encourage or assist in
10 subversive or 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
18 issue rules and regulations for this purpose, the effectivity of which
19 shall commence upon applicability with other similarly situated
20 broadcast network franchise holders.

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

25 A special right is hereby reserved to the President of the
26 Philippines, in times of war, rebellion, public peril, calamity,
27 emergency, disaster, or disturbance of peace and order: to

1 temporarily take over and operate the stations or facilities of the
2 grantee; to temporarily suspend the operation of any station or
3 facility in the interest of public safety, security and public welfare;
4 or to authorize the temporary use and operation thereof by any
5 agency of the government, upon due compensation to the grantee,
6 for the use of said stations or facilities during the period when these
7 shall be so operated.

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

13 SEC. 7. *Renewal or Extension of Franchise.* – The grantee
14 shall apply for the renewal or extension of its franchise five (5)
15 years before its expiration date which shall be reckoned fifteen (15)
16 days after the publication of the franchise in the *Official Gazette* or
17 in any newspaper of general circulation, whichever comes earlier.

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

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

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

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

22 SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or*
23 *Assignment of Franchise.* – The grantee shall not sell, lease,
24 transfer, grant the usufruct of, nor assign this franchise or the
25 rights and privileges acquired thereunder to any person, firm,
26 company, corporation, or other commercial or legal entity, nor
27 merge with any other corporation or entity, nor the controlling

1 interest of the grantee be transferred, whether as a whole or in part,
2 and whether simultaneously or contemporaneously, to any such
3 person, firm, company, corporation, or entity without the prior
4 approval of the Congress of the Philippines: *Provided*, That such
5 transfer, sale or issuance is in accordance with any applicable
6 constitutional limitation: *Provided, finally*, That any person or
7 entity to which this franchise is sold, transferred or assigned shall
8 be subject to the same conditions, terms, restrictions, and
9 limitations of this Act.

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

22 SEC. 13. *Compliance with Labor Standards.* – The grantee,
23 its successors or assignees shall comply with the applicable labor
24 standards under existing labor laws, rules and regulations and such
25 other issuances as may be promulgated by the Department of Labor
26 and Employment, taking into consideration the nature and
27 peculiarities of the broadcasting industry.

1 SEC. 14. *Reportorial Requirement.* – The grantee shall
2 submit an annual report to the Congress of the Philippines, through
3 the Committee on Legislative Franchises of the House of
4 Representatives and the Committee on Public Services of the
5 Senate, on its compliance with the terms and conditions of the
6 franchise and on its operations on or before April 30 of every year
7 during the term of its franchise.

8 The annual report shall include an update on the roll-out,
9 development, operation and/or expansion of business; audited
10 financial statements; latest GIS officially submitted to SEC (if
11 applicable); certification of the NTC on the status of its permits and
12 operations; and an update on the dispersal of ownership
13 undertaking, if applicable.

14 The reportorial compliance certificate issued by Congress
15 shall be required before any application for permit or certificate is
16 accepted by the NTC.

17 SEC. 15. *Fine.* – Failure of the grantee to submit the
18 requisite annual report to Congress shall be penalized by a fine of
19 Five hundred pesos (P500.00) per working day of noncompliance.
20 The fine shall be collected by the NTC from the delinquent franchise
21 grantee separate from the reportorial penalties imposed by the NTC
22 and the same shall be remitted to the National Treasury.

23 SEC. 16. *Equality Clause.* – Any advantage, favor, privilege,
24 exemption, or immunity granted under existing franchises, or
25 which may hereafter be granted for radio and/or television
26 broadcasting, upon prior review and approval of Congress, shall
27 become part of this franchise and shall be accorded immediately

1 and unconditionally to the herein grantee: *Provided*, That the
2 foregoing shall neither apply to nor affect provisions of broadcasting
3 franchises concerning territorial coverage, the term, or the type of
4 service authorized by the franchise.

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

10 SEC. 18. *Separability Clause.* - If any of the sections or
11 provisions of this Act is held invalid, all other provisions not
12 affected thereby shall remain valid.

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

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

Approved,