



HOUSE OF REPRESENTATIVES

H. No. 8265

BY REPRESENTATIVES ENVERGA, ALVAREZ (F.) AND MACEDA,
PER COMMITTEE REPORT NO. 871

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BEACON COMMUNICATIONS SYSTEMS, INC. UNDER REPUBLIC ACT NO. 8063, ENTITLED "AN ACT GRANTING THE BEACON COMMUNICATIONS SYSTEMS, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL RADIO 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 under Republic Act No. 8063 to
4 Beacon Communications Systems, Inc., hereunder referred to as the
5 grantee, its successors or assignees, to construct, install, establish,
6 maintain, and operate in the public interest and for commercial
7 purposes, radio broadcasting stations, through microwave, satellite
8 or whatever means, as well as the use of any new technology in
9 radio systems, with the corresponding technological auxiliaries and

1 facilities, special broadcast and other program and distribution
2 services and relay stations in the Philippines, is hereby renewed for
3 another twenty-five (25) years from the effectivity of this Act.

4 SEC. 2. *Manner of Operation of Stations or Facilities.* – The
5 stations or facilities of the grantee shall be constructed and
6 operated in a manner as will, at most, result only in the minimum
7 interference on the wavelengths or frequencies of existing stations
8 or other stations which may be established by law, without in any
9 way diminishing its own privilege to use its assigned wavelengths
10 or frequencies and the quality of transmission or reception thereon
11 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.* – The grantee shall secure from the National
15 Telecommunications Commission (NTC) the appropriate permits
16 and licenses for the construction and operation of its stations or
17 facilities and shall not use any frequency in the radio spectrum
18 without authorization from the NTC.

19 SEC. 4. *Responsibility to the Public.* – The grantee shall
20 provide, free of charge, adequate public service time which is
21 reasonable and sufficient to enable the government, through the
22 broadcasting stations or facilities of the grantee, to reach the
23 pertinent population/s or portions thereof on important public issues
24 and relay important public announcements and warnings
25 concerning public emergencies and calamities, as necessity,
26 urgency, or law may require; provide at all times sound and
27 balanced programming; promote public participation; assist in the
28 functions of public information and education; conform to the ethics
29 of honest enterprise; promote audience sensibility and

1 empowerment through, but not limited to, closed captioning; and
2 not use its stations or facilities for the broadcasting of obscene or
3 indecent language, speech, act, or scene; or for the dissemination of
4 deliberately false information or willful misrepresentation, to the
5 detriment of public interest; or to incite, encourage or assist in
6 subversive or treasonable acts.

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

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

21 A special right is hereby reserved to the President of the
22 Philippines, in times of war, rebellion, public peril, calamity,
23 emergency, disaster, or disturbance of peace and order: to
24 temporarily take over and operate the stations or facilities of the
25 grantee; to temporarily suspend the operation of any station or
26 facility in the interest of public safety, security and public welfare;
27 or to authorize the temporary use and operation thereof by any
28 agency of the government, upon due compensation to the grantee,

1 for the use of said stations or facilities during the period when these
2 shall be so operated.

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

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

13 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* –
14 The grantee shall not require any previous censorship of any
15 speech, play, act, or scene, or other matter to be broadcast from its
16 stations, but if any such speech, play, act, or scene, or other matter
17 should constitute a violation of the law or infringement of a private
18 right, the grantee shall be free from any liability, civil or criminal,
19 for such speech, play, act, or scene, or other matter from its stations:
20 *Provided*, That the grantee, during any broadcast shall cut off from
21 the air the speech, play, act, or scene, or other matter being
22 broadcast if the tendency thereof is to propose and/or incite treason,
23 rebellion or sedition; or the language used therein or the theme
24 thereof is indecent or immoral: *Provided, further*, That willful
25 failure to do so shall constitute a valid cause for the revocation and
26 cancellation of this franchise.

27 SEC. 9. *Warranty in Favor of the National and Local*
28 *Governments.* – The grantee shall hold the national, provincial,
29 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. 10. *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. 11. *Sale, Lease, Transfer, Usufruct, or Assignment of*
16 *Franchise.* – The grantee shall not sell, lease, transfer, grant the
17 usufruct of, nor assign this franchise or the rights and privileges
18 acquired thereunder to any person, firm, company, corporation, or
19 other commercial or legal entity, nor merge with any other
20 corporation or entity, nor the controlling interest of the grantee be
21 transferred, whether as a whole or in part, and whether
22 simultaneously or contemporaneously, to any such person, firm,
23 company, corporation, or entity without the prior approval of the
24 Congress of the Philippines: *Provided,* That such transfer, sale or
25 issuance is in accordance with any applicable constitutional
26 limitation: *Provided, finally,* That any person or entity to which
27 this franchise is sold, transferred or assigned shall be subject to the
28 same conditions, terms, restrictions, and limitations of this Act.

1 SEC. 12. *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. 13. *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. 14. *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.

28 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege,
29 exemption, or immunity granted under existing franchises, or which

1 may hereafter be granted for radio broadcasting, upon prior review
2 and approval of Congress, shall become part of this franchise and
3 shall be accorded immediately and unconditionally to the herein
4 grantee: *Provided*, That the foregoing shall neither apply to nor
5 affect the provisions of broadcasting franchises concerning
6 territorial coverage, the term, or the type of service authorized by
7 the franchise.

8 SEC. 16. *Repealability and Nonexclusivity Clause.* – This
9 franchise shall be subject to amendment, alteration, or repeal by the
10 Congress of the Philippines when the public interest so requires and
11 shall not be interpreted as an exclusive grant of the privileges
12 herein provided for.

13 SEC. 17. *Separability Clause.* – If any section or provision of
14 this Act is held invalid, all other provisions not affected thereby
15 shall remain valid.

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

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

Approved,

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