



HOUSE OF REPRESENTATIVES

H. No. 8266

BY REPRESENTATIVES BELMONTE (F.), DATOL AND ALVAREZ (F.),
PER COMMITTEE REPORT NO. 872

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO MARECO BROADCASTING NETWORK, INC. UNDER REPUBLIC ACT NO. 8108, ENTITLED "AN ACT GRANTING THE MARECO BROADCASTING NETWORK, INC., A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE RADIO BROADCASTING AND TELEVISION 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. 8108 to
4 the Mareco Broadcasting Network, Inc., hereunder referred to as
5 the grantee, its successors and assignees, to construct, install,
6 operate and maintain for commercial purposes and in the public
7 interest, radio and/or television broadcasting stations in the
8 Philippines, where frequencies and/or channels are still available
9 for radio and/or television broadcasting, and other technology that
10 may hereafter or in the future be developed in the field of

1 broadcasting, and such other systems, facilities or structures for the
2 origination, reception, processing, transmission, broadcast,
3 rebroadcast or distribution of audio, video information, and other
4 electronic signals, for the provision of services such as direct to
5 home/user broadcast via satellite, pay and cable television,
6 multimedia, and value-added services and other similar services,
7 through electromagnetic waves, fiber optics, satellite and whatever
8 means now available or which in the future may be developed
9 for telecasting and broadcasting of news, documentaries,
10 entertainment, informational and educational, interactive and
11 various television programs with the corresponding technological
12 auxiliaries or facilities, special broadcast, other program and
13 distribution services and relay stations, and to install radio
14 communication facilities, transmit and receive satellite systems,
15 content production and distribution facilities and other systems as
16 are essential or convenient to carry out the purposes of this Act,
17 is hereby renewed for another twenty-five (25) years from the
18 effectivity of this Act.

19 SEC. 2. *Manner of Operation of Stations or Facilities.* – The
20 stations or facilities of the grantee shall be constructed and
21 operated in a manner as will, at most, result only in the minimum
22 interference on the wavelengths or frequencies of existing stations
23 or other stations which may be established by law, without in any
24 way diminishing its own privilege to use its assigned wavelengths
25 or frequencies and the quality of transmission or reception thereon
26 as should maximize rendition of the grantee's services and/or the
27 availability thereof.

1 SEC. 3. *Prior Approval of the National Telecommunications*
2 *Commission.* – The grantee shall secure from the National
3 Telecommunications Commission (NTC) the appropriate permits
4 and licenses for the construction and operation of its stations or
5 facilities and shall not use any frequency in the radio/television
6 spectrum without authorization from the NTC. The NTC, however,
7 shall not unreasonably withhold or delay the grant of any such
8 authority.

9 SEC. 4. *Responsibility to the Public.* – The grantee shall
10 provide, free of charge, adequate public service time which is
11 reasonable and sufficient to enable the government, through the
12 broadcasting stations or facilities of the grantee, to reach the
13 pertinent populations or portions thereof, on important public
14 issues and relay important public announcements and warnings
15 concerning public emergencies and calamities, as necessity,
16 urgency, or law may require; provide at all times sound and
17 balanced programming; promote public participation; assist in the
18 functions of public information and education; conform to the ethics
19 of honest enterprise; promote audience sensibility and
20 empowerment including closed captioning; and not use its stations
21 or facilities for the broadcasting of obscene or indecent language,
22 speech, act, or scene; or for the dissemination of deliberately false
23 information or willful misrepresentation, to the detriment of the
24 public interest; or to incite, encourage, or assist in subversive or
25 treasonable acts.

26 Public service time referred herein shall be equivalent to a
27 maximum aggregate of ten percent (10%) of paid commercials or

1 advertisements which shall be allocated based on need to the
2 executive, legislative, judiciary, constitutional commissions, and
3 international humanitarian organizations duly recognized by
4 statutes: *Provided*, That the NTC shall increase the public service
5 time in case of extreme emergency or calamity. The NTC shall issue
6 rules and regulations for this purpose, the effectivity of which shall
7 commence upon applicability with other similarly situated
8 broadcast network franchise holders.

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

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

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

1 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* -

2 The grantee shall not require any previous censorship of any
3 speech, play, act, or scene, or other matter to be broadcast from its
4 stations: *Provided*, That the grantee, during any broadcast, shall
5 cut off from the air the speech, play, act, or scene, or other matter
6 being broadcast if the tendency thereof is to propose and/or incite
7 treason, rebellion or sedition; or the language used therein or the
8 theme thereof is indecent or immoral: *Provided, further*, That
9 willful failure to do so shall constitute a valid cause for the
10 cancellation of this franchise.

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

17 SEC. 9. *Commitment to Provide and Promote the Creation of*
18 *Employment Opportunities.* - The grantee shall create employment
19 opportunities and shall allow on-the-job trainings in their franchise
20 operation: *Provided*, That priority shall be accorded to the residents
21 in areas where any of its offices is located: *Provided, further*, That
22 the grantee shall follow the applicable: *Provided, finally*, That the
23 employment opportunities or jobs created shall be reflected in the
24 General Information Sheet to be submitted to the Securities and
25 Exchange Commission annually.

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1 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
2 *Assignment of Franchise.* – The grantee shall not sell, lease,
3 transfer, grant the usufruct of, nor assign this franchise or the
4 rights and privileges acquired thereunder to any person, firm,
5 company, corporation or other commercial or legal entity, nor merge
6 with any other corporation or entity, nor shall transfer the
7 controlling interest of the grantee, whether as a whole or in part,
8 and whether simultaneously or contemporaneously, to any person,
9 firm, company, corporation, or entity without the prior approval of
10 the Congress of the Philippines and compliance with legal
11 requirements stipulated in other statutes: *Provided*, That any
12 person or entity to which this franchise is sold, transferred, or
13 assigned shall be subject to the same conditions, terms, restrictions,
14 and limitations of this Act.

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

1 SEC. 12. *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 Philippine Senate, on its compliance with the terms and conditions
6 of the franchise and on its operations on or before April 30 of every
7 year during the term of its franchise. The reportorial compliance
8 certificate issued by Congress shall be required before any
9 application for permit or certificate is accepted by the NTC.

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

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

26 SEC. 15. *Repealability and Nonexclusivity Clause.* – This
27 franchise shall be subject to amendment, alteration, or repeal by the

1 Congress of the Philippines when the public interest so requires and
2 shall not be interpreted as an exclusive grant of the privileges
3 herein provided for.

4 SEC. 16. *Separability Clause.* - If any of the sections or
5 provisions of this Act is held invalid, all other provisions not
6 affected thereby shall remain valid.

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

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

Approved,

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