



HOUSE OF REPRESENTATIVES

H. No. 8269

BY REPRESENTATIVES AGGABAO, ALVAREZ (F.) AND MACEDA, PER
COMMITTEE REPORT NO. 874

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)
YEARS THE FRANCHISE GRANTED TO PHILIPPINE
RADIO CORPORATION UNDER REPUBLIC ACT NO.
8032, ENTITLED "AN ACT GRANTING THE PHILIPPINE
RADIO CORPORATION 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. 8032 to
4 Philippine Radio Corporation, hereunder referred to as the grantee,
5 its successors or assignees, to construct, install, establish, operate,
6 and maintain for commercial purposes and in the public interest,
7 radio broadcasting stations, through microwave, satellite or
8 whatever means, as well as the use of any new technology in radio
9 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/television
18 spectrum without authorization from the NTC. The NTC, however,
19 shall not unreasonably withhold or delay the grant of any such
20 authority.

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 populations or portions thereof, on important public issues
26 and relay important public announcements and warnings
27 concerning public emergencies and calamities, as necessity,
28 urgency, or law may require; provide at all times sound and
29 balanced programming; promote public participation; assist in the

1 functions of public information and education; conform to the ethics
2 of honest enterprise; promote audience sensibility and
3 empowerment including closed captioning; and not use its stations
4 or facilities for the broadcasting of obscene or indecent language,
5 speech, act, or scene; or for the dissemination of deliberately false
6 information or willful misrepresentation, to the detriment of the
7 public interest; or to incite, encourage, or assist in subversive or
8 treasonable acts.

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

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

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

1 agency of the government, upon due compensation to the grantee,
2 for the use of said stations or facilities during the period when these
3 shall be so operated.

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

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

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

25 SEC. 9. *Commitment to Provide and Promote the Creation of*
26 *Employment Opportunities.* – The grantee shall create employment
27 opportunities and shall allow on-the-job trainings in their franchise
28 operation: *Provided*, That priority shall be accorded to the residents
29 in areas where any of its offices is located: *Provided, further*, That

1 the grantee shall follow the applicable labor standards and
2 allowance entitlement under existing labor laws, rules and
3 regulations and similar issuances: *Provided, finally,* That the
4 employment opportunities or jobs created shall be reflected in the
5 General Information Sheet to be submitted to the Securities and
6 Exchange Commission annually.

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

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

1 corporations operating public utilities as allowed by law.
2 Noncompliance therewith shall render the franchise *ipso facto*
3 revoked.

4 SEC. 12. *Reportorial Requirement.* - The grantee shall
5 submit an annual report to the Congress of the Philippines, through
6 the Committee on Legislative Franchises of the House of
7 Representatives and the Committee on Public Services of the
8 Philippine Senate, on its compliance with the terms and conditions
9 of the franchise and on its operations on or before April 30 of every
10 year during the term of its franchise. The reportorial compliance
11 certificate issued by Congress shall be required before any
12 application for permit or certificate is accepted by the NTC.

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

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

28 SEC. 15. *Repealability and Nonexclusivity Clause.* - This
29 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 of
13 general circulation.

Approved,

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