



HOUSE OF REPRESENTATIVES

H. No. 8632

BY REPRESENTATIVES NOGRALES (K.A.), NOGRALES (J.J.), TUGNA
AND ALVAREZ (F.), PER COMMITTEE REPORT NO. 943

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25)
YEARS THE FRANCHISE GRANTED TO RT BROADCAST
SPECIALIST PHIL. INC. UNDER REPUBLIC ACT
NO. 8126, ENTITLED "AN ACT GRANTING THE R.T.
BROADCAST SPECIALIST PHILIPPINES A FRANCHISE
TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN
RADIO AND TELEVISION BROADCASTING STATIONS IN
MINDANAO"

*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. 8126, to
4 RT Broadcast Specialist Phil. Inc., hereunder referred to as the
5 grantee, its successors or assignees, to construct, install, establish,
6 operate and maintain for commercial purposes and in the public
7 interest, radio and/or television broadcasting stations, where
8 frequencies and/or channels are still available for radio and
9 television broadcasting, through microwave, satellite or whatever
10 means, including the use of any new technology in television and

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

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

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

22 SEC. 4. *Responsibility to the Public.* – The grantee shall
23 provide, free of charge, adequate public service time which is
24 reasonable and sufficient to enable the government, through the
25 broadcasting stations or facilities of the grantee, to reach the
26 pertinent populations or portions thereof, on important public issues
27 and relay important public announcements and warnings

1 concerning public emergencies and calamities, as necessity, urgency
2 or law may require; provide at all times sound and balanced
3 programming; promote public participation; assist in the functions
4 of public information and education; conform to the ethics of honest
5 enterprise; promote audience sensibility and empowerment
6 including closed captioning; and not use its stations or facilities for
7 the broadcasting of obscene or indecent language, speech, act, or
8 scene; or for the dissemination of deliberately false information or
9 willful misrepresentation, to the detriment of public interest; or to
10 incite, encourage or assist in 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 and Legislative branches, the Judiciary, Constitutional
15 Commissions and international humanitarian organizations duly
16 recognized by statutes: *Provided*, That the NTC shall increase the
17 public service time in case of extreme emergency or calamity. The
18 NTC shall issue rules and regulations for this purpose, the
19 effectivity of which shall commence upon applicability with other
20 similarly situated 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 Act,
10 unless sooner revoked and cancelled. This franchise shall be deemed
11 *ipso facto* revoked in the event the grantee fails to operate
12 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 a newspaper of general circulation.

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: *Provided*, That the grantee, during any broadcast, shall cut
22 off from the air the speech, play, act, or scene, or other matter being
23 broadcast if the tendency thereof is to propose and/or incite treason,
24 rebellion or sedition; or the language used therein or the theme
25 thereof is indecent or immoral: *Provided, further*, That willful
26 failure to do so shall constitute a valid cause for the cancellation of
27 this franchise.

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

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

18 SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or*
19 *Assignment of Franchise.* – The grantee shall not sell, lease,
20 transfer, grant the usufruct of, nor assign this franchise or the
21 rights and privileges acquired thereunder to any person, firm,
22 company, corporation or other commercial or legal entity, nor merge
23 with any other corporation or entity, nor shall transfer the
24 controlling interest of the grantee, whether as a whole or in part,
25 and whether simultaneously or contemporaneously, to any person,
26 firm, company, corporation, or entity without the prior approval of
27 the Congress of the Philippines and compliance with legal

1 requirements stipulated in other statutes: *Provided*, That any
2 person or entity to which this franchise is sold, transferred, or
3 assigned shall be subject to the same conditions, terms, restrictions,
4 and limitations of this Act.

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

17 SEC. 13. *Reportorial Requirement*. – During the term of its
18 franchise, the grantee shall submit an annual report to the
19 Congress of the Philippines, through the Committee on Legislative
20 Franchises of the House of Representatives and the Committee on
21 Public Services of the Senate, on its compliance with the terms
22 and conditions of the franchise and on its operations on or before
23 April 30 of every year.

24 The annual report shall include an update on the roll-out,
25 development, operation, or expansion of business; audited financial
26 statements; latest General Information Sheet officially submitted to
27 the SEC (if applicable); certification of the NTC on the status of its

1 permits and operations; and an update on the dispersal of
2 ownership undertaking, if applicable.

3 The reportorial compliance certificate issued by Congress
4 shall be required before an application for permit, certificate, or any
5 equivalent thereof, is accepted by the NTC.

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

12 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege,
13 exemption, or immunity granted under existing franchises, or which
14 may hereafter be granted for radio and/or television broadcasting,
15 upon prior review and approval of Congress, shall become part of
16 this franchise and shall be accorded immediately and
17 unconditionally to the herein grantee: *Provided,* That the foregoing
18 shall neither apply to nor affect the provisions of broadcasting
19 franchises concerning territorial coverage, the term, or the type of
20 service authorized by this franchise.

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

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

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

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

Approved,

O