

(AS AMENDED BY THE SENATE)

CONGRESS OF THE PHILIPPINES
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First Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 4581

BY REPRESENTATIVES JIMENEZ, ALVAREZ (F.), SALCEDA AND
MARQUEZ, PER COMMITTEE REPORT NO. 11

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO GOLDEN BROADCAST
PROFESSIONAL, INC. UNDER REPUBLIC ACT NO. 8025,
ENTITLED "AN ACT GRANTING THE GOLDEN BROADCAST
PROFESSIONAL, INC., A FRANCHISE TO CONSTRUCT,
MAINTAIN AND OPERATE A STATION FOR FM RADIO
AND TELEVISION BROADCASTING IN THE ISLAND OF
MINDANAO", AND EXPANDING ITS COVERAGE TO THE
ENTIRE 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 to Golden Broadcast Professional,
4 Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 8025, to construct, install,
6 establish, operate, and maintain for commercial purposes and in the
7 public interest, radio and/or television broadcasting stations,
8 including digital television system, through microwave, satellite or
9 whatever means as well as the use of any new technology in
10 television and radio systems, with the corresponding technological
11 auxiliaries and facilities, special broadcast and other program and
12 distribution services and relay stations in the Philippines, is hereby

1 renewed for another twenty-five (25) years from the effectivity of
2 this Act.

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

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

20 The grantee shall not dispose or lease its facilities except to
21 entities with radio or television broadcasting franchise: *Provided,*
22 That the grantee shall inform and secure written authorization to
23 proceed from the NTC, and report the transaction to the NTC
24 within sixty (60) days after its completion: *Provided, further,* That
25 the NTC shall determine the corresponding sanction for any
26 violation of this provision.

27 IN CASE OF VIOLATION/S OF ANY OF THE PROVISIONS
28 OF THIS FRANCHISE, THE NTC SHALL HAVE THE AUTHORITY
29 TO REVOKE OR SUSPEND, AFTER DUE PROCESS, THE

1 PERMITS, OR LICENSES ISSUED BY THE NTC PURSUANT TO
2 THE FRANCHISE. NTC MAY RECOMMEND TO CONGRESS THE
3 REVOCATION OF THE FRANCHISE IF THERE ARE ANY
4 VIOLATION/S OF THE PROVISIONS OF THE FRANCHISE.

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

21 Public service time referred herein shall be equivalent to a
22 maximum aggregate of ten percent (10%) of the paid commercials or
23 advertisements which shall be allocated based on need to the
24 Executive and Legislative branches, the Judiciary, Constitutional
25 Commissions, and international humanitarian organizations duly
26 recognized by statutes: *Provided*, That the NTC shall increase the
27 public service time in case of extreme emergency or calamity. The
28 NTC shall issue rules and regulations for this purpose, the

1 effectivity of which shall commence upon applicability with other
2 similarly situated broadcast network franchise holders.

3 PURSUANT TO REPUBLIC ACT NO. 8370, THE GRANTEE
4 SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT (15%) OF
5 THE DAILY TOTAL AIR TIME OF EACH BROADCASTING
6 NETWORK TO CHILD-FRIENDLY SHOW/S WITHIN ITS
7 REGULAR PROGRAMMING.

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

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

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

27 ~~[SEC. 7. *Renewal or Extension of Franchise.* – The grantee~~
28 ~~shall apply for the renewal or extension of its franchise five (5)~~
29 ~~years before its expiration, reckoned from fifteen (15) days after the~~

1 ~~publication of the franchise in the Official Gazette or in a newspaper~~
2 ~~of general circulation.]~~

3 SEC. [8] 7. *Self-regulation by and Undertaking of the Grantee.* –

4 The grantee shall not require any previous censorship of any
5 speech, play, act or scene, or other matter to be broadcast from its
6 stations, but if any such speech, play, act or scene, or other matter
7 should constitute a violation of the law or infringement of a private
8 right, the grantee shall be free from any liability, civil or criminal,
9 for such speech, play, act or scene, or other matter: *Provided*, That
10 the grantee, during any broadcast, shall cut off the airing of speech,
11 play, act or scene, or other matter being broadcast if the tendency
12 thereof is to propose and/or incite treason, rebellion or sedition; or
13 the language used therein or the theme thereof is indecent or
14 immoral: *Provided, further*, That willful failure to do so shall
15 constitute a valid cause for the cancellation of this franchise.

16 SEC. [9] 8. *Warranty in Favor of the National and Local*
17 *Governments.* – The grantee shall hold the national, provincial,
18 city, and municipal governments of the Philippines free from all
19 claims, liabilities, demands, or actions arising out of accidents
20 causing injury to persons or damage to properties, during the
21 construction or operation of the stations of the grantee.

22 SEC. [10] 9. *Commitment to Provide and Promote the Creation of*
23 *Employment Opportunities.* – The grantee shall create employment
24 opportunities and shall allow on-the-job trainings in their franchise
25 operation: *Provided*, That priority shall be accorded to the residents
26 of the place where their principal office is located: *Provided,*
27 *further*, That the grantee shall follow the applicable labor standards
28 and allowance entitlement under existing labor laws, rules and
29 regulations and similar issuances: *Provided, finally*, That the

1 employment opportunities or jobs created shall be reflected in the
2 General Information Sheet (GIS) to be submitted to the Securities
3 and Exchange Commission (SEC) annually.

4 SEC. [11] 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
5 *Assignment of Franchise.* – The grantee shall not sell, lease,
6 transfer, grant the usufruct of, nor assign this franchise or the
7 rights and privileges acquired thereunder to any person, firm,
8 company, corporation, or other commercial or legal entity, nor
9 merge with any other corporation or entity, nor the controlling
10 interest of the grantee be transferred, simultaneously or
11 contemporaneously, to any person, firm, company, corporation, or
12 entity without the prior approval of the Congress of the Philippines.
13 Congress shall be informed of any sale, lease, transfer, grant of
14 usufruct, or assignment of franchise or the rights and privileges
15 acquired thereunder, or of the merger or transfer of the controlling
16 interest of the grantee, within sixty (60) days after the completion of
17 the said transaction. Failure to report to Congress such change of
18 ownership shall render the franchise *ipso facto* revoked. Any person
19 or entity to which this franchise is sold, transferred, or assigned
20 shall be subject to the same conditions, terms, restrictions, and
21 limitations of this Act.

22 SEC. [12] 11. *Dispersal of Ownership.* – In accordance with the
23 constitutional provision to encourage public participation in public
24 utilities, the grantee shall offer to Filipino citizens at least thirty
25 percent (30%) or a higher percentage that may hereafter be
26 provided by law of its outstanding capital stock in any securities
27 exchange in the Philippines within five (5) years from the
28 commencement of its operations: *Provided*, That in cases where
29 public offer of shares is not applicable, the grantee shall apply other

1 methods of encouraging public participation by citizens and
2 corporations operating public utilities as allowed by law.
3 Noncompliance therewith shall render the franchise *ipso facto*
4 revoked.

5 SEC. [13] 12. *Reportorial Requirement.* – The grantee shall
6 submit an annual report to the Congress of the Philippines, through
7 the Committee on Legislative Franchises of the House of
8 Representatives and the Committee on Public Services of the
9 Senate, on its compliance with the terms and conditions of the
10 franchise and on its operations on or before April 30 of every year
11 during the term of its franchise.

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

18 The reportorial compliance certificate issued by Congress
19 shall be required before any application for permit or certificate is
20 accepted by the NTC.

21 SEC. [14] 13. *Fine.* – Failure of the grantee to submit the
22 requisite annual report to Congress shall be penalized by a fine of
23 Five hundred pesos (P500.00) per working day of noncompliance.
24 The fine shall be collected by the NTC from the delinquent franchise
25 grantee separate from the reportorial penalties imposed by the NTC
26 and the same shall be remitted to the Bureau of the Treasury.

27 SEC. [15] 14. *Equality Clause.* – Any advantage, favor, privilege,
28 exemption, or immunity granted under existing franchises, or which
29 may hereafter be granted for radio and/or television broadcasting,

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

7 SEC. [16] 15. *Repealability and Nonexclusivity Clause.* – This
8 franchise shall be subject to amendment, alteration, or repeal by the
9 Congress of the Philippines when the public interest so requires and
10 shall not be interpreted as an exclusive grant of the privileges
11 herein provided for.

12 SEC. [17] 16. *Separability Clause.* – If any of the sections or
13 provisions of this Act is held invalid, all other provisions not
14 affected thereby shall remain valid.

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

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

Approved,