



HOUSE OF REPRESENTATIVES

H. No. 6254

BY REPRESENTATIVES BENITEZ AND ALVAREZ (F.), PER COMMITTEE
REPORT NO. 228

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FBS RADIO NETWORK, INC. UNDER REPUBLIC ACT NO. 8114, ENTITLED “AN ACT GRANTING FBS RADIO NETWORK, INC., A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, MAINTAIN AND OPERATE COMMERCIAL RADIO AND TELEVISION STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES”

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 FBS Radio Network, Inc.,
4 hereunder referred to as the grantee, its successors or assignees,
5 under Republic Act No. 8114, to construct, install, establish, operate,
6 and maintain for commercial purposes and in the public interest,
7 radio and/or television broadcasting stations where frequencies
8 and/or channels are still available for radio and/or television
9 broadcasting, including digital television system, through
10 microwave, satellite or whatever means, as well as the use of
11 any new technology in television and radio systems, with the
12 corresponding technological auxiliaries and facilities, special
13 broadcast and other program and distribution services and relay

1 stations in the Philippines, is hereby renewed for another twenty-
2 five (25) years from the effectivity of this Act.

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

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

26 SEC. 4. *Responsibility to the Public.* – The grantee shall
27 provide, free of charge, adequate public service time which is
28 reasonable and sufficient to enable the government, through the
29 broadcasting stations or facilities of the grantee, to reach the

1 pertinent populations or portions thereof, on important public issues
2 and relay important public announcements and warnings concerning
3 public emergencies and calamities, as necessity, urgency or law may
4 require; provide at all times sound and balanced programming;
5 promote public participation; assist in the functions of public
6 information and education; conform to the ethics of honest enterprise;
7 promote audience sensibility and empowerment including closed
8 captioning; and not use its stations or facilities for the broadcasting
9 of obscene or indecent language, speech, act or scene; or for the
10 dissemination of deliberately false information or willful
11 misrepresentation, to the detriment of public interest; or to incite,
12 encourage, or assist in subversive or treasonable acts.

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

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

27 A special right is hereby reserved to the President of the
28 Philippines, in times of war, rebellion, public peril, calamity,
29 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; or
4 to authorize the temporary use and operation thereof by any agency
5 of the government, upon due compensation to the grantee, for the use
6 of stations or facilities during the period when these shall be so
7 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 or 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. *Self-regulation by and Undertaking of Grantee.* – The
14 grantee shall not require any previous censorship of any speech, play,
15 act or scene, or other matter to be broadcast from its stations, but if
16 any such speech, play, act or scene, or other matter should constitute
17 a violation of the law or infringement of a private right, the grantee
18 shall be free from any liability, civil or criminal, for such speech, play,
19 act or scene, or other matter: *Provided*, That the grantee, during any
20 broadcast, shall cut off the airing of speech, play, act or scene, or other
21 matter being broadcast if the tendency thereof is to propose and/or
22 incite treason, rebellion or sedition; or the language used therein or
23 the theme thereof is indecent or immoral: *Provided, further*, That
24 willful failure to do so shall constitute a valid cause for the
25 cancellation of this franchise.

26 SEC. 8. *Warranty in Favor of the National and Local*
27 *Governments.* – The grantee shall hold the national, provincial, city,
28 and municipal governments of the Philippines free from all claims,
29 liabilities, demands, or actions arising out of accidents causing injury

1 to persons or damage to properties, during the construction or
2 operation of the stations of the grantee.

3 SEC. 9. *Commitment to Provide and Promote the Creation of*
4 *Employment Opportunities.* – The grantee shall create employment
5 opportunities as well as accept on-the-job trainees in their radio and
6 television station operations: *Provided,* That priority shall be
7 accorded to the residents of the place where their principal office is
8 located: *Provided, further,* That the grantee shall follow the
9 applicable labor standards and allowance entitlement under existing
10 labor laws, rules and regulations and similar issuances: *Provided,*
11 *finally,* That the employment opportunities or jobs created shall be
12 reflected in the General Information Sheet (GIS) to be submitted to
13 the Securities and Exchange Commission (SEC) annually.

14 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
15 *Assignment of Franchise.* – The grantee shall not sell, lease, transfer,
16 grant the usufruct of, nor assign this franchise or the rights and
17 privileges acquired thereunder to any person, firm, company,
18 corporation, or other commercial or legal entity, nor merge with any
19 other corporation or entity, nor the controlling interest of the grantee
20 be transferred, simultaneously or contemporaneously, to any person,
21 firm, company, corporation, or entity without the prior approval of
22 the Congress of the Philippines. Congress shall be informed of any
23 sale, lease, transfer, grant of usufruct, or assignment of franchise or
24 the rights and privileges acquired thereunder, or of the merger or
25 transfer of the controlling interest of the grantee, within sixty (60)
26 days after the completion of the said transaction. Failure to report to
27 Congress such change of ownership shall render the franchise *ipso*
28 *facto* revoked. Any person or entity to which this franchise is sold,

1 transferred, or assigned shall be subject to the same conditions,
2 terms, restrictions, and limitations of this Act.

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

14 SEC. 12. *Reportorial Requirement.* – The grantee shall submit
15 an annual report to the Congress of the Philippines, through the
16 Committee on Legislative Franchises of the House of Representatives
17 and the Committee on Public Services of the Senate, on its
18 compliance with the terms and conditions of the franchise and on its
19 operations on or before April 30 of every year during the term of its
20 franchise.

21 The annual report shall include an update on the roll-out,
22 development, operation and/or expansion of business; audited
23 financial statements; latest GIS officially submitted to the SEC, if
24 applicable; certification of the NTC on the status of its permits and
25 operations; and an update on the dispersal of ownership undertaking,
26 if applicable.

27 The reportorial compliance certificate issued by Congress shall
28 be required before any application for permit or certificate is accepted
29 by the NTC.

1 SEC. 13. *Fine.* – Failure of the grantee to submit the requisite
2 annual report to Congress shall be penalized by a fine of Five hundred
3 pesos (P500.00) per working day of noncompliance. The fine shall be
4 collected by the NTC from the delinquent franchise grantee separate
5 from the reportorial penalties imposed by the NTC and the same
6 shall be remitted to the Bureau of the Treasury.

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

16 SEC. 15. *Repealability and Nonexclusivity Clause.* – This
17 franchise shall be subject to amendment, alteration, or repeal by the
18 Congress of the Philippines when the public interest so requires and
19 shall not be interpreted as an exclusive grant of the privileges herein
20 provided for.

21 SEC. 16. *Separability Clause.* – If any of the sections or
22 provisions of this Act is held invalid, all other provisions not affected
23 thereby shall remain valid.

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

1 SEC. 18. *Effectivity.* – This Act shall take effect fifteen (15)
2 days after its publication in the *Official Gazette* or in a newspaper of
3 general circulation.

Approved,

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