

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
Second Regular Session

HOUSE BILL NO. 7264  
(In substitution of House Bill No. 4924)

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Introduced by Reps. Erico Aristotle C. Aumentado, Edgar M. Chatto and Franz E. Alvarez

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**AN ACT**  
**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO NEGROS BROADCASTING AND PUBLISHING CORPORATION, UNDER REPUBLIC ACT NO. 8161, ENTITLED "AN ACT GRANTING THE NEGROS BROADCASTING AND PUBLISHING CORPORATION A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE VISAYAS AND MINDANAO"**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. *Nature and Scope of Franchise.*** – Subject to the provisions of the Constitution and applicable laws, rules and regulations, the franchise granted under Republic Act No. 8161 to Negros Broadcasting and Publishing Corporation, hereunder referred to as the grantee, its successor or assignees, to construct, install, operate, and maintain for commercial purposes and in the public interest, radio and/or television broadcasting and cable television stations where frequencies and/or channels are still available for radio and/or television broadcasting, including digital television system, through microwave, satellite or whatever means, as well as the use of any new technology in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in the Visayas and Mindanao is hereby renewed for another twenty-five (25) years.

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

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

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2 In case of any violation of the provisions of this franchise, the NTC shall have the authority to  
3 revoke or suspend, after due process, the permits or licenses it issued pursuant to the franchise. The  
4 NTC may recommend to Congress the revocation of the franchise for any violation of the provisions  
5 of this franchise.  
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7 **SEC. 4. Responsibility to the Public.** – The grantee shall strictly comply with the provisions of the  
8 Constitution, statutes, rules and regulations, including labor laws and standards. The grantee shall provide,  
9 free of charge, adequate public service time which is reasonable and sufficient to enable the government,  
10 through the broadcasting stations or facilities of the grantee, to reach the pertinent populations or portions  
11 thereof, on important public issues and relay important public announcements and warnings concerning  
12 public emergencies and calamities, as necessity, urgency or law may require; provide at all times sound  
13 and balanced programming; promote public participation; assist in the functions of public information and  
14 education; conform to the ethics of honest enterprise; promote audience sensibility and empowerment  
15 including closed captioning; and not use its stations or facilities for the broadcasting of obscene or  
16 indecent language, speech, act or scene, the dissemination of deliberately false information or willful  
17 misrepresentation, to the detriment of public interest, or to incite, encourage, or assist in subversive or  
18 treasonable acts.  
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20 Public service time referred to herein shall be equivalent to a maximum aggregate of ten percent  
21 (10%) of paid commercials or advertisements which shall be allocated based on need to the Executive and  
22 Legislative branches, the Judiciary, Constitutional Commissions, and international humanitarian  
23 organizations duly recognized by statutes: *Provided*, That the NTC shall increase the public service time  
24 in case of extreme emergency or calamity. The NTC shall issue rules and regulations for this purpose, the  
25 effectivity of which shall commence upon applicability with other similarly situated broadcast network  
26 franchise holders.  
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28 Pursuant to Republic Act No. 8370, otherwise known as the “Children’s Television Act of  
29 1997”, the grantee shall allot a minimum of fifteen percent (15%) of the daily total air time of each  
30 broadcasting network or station to child-friendly shows within its regular programming.  
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33 **SEC. 5. Right of the Government.** – The radio spectrum is a finite resource that is part of the  
34 national patrimony, and the use thereof is a privilege conferred upon the grantee by the State that  
35 may be withdrawn any time after due process.  
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37 A special right is hereby reserved to the President of the Philippines, in times of war, rebellion,  
38 public peril, calamity, emergency, disaster, or disturbance of peace and order, to temporarily take over and  
39 operate the stations or facilities of the grantee; to temporarily suspend the operation of any station or  
40 facility in the interest of public safety, security and public welfare; or to authorize the temporary use and  
41 operation thereof by any agency of the government, upon due compensation to the grantee, for the use  
42 of said stations or facilities during the period when these shall be so operated.  
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44 **SEC. 6. Term of Franchise.** – This franchise shall be in effect for a period of twenty-five (25)  
45 years from the effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be  
46 deemed *ipso facto* revoked in the event the grantee fails to operate continuously for two (2) years.  
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49 **SEC. 7. Self-regulation by and Undertaking of Grantee.** – The grantee shall not require any  
50 previous censorship of any speech, play, act or scene, or other matter to be broadcast from its stations, but  
51 if any such speech, play, act or scene, or other matter should constitute a violation of the law or  
52 infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech,  
53 play, act or scene, or other matter: *Provided*, That the grantee, during any broadcast, shall cut off the airing  
54 of speech, play, act or scene, or other matter being broadcast if the tendency thereof is to propose  
55 and/or incite treason, rebellion or sedition; or the language used therein or the theme thereof is indecent  
56 or immoral.  
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1 The grantee shall guarantee that news and events are reported accurately and truthfully, and that  
2 all parties involved in such news or events are allowed equal time and opportunity for information-  
3 sharing.

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5 The grantee shall ensure that all its programs, talents, and the languages used by its talents are  
6 geared towards the promotion of positive Filipino values.

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8 The grantee shall likewise ensure that the rate for election advertisement is reasonable and  
9 equitable to allow all candidates, particularly those seeking national elective positions, equal opportunity  
10 to present programs of government to the electorate, subject to the implementing guidelines, rules and  
11 regulations issued by the Commission on Elections.

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13 Willful failure to comply with the self-regulation by and undertaking of the grantee as provided for  
14 in this Section shall constitute a valid cause for the cancellation of this franchise.

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

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21 **SEC. 9. Commitment to Provide and Promote the Creation of Employment Opportunities.** –  
22 The grantee shall create employment opportunities as well as accept on-the-job trainees in the franchise  
23 operations: *Provided*, That the priority shall be accorded to the residents of the place where the principal  
24 office of the grantee is located: *Provided, further*, That the grantee shall ensure that at least sixty percent  
25 (60%) of its employees are regular employees and in no case shall the percentage of contractual  
26 employees, job orders, casuals, talents and independent contractors combined, exceed forty percent (40%)  
27 of its total workforce: *Provided, finally*, That the grantee shall comply with the applicable labor standards  
28 and allowance entitlement under existing labor laws, rules and regulations and similar issuances.

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30 The employment opportunities or jobs created shall be reflected in the General Information Sheet  
31 (GIS) to be submitted to the Securities and Exchange Commission (SEC) annually. In addition, the grantee  
32 shall include in its annual report to Congress the number of its regularized employees and secure a  
33 compliance and clearance certificate from the Department of Labor and Employment and its relevant  
34 attached agencies.

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36 **SEC. 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.** – The grantee shall  
37 not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights and privileges acquired  
38 thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge  
39 with any other corporation or entity, nor the controlling interest of the grantee be transferred,  
40 simultaneously or contemporaneously, to any person, firm, company, corporation, or entity without the  
41 prior approval of the Congress of the Philippines. Congress shall be informed of any sale, lease, transfer,  
42 grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the  
43 merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion  
44 of the said transaction. Failure to report to Congress such change of ownership shall render the franchise  
45 *ipso facto* revoked. Any person or entity to which this franchise is sold, transferred, or assigned shall  
46 be subject to the same conditions, terms, restrictions, and limitations of this Act.

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48 **SEC. 11. Dispersal of Ownership.** – In accordance with the constitutional provision to encourage  
49 public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty percent  
50 (30%) of its common stocks, or a higher percentage that may hereafter be provided by law, in any  
51 securities exchange in the Philippines within five (5) years from the effectivity of this Act:  
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1           *Provided*, That in cases where public offer of shares is not applicable, other methods of encouraging  
2 public participation by citizens and corporations operating public utilities must be implemented. Noncompliance  
3 thereof shall render the franchise ipso facto revoked.  
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5           **SEC. 12. Reportorial Requirement.** – The grantee shall submit an annual report on its compliance  
6 with the terms and conditions of the franchise and on its operations to the Congress of the Philippines,  
7 through the Committee on Legislative Franchises of the House of Representatives and the Committee on  
8 Public Services of the Senate, on or before April 30 of every year during the term of its franchise.  
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10           The annual report shall include an update on the roll-out, development, operation and/or  
11 expansion of business; audited financial statements; latest GIS officially submitted to the SEC, if applicable;  
12 certification of the NTC on the status of its permits and operations; and an update on the dispersal of  
13 ownership undertaking, if applicable.  
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15           The reportorial compliance certificate issued by Congress shall be required before any application  
16 for permit or certificate is accepted by the NTC.  
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18           **SEC. 13. Fine.** – Failure of the grantee to submit the requisite annual report to Congress shall be  
19 penalized by a fine of five hundred pesos (P500.00) per working day of noncompliance. The fine shall be  
20 collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties  
21 imposed by the NTC and the same shall be remitted to the Bureau of the Treasury.  
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23           **SEC. 14. Equality Clause.** – Any advantage, favor, privilege, exemption, or immunity granted under  
24 existing franchises, or which may hereafter be granted for radio and/or television broadcasting, upon prior  
25 review and approval of Congress, shall become part of this franchise and shall be accorded immediately  
26 and unconditionally to the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect  
27 the provisions of broadcasting franchises concerning territorial coverage, the term, or the type of service  
28 authorized by the franchise.  
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30           **SEC. 15. Repealability and Nonexclusivity Clause.** – This franchise shall be subject to amendment,  
31 alteration, or repeal by the Congress of the Philippines when the public interest so requires and shall not  
32 be interpreted as an exclusive grant of the privileges herein provided for.  
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34           **SEC. 16. Separability Clause.** – If any of the sections or provisions of this Act is held invalid, all  
35 other provisions not affected thereby shall remain valid.  
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37           **SEC. 17. Repealing Clause.** –All laws, decrees, orders, resolutions, instructions, rules and  
38 regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are  
39 hereby repealed, amended, or modified accordingly.  
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41           **SEC. 18. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the  
42 Official Gazette or in a newspaper of general circulation.  
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44           Approved,  
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