

HOUSE OF REPRESENTATIVES

H. No. 7487

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BY REPRESENTATIVES AUMENTADO, CHATTO, ALVAREZ (F.) AND TUTOR, PER COMMITTEE  
REPORT NO. 432

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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO TAGBILARAN BROADCASTING SYSTEM, PRESENTLY KNOWN AS TAGBILARAN BROADCASTING SYSTEM, INC., UNDER REPUBLIC ACT NO. 8149, ENTITLED "AN ACT GRANTING THE TAGBILARAN BROADCASTING SYSTEM A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE VISAYAS REGION, AND FOR OTHER PURPOSES"

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

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3       **SECTION 1. Nature and Scope of Franchise.** – Subject to the provisions of the Constitution  
4 and applicable laws, rules and regulations, the franchise granted to Tagbilaran Broadcasting System,  
5 presently known as Tagbilaran Broadcasting System, Inc., under Republic Act No. 8149, hereunder  
6 referred to as the grantee, its successor or assignees, to construct, install, operate, and maintain for  
7 commercial purposes and in the public interest, radio and/or television broadcasting stations in the  
8 Visayas region, where frequencies and/or channels are still available for radio and/or television  
9 broadcasting, including digital television system, through microwave, satellite or whatever means, as  
10 well as the use of any new technology in television and radio systems, with the corresponding  
11 technological auxiliaries and facilities, special broadcast and other program and distribution services  
12 and relay stations, is hereby renewed for another twenty-five (25) years.  
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14       **SEC. 2. Manner of Operation of Stations or Facilities.** – The stations or facilities of the  
15 grantee shall be constructed and operated in a manner as will, at most, result only in the minimum  
16 interference on the wavelengths or frequencies of existing stations or other stations which may be  
17 established by law, without in any way diminishing its own privilege to use its assigned wavelengths  
18 or frequencies and the quality of transmission or reception thereon as should maximize rendition of  
19 the grantee's services and/or availability thereof.  
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21       **SEC. 3. Prior Approval of the National Telecommunications Commission.** – The grantee shall  
22 secure from the National Telecommunications Commission (NTC) the appropriate permits and  
23 licenses for the construction and operation of its stations or facilities and shall not use any frequency  
24 in the radio/television spectrum without authorization from the NTC. The NTC, however, shall not  
25 unreasonably withhold or delay the grant of any such authority.  
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27       In case of any violation of the provisions of this franchise, the NTC shall have the authority to  
28 revoke or suspend, after due process, the permits or licenses it issued pursuant to the franchise. The  
29 NTC may recommend to Congress the revocation of the franchise for any violation of the provisions  
30 of this franchise.  
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1           **SEC. 4. Responsibility to the Public.** – The grantee shall strictly comply with the provisions of  
2 the Constitution, statutes, rules and regulations, including labor laws and standards. The grantee shall  
3 provide, free of charge, adequate public service time which is reasonable and sufficient to enable the  
4 government, through the broadcasting stations or facilities of the grantee, to reach the pertinent  
5 populations or portions thereof, on important public issues and relay important public  
6 announcements and warnings concerning public emergencies and calamities, as necessity, urgency or  
7 law may require; provide at all times sound and balanced programming; promote public participation;  
8 assist in the functions of public information and education; conform to the ethics of honest enterprise;  
9 promote audience sensibility and empowerment including closed captioning; and not use its stations  
10 or facilities for the broadcasting of obscene or indecent language, speech, act or scene, the  
11 dissemination of deliberately false information or wilful misrepresentation, to the detriment of public  
12 interest, or to incite, encourage, or assist in subversive or treasonable acts.  
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14           Public service time referred to herein shall be equivalent to a maximum aggregate of ten  
15 percent (10%) of paid commercials or advertisements which shall be allocated based on need to the  
16 Executive and Legislative branches, the Judiciary, Constitutional Commissions, and international  
17 humanitarian organizations duly recognized by statutes: *Provided*, That the NTC shall increase the  
18 public service time in case of extreme emergency or calamity. The NTC shall issue rules and regulations  
19 for this purpose, the effectivity of which shall commence upon applicability with other similarly  
20 situated broadcast network franchise holders.  
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22           Pursuant to Republic Act No. 8370, otherwise known as the “Children’s Television Act of  
23 1997”, the grantee shall allot a minimum of fifteen percent (15%) of the daily total air time of each  
24 broadcasting network or station to child-friendly shows within its regular programming.  
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26           **SEC. 5. Right of the Government.** – The radio spectrum is a finite resource that is part of the  
27 national patrimony, and the use thereof is a privilege conferred upon the grantee by the State that  
28 may be withdrawn any time after due process.  
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30           A special right is hereby reserved to the President of the Philippines, in times of war, rebellion,  
31 public peril, calamity, emergency, disaster, or disturbance of peace and order, to temporarily take over  
32 and operate the stations or facilities of the grantee; to temporarily suspend the operation of any  
33 station or facility in the interest of public safety, security and public welfare; or to authorize the  
34 temporary use and operation thereof by any agency of the government, upon due compensation to  
35 the grantee, for the use of said stations or facilities during the period when these shall be so operated.  
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37           **SEC. 6. Term of Franchise.** – This franchise shall be in effect for a period of twenty-five (25)  
38 years from the effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be  
39 deemed *ipso facto* revoked in the event the grantee fails to operate continuously for two (2) years.  
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42           **SEC. 7. Self-regulation by and Undertaking of Grantee.** – The grantee shall not require any  
43 previous censorship of any speech, play, act or scene, or other matter to be broadcast from its stations,  
44 but if any such speech, play, act or scene, or other matter should constitute a violation of the law or  
45 infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such  
46 speech, play, act or scene, or other matter: *Provided*, That the grantee, during any broadcast, shall cut  
47 off the airing of speech, play, act or scene, or other matter being broadcast if the tendency thereof is  
48 to propose and/or incite treason, rebellion or sedition; or the language used therein or the theme  
49 thereof is indecent or immoral.  
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51           The grantee shall guarantee that news and events are reported accurately and truthfully, and  
52 that all parties involved in such news or events are allowed equal time and opportunity for  
53 information-sharing.  
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1 The grantee shall ensure that all its programs, talents, and the languages used by its talents  
2 are geared towards the promotion of positive Filipino values.

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

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

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

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

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

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

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46 **SEC. 11. Dispersal of Ownership.** – In accordance with the constitutional provision to  
47 encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least  
48 thirty percent (30%) of its common stocks, or a higher percentage that may hereafter be provided by  
49 law, in any securities exchange in the Philippines within five (5) years from the effectivity of this Act:  
50 *Provided*, That in cases where public offer of shares is not applicable, other methods of encouraging  
51 public participation by citizens and corporations operating public utilities must be implemented.  
52 Noncompliance thereof shall render the franchise *ipso facto* revoked.

1           **SEC. 12. Reportorial Requirement.** – The grantee shall submit an annual report on its  
2 compliance with the terms and conditions of the franchise and on its operations to the Congress of  
3 the Philippines, through the Committee on Legislative Franchises of the House of Representatives and  
4 the Committee on Public Services of the Senate, on or before April 30 of every year during the term of  
5 its franchise.

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

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

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

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

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

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

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

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

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42           Approved,