

HOUSE OF REPRESENTATIVES

H. No. 8741

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BY REPRESENTATIVES SAGARBARRIA, ALVAREZ (F.) AND CABOCHAN, PER COMMITTEE REPORT NO. 755

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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FRANCISCAN BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8736, ENTITLED "AN ACT GRANTING THE FRANCISCAN BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES WHERE FREQUENCIES AND/OR CHANNELS ARE STILL AVAILABLE FOR RADIO BROADCASTING"

*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 provisions of the  
2 Constitution and applicable laws, rules and regulations, the franchise granted to  
3 Franciscan Broadcasting Corporation, hereunder referred to as the grantee, its successor  
4 or assignees, under Republic Act No. 8736, to construct, install, establish, operate, and  
5 maintain for commercial purposes and in the public interest, radio broadcasting stations,  
6 where frequencies and channels are still available for radio broadcasting, through  
7 microwave, satellite or whatever means, as well as the use of any new technology in radio  
8 systems, with the corresponding technological auxiliaries and facilities, special broadcast  
9 and other program and distribution services and relay stations in the Philippines is hereby  
10 renewed for another twenty-five (25) years.  
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12       **SEC. 2. Manner of Operation of Stations or Facilities.** –The stations or facilities  
13 of the grantee shall be constructed and operated in a manner as will, at most, result only  
14 in the minimum interference on the wavelengths or frequencies of existing stations or  
15 other stations which may be established by law, without in any way diminishing its own  
16 privilege to use its assigned wavelengths or frequencies and the quality of transmission  
17 or reception thereon as should maximize rendition of the grantee's services and  
18 availability thereof.  
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20       **SEC. 3. Prior Approval of the National Telecommunications Commission.**– The  
21 grantee shall secure from the National Telecommunications Commission (NTC) the  
22 appropriate permits and licenses for the construction and operation of its stations or  
23 facilities and shall not use any frequency in the radio spectrum without authorization from  
24 the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any  
25 such authority.  
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1 In case of any violation of the provisions of this franchise, the NTC shall have the  
2 authority to revoke or suspend, after due process, the permits or licenses it issued  
3 pursuant to the franchise. The NTC may recommend to Congress of the Philippines the  
4 revocation of the franchise for any violation of the provisions of this franchise.  
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6 **SEC. 4. Responsibility to the Public.**—The grantee shall provide, free of charge,  
7 adequate public service time which is reasonable and sufficient to enable the government,  
8 through the broadcasting stations or facilities of the grantee, to reach the pertinent  
9 populations or portions thereof, on important public issues and relay important public  
10 announcements and warnings concerning public emergencies and calamities, as  
11 necessity, urgency, or law may require; provide at all times sound and balanced  
12 programming; promote public participation; assist in the functions of public information  
13 and education; conform to the ethics of honest enterprise; promote audience sensibility  
14 and empowerment including closed captioning; and not use its stations or facilities for the  
15 broadcasting of obscene or indecent language, speech, act or scene, the dissemination  
16 of deliberately false information or willful misrepresentation, to the detriment of public  
17 interest, or to incite, encourage, or assist in subversive or treasonable acts.  
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19 Public service time referred herein shall be equivalent to a maximum aggregate of  
20 ten percent (10%) of paid commercials or advertisements which shall be allocated based  
21 on need to the Executive and Legislative branches, the Judiciary, Constitutional  
22 Commissions, and international humanitarian organizations duly recognized by statutes:  
23 *Provided*, That the NTC shall increase the public service time in case of extreme  
24 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  
26 broadcast network franchise holders.  
27

28 **SEC. 5. Right of the Government.** —The radio spectrum is a finite resource that  
29 is part of the national patrimony, and the use thereof is a privilege conferred upon the  
30 grantee by the State that may be withdrawn any time after due process.  
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32 A special right is hereby reserved to the President of the Philippines, in times of  
33 war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and  
34 order, to temporarily take over and operate the stations or facilities of the grantee; to  
35 temporarily suspend the operation of any station or facility in the interest of public safety,  
36 security, and public welfare; or to authorize the temporary use and operation thereof by  
37 any agency of the government, upon due compensation to the grantee, for the use of said  
38 stations or facilities during the period when these shall be so operated.  
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40 **SEC. 6. Term of Franchise.** —This franchise shall be in effect for a period of  
41 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or cancelled.  
42 This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to operate  
43 continuously for two (2) years.  
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45 **SEC. 7. Renewal or Extension of Franchise.** — The grantee shall apply for the  
46 renewal or extension of its franchise three (3) years before its expiration which shall be  
47 reckoned from fifteen (15) days after the publication of the franchise in the *Official Gazette*  
48 or in a newspaper of general circulation.  
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50 **SEC. 8. Self-regulation by and Undertaking of Grantee.**—The grantee shall not  
51 require any previous censorship of any speech, play, act or scene, or other matter to be  
52 broadcast from its stations, but if any such speech, play, act or scene, or other matter  
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1 should constitute a violation of the law or infringement of a private right, the grantee shall  
2 be free from any liability, civil or criminal, for such speech, play, act or scene, or other  
3 matter: *Provided*, That the grantee, during any broadcast, shall cut off the airing of  
4 speech, play, act or scene, or other matter being broadcast if the tendency thereof is to  
5 propose or incite treason, rebellion, or sedition; or the language used therein or the theme  
6 thereof is indecent or immoral: *Provided, further*, That willful failure to do so shall  
7 constitute a valid cause for the cancellation of this franchise.  
8

9 **SEC. 9. Warranty in Favor of the National and Local Governments.** –The  
10 grantee shall hold the national, provincial, city, and municipal governments of the  
11 Philippines free from all claims, liabilities, demands, or actions arising out of accidents  
12 causing injury to persons or damage to properties, during the construction or operation of  
13 the stations of the grantee.  
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16 **SEC. 10. Commitment to Provide and Promote the Creation of Employment**  
17 **Opportunities.** –The grantee shall create employment opportunities and accept on-the-  
18 job trainees in the franchise operations: *Provided*, That priority shall be accorded to the  
19 residents of the place where the principal office of the grantee is located: *Provided further*,  
20 That the grantee shall ensure that at least sixty percent (60%) of its employees are  
21 regular employees and in no case shall the percentage of contractual, job order, casual  
22 employees, talents, and independent contractors combined, exceed forty percent (40%)  
23 of its total workforce: *Provided, finally*, That the grantee shall comply with the applicable  
24 labor standards and allowance entitlement under existing labor laws, rules and  
25 regulations and similar issuances.  
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27 The employment opportunities or jobs created shall be reflected in the General  
28 Information Sheet (GIS) to be submitted to Securities and Exchange Commission (SEC)  
29 annually. In addition, the grantee shall include in its annual report to Congress the number  
30 of trainees, job order workers, casual employees, and contract of service workers whose  
31 employment status are made regular, and append the appropriate certificate from the  
32 Department of Labor and Employment attesting that it has complied with the employment  
33 requirement under this Section.  
34

35 **SEC. 11. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of**  
36 **Franchise.** –The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign  
37 this franchise or the rights and privileges acquired thereunder to any person, firm,  
38 company, corporation or other commercial or legal entity, nor merge with any other  
39 corporation or entity, nor shall the controlling interest of the grantee be transferred,  
40 simultaneously or contemporaneously, to any person, firm, company, corporation, or  
41 entity without the prior approval of Congress. The grantee shall inform Congress of any  
42 sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and  
43 privileges acquired thereunder, or of the merger or transfer of the controlling interest of  
44 the grantee, within sixty (60) days after the completion of the said transaction. Failure to  
45 report to Congress such change of ownership shall render the franchise *ipso facto*  
46 revoked. Any person or entity to which this franchise is sold, transferred, or assigned shall  
47 be subject to the same conditions, terms, restrictions, and limitations of this Act.  
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1           **SEC. 12. Reportorial Requirement.**—The grantee shall submit an annual report  
2 on its compliance with the terms and conditions of the franchise and on its operations to  
3 the Congress of the Philippines, through the Committee on Legislative Franchises of the  
4 House of Representatives and the Committee on Public Services of the Senate, on or  
5 before April 30 of every year during the term of its franchise.  
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7           The annual report shall include an update on the roll-out, development, operation  
8 or expansion of business; audited financial statements; latest GIS officially submitted to  
9 the SEC, if applicable; certification of the NTC on the status of its permits and operations;  
10 and an update on the dispersal of ownership undertaking, if applicable.  
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12           The reportorial compliance certificate issued by Congress shall be required before  
13 any 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  
16 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day  
17 of noncompliance. The fine shall be collected by the NTC from the delinquent franchise  
18 grantee separate from the reportorial penalties imposed by the NTC and the same shall  
19 be remitted to the Bureau of the Treasury.  
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21           **SEC. 14. Equality Clause.**—Any advantage, favor, privilege, exemption, or  
22 immunity granted under existing franchises, or which may hereafter be granted for radio  
23 broadcasting, upon prior review and approval of Congress, shall become part of this  
24 franchise and shall be accorded immediately and unconditionally to the herein grantee:  
25 *Provided*, That the foregoing shall neither apply to nor affect the provisions of  
26 broadcasting franchises concerning territorial coverage, the term, or the type of service  
27 authorized by the franchise.  
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30           **SEC. 15. Repealability and Nonexclusivity Clause.** —This franchise shall be  
31 subject to amendment, alteration, or repeal by Congress when the public interest so  
32 requires and shall not be interpreted as an exclusive grant of the privileges herein  
33 provided for.  
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35           **SEC. 16. Separability Clause.**—If any of the sections or provisions of this Act is  
36 held invalid, all other provisions not affected thereby shall remain valid.  
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38           **SEC. 17. Repealing Clause.** — Sections 13 and 14 of Republic Act No. 8736 are  
39 hereby repealed.  
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41           All laws, decrees, orders, resolutions, instructions, rules and regulations, and other  
42 issuances or parts thereof which are inconsistent with the provisions of this Act are hereby  
43 repealed, amended, or modified accordingly.  
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45           **SEC. 18. Effectivity.**—This Act shall take effect fifteen (15) days after its  
46 publication in the *Official Gazette* or in a newspaper of general circulation.  
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48           Approved,