



HOUSE OF REPRESENTATIVES

H. No. 8976

BY REPRESENTATIVES ALBANO, ALVAREZ (F.) AND MACEDA, PER COMMITTEE REPORT NO. 849

AN ACT

GRANTING FICTAP RADIO BROADCASTING NETWORK INC. A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO AND
TELEVISION BROADCASTING, AND CABLE TELEVISION STATIONS
THROUGHOUT THE PHILIPPINES

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, there is hereby granted to FICTAP Radio Broadcasting Network Inc., hereunder referred to as the grantee, its successor or assignees, a franchise to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines where frequencies and channels are still available for radio and television broadcasting, including cable television, digital television, pay television service, through satellite, terrestrial, microwave or whatever means, as well as, the use of any new technology in television systems, with the corresponding auxiliaries and facilities, special broadcast, and other program and distribution services, and relay stations.

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

1 quality of transmission or reception thereon as should maximize rendition of the
2 grantee's services and availability thereof.

3
4 **SEC. 3. *Prior Approval of the National Telecommunications Commission.***

5 – The grantee shall secure from the National Telecommunications Commission (NTC)
6 the appropriate permits and licenses for the construction and operation of its stations
7 or facilities and shall not use any frequency in the radio spectrum without authorization
8 from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant
9 of any such authority.

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11 In case of any violation of the provisions of this franchise, the NTC shall have
12 the authority to revoke or suspend, after due process, the permits or licenses it issued
13 pursuant to the franchise. The NTC may recommend to Congress of the Philippines
14 the revocation of the franchise for any violation of the provisions of this franchise.

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

29
30 Public service time referred herein shall be equivalent to a maximum aggregate
31 of ten percent (10%) of paid commercials or advertisements which shall be allocated
32 based on need to the Executive and Legislative branches, the Judiciary, Constitutional
33 Commissions, and international humanitarian organizations duly recognized by
34 statutes: *Provided*, That the NTC shall increase the public service time in case of

1 extreme emergency or calamity. The NTC shall issue rules and regulations for this
2 purpose, the effectivity of which shall commence upon applicability with other similarly
3 situated broadcast network franchise holders.

4
5 Pursuant to Republic Act No. 8370, otherwise known as the "Children's
6 Television Act of 1997", the grantee shall allot a minimum of fifteen percent (15%) of
7 the daily total air time of each broadcasting network or station to child-friendly shows
8 within its regular programming.

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

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

21
22 **SEC. 6. Term of Franchise.** –This franchise shall be in effect for a period of
23 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
24 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee
25 fails to comply with any of the following conditions:

- 26
27 (a) commencement of operations within three (3) years from the approval of
28 its operating permit by the NTC;
29 (b) commencement of operations within five (5) years from the effectivity of
30 this Act; and
31 (c) continuous operation for two (2) years.

32
33 **SEC. 7. Renewal or Extension of Franchise.** – The grantee shall apply for the
34 renewal or extension of its franchise three (3) years before its expiration which shall

1 be reckoned from fifteen (15) days after the publication of the franchise in the *Official*
2 *Gazette* or in a newspaper of general circulation.

3
4 **SEC. 8. *Self-regulation by and Undertaking of Grantee.***—The grantee shall
5 not require any previous censorship of any speech, play, act or scene, or other matter
6 to be broadcast from its stations, but if any such speech, play, act or scene, or other
7 matter should constitute a violation of the law or infringement of a private right, the
8 grantee shall be free from any liability, civil or criminal, for such speech, play, act or
9 scene, or other matter: *Provided*, That the grantee, during any broadcast, shall cut off
10 the airing of speech, play, act or scene, or other matter being broadcast if the tendency
11 thereof is to propose or incite treason, rebellion, or sedition; or the language used
12 therein or the theme thereof is indecent or immoral: *Provided, further*, That willful
13 failure to do so shall constitute a valid cause for the cancellation of this franchise.

14
15 **SEC. 9. *Warranty in Favor of the National and Local Governments.*** —The
16 grantee shall hold the national, provincial, city, and municipal governments of the
17 Philippines free from all claims, liabilities, demands, or actions arising out of accidents
18 causing injury to persons or damage to properties, during the construction or operation
19 of the stations of the grantee.

20
21 **SEC. 10. *Commitment to Provide and Promote the Creation of***
22 ***Employment Opportunities.*** — The grantee shall create employment opportunities
23 and accept on-the-job trainees in the franchise operations: *Provided*, That priority shall
24 be accorded to the residents of the place where the principal office of the grantee is
25 located: *Provided further*, That the grantee shall ensure that at least sixty percent
26 (60%) of its employees are regular employees and in no case shall the percentage of
27 contractual, job order, or casual employees, talents, and independent contractors
28 combined, exceed forty percent (40%) of its total workforce: *Provided, finally*, That the
29 grantee shall comply with the applicable labor standards and allowance entitlement
30 under existing labor laws, rules and regulations and similar issuances.

31
32 The employment opportunities or jobs created shall be reflected in the General
33 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
34 (SEC) annually. In addition, the grantee shall include in its annual report to Congress

1 the number of trainees and workers whose employment status are made regular, and
2 append the appropriate certificate from the Department of Labor and Employment
3 attesting that it has complied with the employment requirement under this Section.
4

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

21 **SEC. 12. *Dispersal of Ownership.*** – In accordance with the constitutional
22 provision to encourage public participation in public utilities, the grantee shall offer to
23 Filipino citizens at least thirty percent (30%) of its common stocks, or a higher
24 percentage that may hereafter be provided by law, in any securities exchange in the
25 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases
26 where public offer of shares is not applicable, other methods of encouraging public
27 participation by citizens and corporations operating public utilities must be
28 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
29

30 **SEC. 13. *Reportorial Requirement.*** – The grantee shall submit an annual
31 report on its compliance with the terms and conditions of the franchise and on its
32 operations to the Congress of the Philippines, through the Committee on Legislative
33 Franchises of the House of Representatives and the Committee on Public Services of
34 the Senate, on or before April 30 of every year during the term of its franchise.

1 The annual report shall include an update on the commencement of activities,
2 development, operation, and expansion of business; audited financial statements;
3 latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the
4 status of its permits and operations; and an update on the dispersal of ownership
5 undertaking, if applicable.

6
7 The reportorial compliance certificate issued by Congress shall be required
8 before any application for permit or certificate is accepted by the NTC.

9
10 **SEC. 14. *Fine.*** – Failure of the grantee to submit the requisite annual report to
11 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working
12 day of noncompliance to the NTC. The fine shall be collected separately from the
13 reportorial penalties imposed by the NTC, and it shall be remitted to the Bureau of the
14 Treasury.

15
16 **SEC. 15. *Equality Clause.*** – Any advantage, favor, privilege, exemption, or
17 immunity granted under existing franchises, or which may hereafter be granted for
18 radio and television broadcasting, upon prior review and approval of Congress, shall
19 become part of this franchise and shall be accorded immediately and unconditionally
20 to the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect the
21 provisions of broadcasting franchises concerning territorial coverage, the term, or the
22 type of service authorized by the franchise.

23
24 **SEC. 16. *Repealability and Nonexclusivity Clause.*** – This franchise shall be
25 subject to amendment, alteration, or repeal by Congress when the public interest so
26 requires and shall not be interpreted as an exclusive grant of the privileges herein
27 provided for.

28
29 **SEC. 17. *Separability Clause.*** – If any of the sections or provisions of this Act
30 is held invalid, all other provisions not affected thereby shall remain valid.

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32 **SEC. 18. *Repealing Clause.*** – All laws, decrees, orders, resolutions,
33 instructions, rules and regulations, and other issuances or parts thereof which are

1 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
2 accordingly.

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

Approved,