



HOUSE OF REPRESENTATIVES

H. No. 10143

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BY REPRESENTATIVES LEGARDA, ALBANO (A.), ALVAREZ (F.), REVILLA, NIETO AND GUYA, PER  
COMMITTEE REPORT NO. 1189

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**AN ACT**  
**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE**  
**GRANTED TO NEWS AND ENTERTAINMENT NETWORK CORPORATION**  
**UNDER REPUBLIC ACT NO. 8197, ENTITLED "AN ACT GRANTING THE NEWS**  
**AND ENTERTAINMENT NETWORK CORPORATION, A FRANCHISE TO**  
**ESTABLISH, CONSTRUCT, INSTALL, MAINTAIN, AND OPERATE FOR**  
**COMMERCIAL PURPOSES CABLE/COMMUNITY ANTENNAE TELEVISION**  
**SYSTEMS IN THE PHILIPPINES"**

*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  
2 the Constitution and applicable laws, rules and regulations, there is hereby granted to  
3 News and Entertainment Network Corporation, hereunder referred to as the grantee,  
4 its successors or assignees, a franchise to construct, install, establish, operate, and  
5 maintain for commercial purposes and in the public interest cable or community  
6 antennae television (CATV) systems, multichannel multipoint distribution service  
7 (MMDS), local multipoint distribution service (LMDS), 5G or next generation broadcast  
8 systems, wired, wireless or satellite communications networks and other related  
9 services in and between the different provinces, cities and municipalities in the  
10 Philippines and between the Philippines and other countries and territories through the  
11 reception of audio, visual, data and other signals of the different local, national and  
12 international content from television and radio stations, intranet and internet networks  
13 in the Philippines and those of foreign television, radio and other stations including  
14 interactive computer electronic systems and stations, and the distribution or  
15 transmission of the same to homes, offices, condominiums, subdivisions, hotels,  
16 restaurants and other residential, commercial and industrial structures and other public  
17 and private conveyances within and outside of the Philippines; to originate, store,  
18 distribute, transmit and receive through said systems, news and documentaries,  
19 entertainment, cultural, informational and educational radio and television programs,  
20 both live and recorded; to construct, install, establish, operate, manage, lease,  
21 maintain and purchase transmitting, receiving and switching stations, both for local

1 and international services, lines, fiber optics, including digital television, through  
2 microwave, cables, satellite transmit and receive systems, control signals, audio and  
3 video systems, information service bureau, pay and pay per view television, video on  
4 demand and public information on demand services, multi disc read only memory  
5 network delivery, packet and frame relay and electronic mail services and other value  
6 added services and all other related technologies as are at present available, or to be  
7 made available through technical advances or innovations in the future such as outer  
8 space including low or high altitude platform systems and low or high earth orbit  
9 satellite systems, laser systems, as is, or are, convenient to or essential to efficiently  
10 carry out the purposes of this franchise.

11  
12 **SEC. 2. Manner of Operation of Stations or Facilities.** – The stations or  
13 facilities of the Grantee shall be constructed and operated in a manner as will, at most,  
14 result only in the minimum interference on the wavelengths or frequencies of existing  
15 stations or other stations which may be established by law, without in any way  
16 diminishing its own privilege to use its assigned wavelengths or frequencies and the  
17 quality of transmission or reception thereon as should maximize rendition of the  
18 Grantee's services and availability thereof.

19  
20 **SEC. 3. Prior Approval of the National Telecommunications Commission.**  
21 – The Grantee shall secure from the National Telecommunications Commission (NTC)  
22 the appropriate permits and licenses for the construction and operation of its stations  
23 or facilities and shall not use any frequency in the radio or television spectrum without  
24 authorization from the NTC. The NTC, however, shall not unreasonably withhold or  
25 delay the grant of any such authority.

26  
27 **SEC. 4. Excavation and Restoration Works.** – For the purposes of erecting  
28 and maintaining poles or other supports for wires or other conductors, and for laying  
29 and maintaining of underground wires, cables, or other conductors, it shall be lawful  
30 for the Grantee, its successors or assignees, with the prior approval of the Department  
31 of Public Works and Highways (DPWH) or the local government unit (LGU) concerned,  
32 as may be appropriate, to make excavations or lay conduits in any of the public places,  
33 roads, highways, streets, lanes, alleys, avenues, sidewalks, or bridges of the province,  
34 cities, or municipalities: *Provided, however,* That a public place, road, highway, street,  
35 lane, alley, avenue, sidewalk, or bridge disturbed, altered, or changed by reason of  
36 erection of poles or other supports or the underground laying of wires, other  
37 conductors or conduits, shall be repaired and replaced in workmanlike manner by the  
38 Grantee, its successors or assignees, in accordance with the standards set by the  
39 DPWH or the LGU concerned. Should the Grantee, its successors or assignees, after  
40 the ten (10)-day notice from the said authority, fail, refuse, or neglect to repair or  
41 replace any part of public place, road, highway, street, lane, alley, avenue, sidewalk,  
42 or bridge altered, changed or disturbed by the Grantee, its successors or assignees,  
43 then the DPWH or the LGU concerned shall have the right to have the same repaired  
44 and placed in good order and condition, and charge the Grantee, its successors or  
45 assignees at double the amount of the costs and expenses for such repair or  
46 replacement.

47  
48 **SEC. 5. Responsibility to the Public.** – The Grantee shall provide, free of  
49 charge, adequate public service time which is reasonable and sufficient to enable the  
50 government, through the broadcasting stations or facilities of the Grantee, to reach the

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

11  
12 Public service time referred herein shall be equivalent to a maximum aggregate  
13 of ten percent (10%) of paid commercials or advertisements which shall be allocated  
14 based on need to the Executive and Legislative branches, the Judiciary, Constitutional  
15 Commissions, and international humanitarian organizations duly recognized by  
16 statutes: *Provided*, That the NTC shall increase the public service time in case of  
17 extreme emergency or calamity. The NTC shall issue rules and regulations for this  
18 purpose, the effectivity of which shall commence upon applicability with other similarly  
19 situated broadcast network franchise holders.

20  
21 Pursuant to Republic Act No. 8370, otherwise known as the "Children's  
22 Television Act of 1997", the Grantee shall allot a minimum of fifteen percent (15%) of  
23 the daily total air time of each broadcasting network or station to child-friendly shows  
24 within its regular programming.

25  
26 **SEC. 6. Right of the Government.** – The radio spectrum is a finite resource  
27 that is part of the national patrimony, and the use thereof is a privilege conferred upon  
28 the Grantee by the State that may be withdrawn any time after due process.

29  
30 A special right is hereby reserved to the President of the Philippines, in times  
31 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace  
32 and order, to temporarily take over and operate the stations or facilities of the Grantee;  
33 to temporarily suspend the operation of any station or facility in the interest of public  
34 safety, security, and public welfare; or to authorize the temporary use and operation  
35 thereof by any agency of the government, upon due compensation to the Grantee, for  
36 the use of said stations or facilities during the period when these shall be so operated.

37  
38 **SEC. 7. Term of Franchise.** – This franchise shall be in effect for a period of  
39 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or  
40 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the Grantee  
41 fails to operate continuously for two (2) years.

42  
43 **SEC. 8. Acceptance and Compliance.** – Acceptance of this franchise shall be  
44 given in writing within sixty (60) days after the effectivity of this Act. Upon giving such  
45 acceptance, the grantee shall exercise the privileges granted under this Act. Non-  
46 acceptance shall render the franchise void.

47  
48 **SEC. 9. Self-regulation by and Undertaking of Grantee.** – The Grantee shall  
49 not require any previous censorship of any speech, play, act or scene, or other matter

1 to be broadcast from its stations, but if any such speech, play, act or scene, or other  
2 matter should constitute a violation of the law or infringement of a private right, the  
3 Grantee shall be free from any liability, civil or criminal, for such speech, play, act or  
4 scene, or other matter: *Provided*, That the Grantee, during any broadcast, shall cut off  
5 the airing of speech, play, act or scene, or other matter being broadcast if the tendency  
6 thereof is to propose or incite treason, rebellion, or sedition; or the language used  
7 therein or the theme thereof is indecent or immoral: *Provided, further*, That willful  
8 failure to do so shall constitute a valid cause for the cancellation of this franchise.

9  
10 **SEC. 10. Warranty in Favor of the National and Local Governments.** – The  
11 Grantee shall hold the national, provincial, city, and municipal governments of the  
12 Philippines free from all claims, liabilities, demands, or actions arising out of accidents  
13 causing injury to persons or damage to properties, during the construction or operation  
14 of the stations of the Grantee.

15  
16 **SEC. 11. Commitment to Provide and Promote the Creation of**  
17 **Employment Opportunities.** – The Grantee shall create employment opportunities  
18 and accept on-the-job trainees in the franchise operations: *Provided*, That priority shall  
19 be accorded to the residents of the place where the principal office of the Grantee is  
20 located: *Provided, further*, That the Grantee shall comply with the applicable labor  
21 standards and allowance entitlement under existing labor laws, rules and regulations  
22 and similar issuances.

23  
24 The employment opportunities or jobs created shall be reflected in the General  
25 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission  
26 (SEC) annually.

27  
28 **SEC. 12. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of**  
29 **Franchise.** – The Grantee shall not sell, lease, transfer, grant the usufruct of, nor  
30 assign this franchise or the rights and privileges acquired thereunder to any person,  
31 firm, company, corporation, or other commercial or legal entity, nor merge with any  
32 other corporation or entity, nor shall the controlling interest of the Grantee be  
33 transferred, simultaneously or contemporaneously, to any person, firm, company,  
34 corporation, or entity without the prior approval of Congress. The Grantee shall inform  
35 Congress, through the Office of the Speaker of the House of Representatives and  
36 Office of the Senate President, of any sale, lease, transfer, grant of usufruct, or  
37 assignment of franchise or the rights and privileges acquired thereunder, or of the  
38 merger or transfer of the controlling interest of the Grantee, within sixty (60) days after  
39 the completion of the said transaction. Failure to report to Congress such change of  
40 ownership shall render the franchise *ipso facto* revoked. Any person or entity to which  
41 this franchise is sold, transferred, or assigned shall be subject to the same conditions,  
42 terms, restrictions, and limitations of this Act.

43  
44 **SEC. 13. Dispersal of Ownership.** – In accordance with the Constitutional  
45 provision to encourage public participation in public utilities, the Grantee shall offer to  
46 Filipino citizens at least thirty percent (30%) of its outstanding capital stocks, or a  
47 higher percentage that may hereafter be provided by law, in any securities exchange  
48 in the Philippines within five (5) years from the effectivity of this Act: *Provided*, That in  
49 cases where public offer of shares is not applicable, other methods of encouraging

1 public participation by citizens and corporations operating public utilities must be  
2 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.

3  
4 **SEC. 14. Reportorial Requirement.** – The Grantee shall submit an annual  
5 report on its compliance with the terms and conditions of the franchise and on its  
6 operations to the Congress of the Philippines, through the Committee on Legislative  
7 Franchises of the House of Representatives and the Committee on Public Services of  
8 the Senate, on or before April 30 of every year during the term of its franchise.

9  
10 The annual report shall include an update on the commencement of activities,  
11 development, operation, and expansion of business; audited financial statements;  
12 latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the  
13 status of its permits and operations; and an update on the dispersal of ownership  
14 undertaking, if applicable.

15  
16 The reportorial compliance certificate issued by Congress shall be required  
17 before any application for permit or certificate is accepted by the NTC.

18  
19 **SEC. 15. Fine.** – Failure of the Grantee to submit the requisite annual report to  
20 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working  
21 day of noncompliance to the NTC. The fine shall be collected separately from the  
22 reportorial penalties imposed by the NTC, and it shall be remitted to the Bureau of the  
23 Treasury.

24  
25 **SEC. 16. Equality Clause.** – Any advantage, favor, privilege, exemption, or  
26 immunity granted under existing franchises, or which may hereafter be granted for  
27 radio and television broadcasting, upon prior review and approval of Congress, shall  
28 become part of this franchise and shall be accorded immediately and unconditionally  
29 to the herein Grantee: *Provided*, That the foregoing shall neither apply to nor affect the  
30 provisions of broadcasting franchises concerning territorial coverage, the term, or the  
31 type of service authorized by the franchise.

32  
33 **SEC. 17. Repealability and Nonexclusivity Clause.** – This franchise shall be  
34 subject to amendment, alteration, or repeal by Congress when the public interest so  
35 requires and shall not be interpreted as an exclusive grant of the privileges herein  
36 provided for.

37  
38 **SEC. 18. Separability Clause.** – If any of the sections or provisions of this Act  
39 is held invalid, all other provisions not affected thereby shall remain valid.

40  
41 **SEC. 19. Repealing Clause.** – All laws, decrees, orders, resolutions,  
42 instructions, rules and regulations, and other issuances or parts thereof which are  
43 inconsistent with the provisions of this Act are hereby repealed, amended, or modified  
44 accordingly.

45  
46 **SEC. 20. Effectivity.** – This Act shall take effect fifteen (15) days after its  
47 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,