



HOUSE OF REPRESENTATIVES

H. No. 10648

BY REPRESENTATIVES SILVERIO, ALVAREZ (F.), ALBANO (A.), DY (F.M.C.), SAVELLANO, ROMUALDO, NOGRALES (J.J.), GARBIN, DY (I.P.), OQUANO-DIZON, VIOLAGO, TAN (A.S.), MALAPITAN, YU, GUYA, SIAO, HOFER, GULLAS AND NIETO, PER COMMITTEE REPORT NO. 1400

AN ACT

GRANTING ORO BROADCASTING NETWORK, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS 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 Oro Broadcasting Network, Inc., hereunder referred as the Grantee, its successors or
4 assignees, a franchise to construct, install, establish, operate, and maintain for
5 commercial purposes and in the public interest, radio and television broadcasting
6 stations in the Philippines, where frequencies and channels are still available for radio
7 and television broadcasting, including digital television system, through microwave,
8 satellite or whatever means, as well as the use of any new technology in radio and
9 television systems, with the corresponding technological auxiliaries and facilities,
10 special broadcast and other program and distribution services and relay stations.

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

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

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

7
8 In case of any violation of the provisions of this franchise, the NTC shall have
9 the authority to revoke or suspend, after due process, the permits or licenses it issued
10 pursuant to the franchise. The NTC may recommend to Congress of the Philippines
11 the revocation of the franchise for any violation of the provisions of this franchise.

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

26
27 Public service time referred herein shall be equivalent to a maximum aggregate
28 of ten percent (10%) of paid commercials or advertisements which shall be allocated
29 based on need to the Executive and Legislative branches, the Judiciary, Constitutional
30 Commissions, and international humanitarian organizations duly recognized by
31 statutes: *Provided*, That the NTC shall increase the public service time in case of
32 extreme emergency or calamity. The NTC shall issue rules and regulations for this
33 purpose, the effectivity of which shall commence upon applicability with other similarly
34 situated broadcast network franchise holders.

35
36 Pursuant to Republic Act No. 8370, otherwise known as the “Children’s
37 Television Act of 1997”, the Grantee shall allot a minimum of fifteen percent (15%) of
38 the daily total air time of each broadcasting network or station to child-friendly shows
39 within its regular programming
40

41 **SEC. 5. *Right of the Government.*** – The radio spectrum is a finite resource
42 that is part of the national patrimony, and the use thereof is a privilege conferred upon
43 the Grantee by the State that may be withdrawn any time after due process.
44

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

1 **SEC. 6. Term of Franchise.** – This franchise shall be in effect for a period of
2 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
3 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the Grantee
4 fails to operate continuously for two (2) years.
5

6 **SEC. 7. Self-regulation by and Undertaking of Grantee.** – The Grantee shall
7 not require any previous censorship of any speech, play, act or scene, or other matter
8 to be broadcast from its stations, but if any such speech, play, act or scene, or other
9 matter should constitute a violation of the law or infringement of a private right, the
10 Grantee shall be free from any liability, civil or criminal, for such speech, play, act or
11 scene, or other matter: *Provided*, That the Grantee, during any broadcast, shall cut off
12 the airing of speech, play, act or scene, or other matter being broadcast if the tendency
13 thereof is to propose or incite treason, rebellion, or sedition; or the language used
14 therein or the theme thereof is indecent or immoral: *Provided, further*, That willful
15 failure to do so shall constitute a valid cause for the cancellation of this franchise.
16

17 **SEC. 8. Warranty in Favor of the National and Local Governments.** – The
18 Grantee shall hold the national, provincial, city, and municipal governments of the
19 Philippines free from all claims, liabilities, demands, or actions arising out of accidents
20 causing injury to persons or damage to properties, during the construction or operation
21 of the stations of the Grantee.
22

23 **SEC. 9. Commitment to Provide and Promote the Creation of Employment**
24 **Opportunities.** – The Grantee shall create employment opportunities and accept on-
25 the-job trainees in its franchise operations: *Provided*, That priority shall be accorded
26 to the residents of the place where the principal office of the Grantee is located:
27 *Provided, further*, That the Grantee shall comply with the applicable labor standards
28 and allowance entitlement under existing labor laws, rules and regulations and similar
29 issuances.
30

31 The employment opportunities or jobs created shall be reflected in the General
32 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
33 (SEC) annually.
34

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

1 **SEC. 11. *Dispersal of Ownership.*** – In accordance with the constitutional
2 provision to encourage public participation in public utilities, the Grantee shall offer to
3 Filipino citizens at least thirty percent (30%) of its outstanding capital stock, or a higher
4 percentage that may hereafter be provided by law, in any securities exchange in the
5 Philippines within five (5) years from the effectivity of this Act. *Provided, That* in cases
6 where public offer of shares is not applicable, other methods of encouraging public
7 participation by citizens and corporations operating public utilities must be
8 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
9

10 **SEC. 12. *Reportorial Requirement.*** – The Grantee shall submit an annual
11 report on its compliance with the terms and conditions of the franchise and on its
12 operations to the Congress of the Philippines, through the Committee on Legislative
13 Franchises of the House of Representatives and the Committee on Public Services of
14 the Senate, on or before April 30 of every year during the term of its franchise.
15

16 The annual report shall include an update on the commencement of activities,
17 development, operation, and expansion of business; audited financial statements;
18 latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the
19 status of its permits and operations; and an update on the dispersal of ownership
20 undertaking, if applicable.
21

22 The reportorial compliance certificate issued by Congress shall be required
23 before any application for permit or certificate is accepted by the NTC.
24

25 **SEC. 13. *Fine.*** – Failure of the Grantee to submit the requisite annual report to
26 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working
27 day of noncompliance to the NTC. The fine shall be collected separately from the
28 reportorial penalties imposed by the NTC, and it shall be remitted to the Bureau of the
29 Treasury.
30

31 **SEC. 14. *Equality Clause.*** – Any advantage, favor, privilege, exemption, or
32 immunity granted under existing franchises, or which may hereafter be granted for
33 radio and television broadcasting, upon prior review and approval of Congress, shall
34 become part of this franchise and shall be accorded immediately and unconditionally
35 to the herein Grantee: *Provided, That* the foregoing shall neither apply to nor affect the
36 provisions of broadcasting franchises concerning territorial coverage, the term, or the
37 type of service authorized by the franchise.
38

39 **SEC. 15. *Repealability and Nonexclusivity Clause.*** – This franchise shall be
40 subject to amendment, alteration, or repeal by Congress when the public interest so
41 requires and shall not be interpreted as an exclusive grant of the privileges herein
42 provided for.
43

44 **SEC. 16. *Separability Clause.*** – If any of the sections or provisions of this Act
45 is held invalid, all other provisions not affected thereby shall remain valid.
46

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

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

Approved,