



HOUSE OF REPRESENTATIVES

H. No. 4631

BY REPRESENTATIVES ENVERGA, ALVAREZ (F.), REVILLA, CAMINERO, MACEDA, ROMUALDO, MARCOLETA, MADRONA, BELMONTE (R.), QUIMBO, CORTES, ATIENZA, CHIPECO, CHAVEZ, GULLAS, ABU, VARGAS-ALFONSO, ALVAREZ (M.), VIOLAGO, DURANO, PANCHO, ACOSTA, PIMENTEL, VILLAFUERTE, SAVELLANO, ABAYON, TUGNA, GONZALES (A.D.), AGGABAO, MARTINEZ, BRAVO (M.), GATCHALIAN, FARIÑAS, VELARDE, RODRIGUEZ (I.), ZAMORA (M.), ESPINO, BERTIZ, MONTORO, DEL MAR, ROBES, NIETO AND SY-ALVARADO, PER COMMITTEE REPORT NO. 40

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO REPUBLIC BROADCASTING SYSTEM, INC., PRESENTLY KNOWN AS GMA NETWORK, INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7252, ENTITLED "AN ACT GRANTING THE REPUBLIC BROADCASTING SYSTEM, INC. A FRANCHISE TO CONSTRUCT, INSTALL, 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. Republic Act No. 7252 is hereby amended to read as
2 follows:

3 "SECTION 1. *Nature and Scope of Franchise.* – Subject
4 to the provisions of the 1987 Constitution and applicable laws,
5 rules and regulations, [there is hereby granted to the Republic

1 Broadcasting System, Inc., its successors or assigns and
2 hereunder referred to as the grantee, a franchise] THE
3 FRANCHISE GRANTED TO REPUBLIC BROADCASTING SYSTEM,
4 INC., PRESENTLY KNOWN AS GMA NETWORK, INC.,
5 HEREUNDER REFERRED TO AS THE GRANTEE, ITS SUCCESSORS
6 OR ASSIGNEES, UNDER REPUBLIC ACT NO. 7252 to construct,
7 install, ESTABLISH, operate and maintain for commercial
8 purposes and in the public interest radio and television
9 broadcasting stations in the Philippines, INCLUDING DIGITAL
10 TELEVISION SYSTEM, THROUGH MICROWAVE, SATELLITE OR
11 WHATEVER MEANS, OR THE USE OF ANY NEW TECHNOLOGIES
12 IN TELEVISION AND RADIO SYSTEMS, with the corresponding
13 [technological auxiliaries or facilities.] AUXILIARY, special
14 broadcast and other program and distribution services and relay
15 stations, and to install radio communication facilities for the
16 grantee's private use in its broadcast services IS HEREBY
17 RENEWED FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE
18 APPROVAL OF THIS ACT.

19 "SEC. 2. *Manner of Operation of Stations or Facilities.*

20 -- The stations or facilities of the grantee shall be constructed
21 and OPERATED in a manner as will, at most, result only in the
22 minimum interference on the wavelengths or frequencies of [the
23 other] existing stations or OTHER stations which may be
24 established by law, without in any way diminishing its own right
25 to use its [selected] ASSIGNED wavelengths or frequencies and
26 the quality of transmission or reception thereon as should
27 maximize rendition of the grantee's services and/or the
28 availability thereof.

1 “SEC. 3. *Prior Approval of the National*
2 *Telecommunications Commission.* – The grantee shall secure
3 from the National Telecommunications Commission (NTC) the
4 appropriate permits and licenses for its stations and shall not use
5 any frequency in the radio/television spectrum without having
6 been authorized by the [Commission] NTC.

7 “SEC. 4. *Responsibility to the Public.* – The grantee
8 shall provide [reasonable] ADEQUATE public service time to
9 enable the government, through the [said] broadcasting stations
10 OR FACILITIES, to reach the population on important public
11 issues; provide at all times sound and balanced programming;
12 promote public participation [such as in community
13 programming]; assist in the functions of public information and
14 education; conform to the ethics of honest enterprise; and not
15 use its stations OR FACILITIES for the broadcasting of obscene
16 and indecent language, speech, act or scene[.]; or for the
17 dissemination of deliberately false information or willful
18 misrepresentation, [or] to the detriment of the public interest, or
19 to incite, encourage, or assist in subversive or treasonable acts.

20 “SEC. 5. *Right of THE Government.* – A special right is
21 hereby reserved to the President of the Philippines, in times of
22 WAR, rebellion, public peril, calamity, emergency, disaster or
23 SERIOUS disturbance of peace and order[.]; to temporarily take
24 over and operate the stations OR FACILITIES of the grantee[.]; to
25 temporarily suspend the operation of any station OR FACILITY in
26 the interest of public safety, security and public welfare[.]; or to
27 authorize the temporary use and operation thereof by any agency

1 of the government, upon due compensation to the grantee, for
2 the use of [said] THE STATIONS OR FACILITIES during the period
3 when [they] THESE shall be so operated.

4 "SEC. 6. *Term of Franchise.* - This franchise shall be
5 [for a term] IN EFFECT FOR A PERIOD of twenty-five (25) years
6 from the [date of approval] EFFECTIVITY of this Act, unless
7 sooner revoked or cancelled. In the event the grantee fails to
8 operate continuously for two (2) years, this franchise shall be
9 deemed *ipso facto* revoked.

10 "SEC. 7. *Acceptance and Compliance.* - This franchise
11 shall become effective upon acceptance GIVEN in writing by the
12 grantee[.] TO THE CONGRESS OF THE PHILIPPINES, THROUGH
13 THE COMMITTEE ON LEGISLATIVE FRANCHISES OF THE
14 HOUSE OF REPRESENTATIVES AND THE COMMITTEE ON
15 PUBLIC SERVICES OF THE SENATE, WITHIN SIXTY (60) DAYS
16 FROM THE EFFECTIVITY OF THIS ACT. Upon giving such
17 acceptance, the grantee shall exercise the privileges granted
18 under this Act. Nonacceptance shall render the franchise void.

19 "[SEC. 8. *Tax Provisions.* - The grantee, its successors
20 or assigns shall be liable to pay the same taxes on their real
21 estate, buildings and personal property, exclusive of this
22 franchise, as other persons or corporations are now or hereafter
23 may be required by law to pay. In addition thereto, the grantee,
24 its successors or assigns shall pay a franchise tax equivalent to
25 three percent (3%) of all gross receipts of the radio/television
26 business transacted under this franchise by the grantee, its
27 successors or assigns and the said percentage shall be in lieu of

1 all taxes on this franchise or earnings thereof: *Provided*, That
2 the grantee, its successors or assigns shall continue to be liable
3 for income taxes payable under Title II of the National Internal
4 Revenue Code pursuant to Section 2 of Executive Order No. 72
5 unless the latter enactment is amended or repealed, in which case
6 the amendment or repeal shall be applicable thereto.

7 "The grantee shall file the return with and pay the tax due
8 thereon to the Commissioner of Internal Revenue or his duly
9 authorized representative in accordance with the National
10 Internal Revenue Code and the return shall be subject to audit by
11 the Bureau of Internal Revenue.]

12 "SEC. [9]8. *Self-regulation by and Undertaking of*
13 *Grantee.* - The grantee shall not require any previous censorship
14 of any speech, play, act or scene, or other matter to be broadcast
15 and/or telecast from its stations; but if any such speech, play, act
16 or scene, or other matter should constitute a violation of the law
17 or infringement of a private right, the grantee shall be free from
18 any liability, civil or criminal, for such speech, play, act or
19 scene, or other matter **FROM ITS STATIONS**: *Provided*, That the
20 grantee, during any broadcast and/or telecast, shall cut off from
21 the air the speech, play, act or scene, or other matter being
22 broadcast and/or telecast if the tendency thereof is to propose
23 and/or incite treason, rebellion or sedition; or the language used
24 therein or the theme thereof is indecent or immoral:[]; and]
25 **PROVIDED, FURTHER, THAT** willful failure to do so shall
26 constitute a valid cause for the cancellation of this franchise.

27 "SEC. [10]9. *Warranty in Favor of National and Local*
28 *Governments.* - The grantee shall hold the national, provincial,

1 CITY and municipal governments of the Philippines [harmless]
2 FREE from all claims, accounts, demands or actions arising out
3 of accidents or injuries, whether to property or to persons,
4 caused by the construction or operation of the stations of the
5 grantee.

6 "SEC. [11]10. *Sale, Lease, Transfer, Usufruct, etc.] OR*
7 *ASSIGNMENT OF FRANCHISE.* – The grantee shall not SELL,
8 lease, transfer, grant the usufruct of[, sell] Nor assign this
9 franchise [n]or the rights and privileges acquired thereunder to
10 any person, firm, company, corporation or other commercial or
11 legal entity, NOR MERGE WITH ANY OTHER CORPORATION OR
12 ENTITY, nor shall the controlling interest [in] OF the grantee be
13 transferred, WHETHER AS A WHOLE OR IN PARTS, AND
14 WHETHER SIMULTANEOUSLY OR CONTEMPORANEOUSLY, to
15 any such private person, firm, company, corporation or entity
16 without the prior approval of the Congress of the Philippines[.]:
17 *PROVIDED, THAT [A]*any person or entity to which this
18 franchise is sold, transferred or assigned shall be subject to all
19 the same conditions, terms, restrictions, and limitations of this
20 Act.

21 "SEC. [12]11. *General Broadcast Policy Law.* – The
22 grantee shall comply with AND BE SUBJECT TO THE PROVISIONS
23 OF a general broadcast policy law, which Congress may
24 hereafter enact.

25 "SEC. 12. *REPORTORIAL REQUIREMENT.* – THE
26 GRANTEE SHALL SUBMIT AN ANNUAL REPORT TO THE
27 CONGRESS OF THE PHILIPPINES, THROUGH THE COMMITTEE

1 ON LEGISLATIVE FRANCHISES OF THE HOUSE OF
2 REPRESENTATIVES AND THE COMMITTEE ON PUBLIC
3 SERVICES OF THE SENATE, ON ITS COMPLIANCE WITH THE
4 TERMS AND CONDITIONS OF THE FRANCHISE AND ON ITS
5 OPERATIONS ON OR BEFORE APRIL 30 OF EVERY YEAR DURING
6 THE TERM OF THE FRANCHISE.

7 "SEC. 13. *EQUALITY CLAUSE.* — ANY ADVANTAGE,
8 FAVOR, PRIVILEGE, EXEMPTION, OR IMMUNITY GRANTED
9 UNDER EXISTING FRANCHISE, OR WHICH MAY HEREAFTER BE
10 GRANTED FOR RADIO AND/OR TELEVISION BROADCASTING,
11 UPON PRIOR REVIEW AND APPROVAL OF CONGRESS, SHALL
12 BECOME PART OF THIS FRANCHISE AND SHALL BE ACCORDED
13 IMMEDIATELY AND UNCONDITIONALLY TO THE HEREIN
14 GRANTEE: *PROVIDED*, THAT THE FOREGOING SHALL NOT
15 APPLY TO NOR AFFECT PROVISIONS OF BROADCASTING
16 FRANCHISES CONCERNING TERRITORY COVERED BY THE
17 FRANCHISE OR THE TYPE OF SERVICE AUTHORIZED BY THE
18 FRANCHISE.

19 "SEC. [13]14. *Separability Clause.* — If any of the
20 sections or provisions of this Act is held invalid, all the other
21 provisions not affected thereby shall remain valid.

22 "SEC. [14]15. [*Repealing*] *REPEALABILITY AND*
23 *NONEXCLUSIVITY Clause.* — This franchise shall be subject to
24 amendment, alteration, or repeal by the Congress of the
25 Philippines when the public interest so requires and shall not be
26 interpreted as an exclusive grant of the privileges herein
27 provided for.

28 "SEC. [15]16. x x x."

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

Approved,

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