



HOUSE OF REPRESENTATIVES

H. No. 4136

BY REPRESENTATIVES SALIMBANGON, ALVAREZ (F.), SY-ALVARADO,
ONG (E.), CUEVA, BATAOIL, UY (J.) AND PANCHO

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO MANILA BROADCASTING
COMPANY UNDER REPUBLIC ACT NO. 7816, ENTITLED
"AN ACT GRANTING THE MANILA BROADCASTING
COMPANY A FRANCHISE TO CONSTRUCT, INSTALL,
OPERATE AND MAINTAIN RADIO AND TELEVISION
BROADCASTING STATIONS WITHIN THE PHILIPPINES, AND
FOR OTHER PURPOSES"

*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
2 provisions of the Constitution and applicable laws, rules and regulations, the
3 franchise granted to the Manila Broadcasting Company under Republic Act
4 No. 7816, entitled "An Act Granting the Manila Broadcasting Company a
5 Franchise to Construct, Install, Operate and Maintain Radio and Television
6 Broadcasting Stations Within the Philippines, and for Other Purposes",
7 hereunder referred to as the grantee, its successors or assignees to construct,
8 install, operate and maintain for commercial purposes and in the public interest
9 radio and television broadcasting stations in the Philippines with the
10 corresponding technological auxiliaries or facilities, special broadcast and

1 other broadcast distribution services and relay stations, and to construct,
2 install, operate and maintain communication facilities for the grantee's private
3 use in its broadcast services and relay stations in the Philippines, is hereby
4 renewed for another twenty-five (25) years from the approval of this Act.

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

13 SEC. 3. *Prior Approval of the National Telecommunications*
14 *Commission.* – The grantee shall secure from the National
15 Telecommunications Commission (NTC) the appropriate permits and licenses
16 for the construction and operation of its stations or facilities and shall not use
17 any frequency in the radio/television spectrum without authorization from the
18 NTC. The NTC, however, shall not unreasonably withhold or delay the grant
19 of any such authority.

20 SEC. 4. *Responsibility to the Public.* – The grantee shall provide
21 adequate public service time to enable the government, through the said
22 broadcasting stations or facilities, to reach the population on important public
23 issues; provide at all times sound and balanced programming; assist in the
24 functions of public information and education; conform to the ethics of honest
25 enterprise; and not use its stations or facilities for the broadcasting of obscene
26 and indecent language, speech, act or scene, or for the dissemination of
27 deliberately false information or willful misrepresentation to the detriment of
28 the public interest or to incite, encourage or assist in subversive or treasonable
29 acts.

1 SEC. 5. *Right of the Government.* – A special right is hereby reserved
2 to the President of the Philippines in times of war, rebellion, public peril,
3 calamity, emergency, disaster or disturbance of peace and order: to
4 temporarily take over and operate the stations or facilities of the grantee, to
5 temporarily suspend the operation of any station or facility in the interest of
6 public safety, security and public welfare, or to authorize the temporary use
7 and operation thereof by any agency of the government, upon due
8 compensation to the grantee, for the use of said stations or facilities during the
9 period when these shall be so operated.

10 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a
11 period of twenty-five (25) years from the approval of this Act, unless sooner
12 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the
13 event the grantee fails to operate continuously for two (2) years.

14 SEC. 7. *Acceptance and Compliance.* – Acceptance of this new
15 franchise shall be given in writing to the Congress of the Philippines, through
16 the Committee on Legislative Franchises of the House of Representatives and
17 the Committee on Public Services of the Senate, within sixty (60) days from
18 the effectivity of this Act. Upon giving such acceptance, the grantee shall
19 exercise the privileges granted under this Act. Nonacceptance shall render the
20 franchise void.

21 SEC. 8. *Public Ownership.* – In compliance with the constitutional
22 mandate to democratize ownership of public utilities, the herein grantee, its
23 successors or assignees, shall continue to maintain its status as a publicly-held
24 corporation.

25 SEC. 9. *Self-regulation by and Undertaking of Grantee.* – The grantee
26 shall not require any previous censorship of any speech, play, act or scene, or
27 other matter to be broadcast from its stations: *Provided*, That the grantee,
28 during any broadcast, shall cut off from the air the speech, play, act or scene,
29 or other matter being broadcast if the tendency thereof is to propose and/or

1 incite treason, rebellion or sedition; or the language used therein or the theme
2 thereof is indecent or immoral: *Provided, further,* That willful failure to do so
3 shall constitute a valid cause for the cancellation of this franchise.

4 SEC. 10. *Warranty in Favor of National and Local Governments.* -

5 The grantee shall hold the national, provincial, city, and municipal
6 governments of the Philippines free from all claims, liabilities, demands, or
7 actions arising out of accidents causing injuries to persons or damage to
8 properties during the construction or operation of the stations of the grantee.

9 SEC. 11. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*

10 - The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign
11 this franchise or the rights and privileges acquired thereunder to any person,
12 firm, company, corporation, or other commercial or legal entity, nor merge
13 with any other corporation or entity, nor shall the controlling interest of the
14 grantee be transferred, whether as a whole or in parts, and whether
15 simultaneously or contemporaneously, to any such person, firm, company,
16 corporation or entity without the prior approval of the Congress of the
17 Philippines: *Provided,* That Congress shall be informed of any sale, lease,
18 transfer, grant of usufruct, or assignment of franchise or the rights and
19 privileges acquired thereunder, or of the merger, or transfer of the controlling
20 interest of the grantee, within sixty (60) days after the completion of said
21 transaction: *Provided, further,* That failure to report to Congress such change
22 of ownership shall render the franchise *ipso facto* revoked: *Provided, finally,*
23 That any person or entity to which this franchise is sold, transferred or
24 assigned shall be subject to the same conditions, terms, restrictions, and
25 limitations of this Act.

26 SEC. 12. *General Broadcast Policy Law.* - The grantee shall comply

27 with and be subject to the provisions of a general broadcast policy law, which
28 Congress may hereafter enact.

1 SEC. 13. *Equality Clause.* – Except for taxes and customs duties, any
2 advantage, favor, privilege, exemption, or immunity granted under existing
3 franchises, or which may hereafter be granted for radio and/or television
4 broadcasting, upon prior review and approval of Congress, shall become part
5 of this franchise and shall be accorded immediately and unconditionally to the
6 herein grantee. *Provided, however,* That the foregoing shall neither apply to
7 nor affect the provisions of broadcasting franchises concerning territory
8 covered by the franchise, the life span of the franchise, or the type of service
9 authorized by the franchise: *Provided, further,* That the foregoing shall not
10 apply to sale, lease, transfer, or grant of usufruct of legislative franchise with
11 prior congressional approval.

12 SEC. 14. *Separability Clause.* – If any of the sections or provisions of
13 this Act is held invalid, all other provisions not affected thereby shall remain
14 valid.

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

19 SEC. 16. *Repealing Clause.* – All laws, orders, issuances, rules and
20 regulations or parts thereof inconsistent with this Act are hereby repealed,
21 amended, or modified accordingly.

22 SEC. 17. *Effectivity.* – This Act shall take effect fifteen (15) days after
23 its publication in at least two (2) newspapers of general circulation.

Approved,