



## HOUSE OF REPRESENTATIVES

H. No. 4429

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BY REPRESENTATIVES MITRA, LAPUS AND ZUBIRI, PER COMMITTEE  
REPORT NO. 889

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AN ACT GRANTING THE PUERTO PRINCESA BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE CITY OF PUERTO PRINCESA AND ALL THE MUNICIPALITIES IN THE PROVINCE OF PALAWAN

*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, there  
3 is hereby granted to Puerto Princesa Broadcasting Corporation, hereunder  
4 referred to as the grantee, its successors or assigns, a franchise to construct,  
5 install, establish, operate and maintain for commercial purposes and in the  
6 public interest, radio and/or television broadcasting stations in the City of  
7 Puerto Princesa and all the municipalities in the Province of Palawan, where

1 frequencies and/or channels are still available for radio and/or television  
2 broadcasting, through microwave, satellite or whatever means, including the  
3 use of any new technologies in television and radio systems, with the  
4 corresponding technological auxiliaries and facilities, special broadcast and  
5 other program and distribution services and relay stations.

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

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

1           SEC. 4. *Responsibility to the Public.* – The grantee shall provide  
2   adequate public service time to enable the government, through the said  
3   broadcasting stations or facilities, to reach the population on important public  
4   issues; provide at all times sound and balanced programming; assist in the  
5   functions of public information and education; conform to the ethics of honest  
6   enterprise; and not use its stations and facilities for the broadcasting of  
7   obscene and indecent language, speech, act or scene; or for the dissemination  
8   of deliberately false information or willful misrepresentation, to the detriment  
9   of public interest, or to incite, encourage or assist in subversive or treasonable  
10  acts.

11           SEC. 5. *Right of Government.* – A special right is hereby reserved to  
12  the President of the Philippines, in times of war, rebellion, public peril,  
13  calamity, emergency, disaster or disturbance of peace and order, to  
14  temporarily take over and operate the stations or facilities of the grantee, to  
15  temporarily suspend the operation of any station or facility in the interest of  
16  public safety, security and public welfare, or to authorize the temporary use  
17  and operation thereof by any agency of the government, upon due  
18  compensation to the grantee, for the use of said stations or facilities during the  
19  period when they shall be so operated.

1           The radio spectrum is a finite resource that is part of the national  
2     patrimony and the use thereof is a privilege conferred upon the grantee by the  
3     State and may be withdrawn anytime after due process.

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

8           (a) Commence operations within one year from the approval of its  
9     operating permit by the NTC;

10          (b) Operate continuously for two years; and

11          (c) Commence operations within three years from the effectivity of this  
12     Act.

13          SEC. 7. *Acceptance and Compliance.* – Acceptance of this franchise  
14     shall be given in writing within sixty (60) days from the effectivity of this Act.  
15     Upon giving such acceptance, the grantee shall exercise the privileges granted  
16     under this Act. Nonacceptance shall render the franchise void.

17          SEC. 8. *Bond.* – The grantee shall file a bond issued in favor of the  
18     NTC, which shall determine the amount, to guarantee the compliance with and  
19     fulfillment of the conditions under which this franchise is granted. If after  
20     three years from the date of the approval of its permit by the Commission, the  
21     grantee shall have fulfilled the same, the bond shall be cancelled by the

1 Commission. Otherwise, the bond shall be forfeited in favor of the  
2 government and the franchise *ipso facto* revoked.

3 SEC. 9. *Self-regulation by and Undertaking of the Grantee.* – The  
4 grantee shall not require any previous censorship of any speech, play, act or  
5 scene, or other matter to be broadcast from its stations: *Provided*, That the  
6 grantee, during any broadcast, shall cut off from the air the speech, play, act or  
7 scene, or other matter being broadcast if the tendency thereof is to propose  
8 and/or incite treason, rebellion or sedition; or the language used therein or the  
9 theme thereof is indecent or immoral; and willful failure to do so shall  
10 constitute a valid cause for the cancellation of this franchise.

11 SEC. 10. *Warranty in Favor of National and Local Governments.* –  
12 The grantee shall hold the national, provincial, city and municipal  
13 governments of the Philippines harmless from all claims, accounts, demands  
14 or actions arising out of accidents or injuries, whether to property or to  
15 persons, caused by the construction or operation of the stations of the grantee.

16 SEC. 11. *Sale, Lease, Transfer, Usufruct, Etc.* – The grantee shall not  
17 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights  
18 and privileges acquired thereunder to any person, firm, company, corporation  
19 or other commercial or legal entity, nor merge with any other corporation or  
20 entity, nor shall the controlling interest of the grantee be transferred, whether  
21 as a whole or in parts and whether simultaneously or contemporaneously, to

1 any such person, firm, company, corporation or entity without the prior  
2 approval of the Congress of the Philippines. Any person or entity to which  
3 this franchise is sold, transferred or assigned, shall be subject to the same  
4 conditions, terms, restrictions and limitations of this Act.

5       SEC. 12. *Dispersal of Ownership.* – In accordance with the  
6 constitutional provision to encourage public participation in public utilities,  
7 the grantee shall offer at least thirty *per centum* (30%) of its outstanding  
8 capital stock or a higher percentage that may hereafter be provided by law in  
9 any securities exchange in the Philippines within five years from the time it  
10 has achieved the status of a national broadcasting network. A “national  
11 broadcasting network” is hereby defined as one that operates three or more  
12 radio and/or television stations. Noncompliance therewith shall render the  
13 franchise *ipso facto* revoked.

14       SEC. 13. *General Broadcast Policy Law.* – The grantee shall comply  
15 with and be subject to the provisions of a general broadcast policy law, which  
16 Congress may hereafter enact.

17       SEC. 14. *Reportorial Requirement.* – The grantee shall submit an  
18 annual report to the Congress of the Philippines on its compliance with the  
19 terms and conditions of the franchise and on its operations within sixty (60)  
20 days from the end of every year.

1           SEC. 15. *Separability Clause.* – If any of the sections or provisions of  
2 this Act is held invalid, all other provisions not affected thereby shall remain  
3 valid.

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

8           SEC. 17. *Effectivity Clause.* – This Act shall take effect fifteen (15)  
9 days from the date of its publication, upon the initiative of the grantee, in at  
10 least two newspapers of general circulation in the Philippines.

Approved,

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