



HOUSE OF REPRESENTATIVES

H. No. 4582

BY REPRESENTATIVES SAGARBARRIA AND ALVAREZ (F.), PER COMMITTEE
REPORT NO. 12

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GOLD LABEL BROADCASTING SYSTEM, INC. UNDER REPUBLIC ACT NO. 8087, ENTITLED "AN ACT GRANTING TO THE GOLD LABEL BROADCASTING SYSTEM, INC., A FRANCHISE TO ESTABLISH, MAINTAIN, AND OPERATE RADIO AND TELEVISION BROADCASTING STATIONS IN DUMAGUETE CITY AND OTHER AREAS IN THE VISAYAS AND MINDANAO WHERE FREQUENCIES AND/OR CHANNELS ARE STILL AVAILABLE FOR RADIO AND TELEVISION BROADCASTING"

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
3 regulations, the franchise granted to Gold Label Broadcasting
4 System, Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 8087, to construct, install,
6 establish, operate, and maintain for commercial purposes and in the
7 public interest, radio broadcasting stations where frequencies
8 and/or channels are still available for radio broadcasting, through

1 microwave, satellite or whatever means, including the use of any
2 new technology in radio systems, with the corresponding
3 technological auxiliaries and facilities, special broadcast and other
4 program and distribution services and relay stations in Dumaguete
5 City and other areas in the Visayas and Mindanao, is hereby
6 renewed for another twenty-five (25) years from the effectivity of
7 this Act.

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

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

25 The grantee shall not dispose or lease its facilities except to
26 entities with radio or television broadcasting franchise: *Provided,*
27 That the grantee shall inform and secure written authorization to
28 proceed from the NTC, and report the transaction to the NTC

1 within sixty (60) days after its completion: *Provided, further,* That
2 the NTC shall determine the corresponding sanction for any
3 violation of this provision.

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

20 Public service time referred herein shall be equivalent to a
21 maximum aggregate of ten percent (10%) of the paid commercials or
22 advertisements which shall be allocated based on need to the
23 Executive and Legislative branches, the Judiciary, Constitutional
24 Commissions, and international humanitarian organizations duly
25 recognized by statutes: *Provided,* That the NTC shall increase
26 the public service time in case of extreme emergency or calamity.
27 The NTC shall issue rules and regulations for this purpose,

1 the effectivity of which shall commence upon applicability with
2 other similarly situated broadcast network franchise holders.

3 SEC. 5. *Right of the Government.* - The radio spectrum is a
4 finite resource that is part of the national patrimony and the
5 use thereof is a privilege conferred upon the grantee by the
6 State and may be withdrawn any time after due process.

7 A special right is hereby reserved to the President of the
8 Philippines, in times of war, rebellion, public peril, calamity,
9 emergency, disaster, or disturbance of peace and order: to
10 temporarily take over and operate the stations or facilities of
11 the grantee; to temporarily suspend the operation of any station
12 or facility in the interest of public safety, security and public
13 welfare; or to authorize the temporary use and operation thereof
14 by any agency of the government, upon due compensation to the
15 grantee, for the use of the stations or facilities during the period
16 when these shall be so operated.

17 SEC. 6. *Term of Franchise.* - This franchise shall be in
18 effect for a period of twenty-five (25) years from the effectivity
19 of this Act, unless sooner revoked or cancelled. This franchise
20 shall be deemed *ipso facto* revoked in the event the grantee fails
21 to operate continuously for two (2) years.

22 SEC. 7. *Renewal or Extension of Franchise.* - The grantee
23 shall apply for the renewal or extension of its franchise five (5)
24 years before its expiration, reckoned from fifteen (15) days after the
25 publication of the franchise in the *Official Gazette* or in a newspaper
26 of general circulation.

27 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* -
28 The grantee shall not require any previous censorship of any

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

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

18 SEC. 10. *Commitment to Provide and Promote the Creation of*
19 *Employment Opportunities.* - The grantee shall create employment
20 opportunities and shall allow on-the-job trainings in their
21 franchise operation: *Provided*, That priority shall be accorded to
22 the residents of the place where their principal office is located:
23 *Provided, further*, That the grantee shall follow the applicable
24 labor standards and allowance entitlement under existing labor
25 laws, rules and regulations and similar issuances: *Provided, finally*,
26 That the employment opportunities or jobs created shall be
27 reflected in the General Information Sheet (GIS) to be submitted
28 to the Securities and Exchange Commission (SEC) annually.

1 SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or*
2 *Assignment of Franchise.* – The grantee shall not sell, lease,
3 transfer, grant the usufruct of, nor assign this franchise or the
4 rights and privileges acquired thereunder to any person, firm,
5 company, corporation, or other commercial or legal entity, nor
6 merge with any other corporation or entity, nor the controlling
7 interest of the grantee be transferred, simultaneously or
8 contemporaneously, to any person, firm, company, corporation, or
9 entity without the prior approval of the Congress of the Philippines.
10 Congress shall be informed of any sale, lease, transfer, grant of
11 usufruct, or assignment of franchise or the rights and privileges
12 acquired thereunder, or of the merger or transfer of the controlling
13 interest of the grantee, within sixty (60) days after the completion
14 of the said transaction. Failure to report to Congress such change of
15 ownership shall render the franchise *ipso facto* revoked. Any person
16 or entity to which this franchise is sold, transferred, or assigned
17 shall be subject to the same conditions, terms, restrictions, and
18 limitations of this Act.

19 SEC. 12. *Dispersal of Ownership.* – In accordance with
20 the constitutional provision to encourage public participation in
21 public utilities, the grantee shall offer to Filipino citizens at least
22 thirty percent (30%) or a higher percentage that may hereafter be
23 provided by law of its outstanding capital stock in any securities
24 exchange in the Philippines within five (5) years from the
25 commencement of its operations: *Provided*, That in cases where
26 public offer of shares is not applicable, the grantee shall apply
27 other methods of encouraging public participation by citizens
28 and corporations operating public utilities as allowed by law.

1 Noncompliance therewith shall render the franchise *ipso facto*
2 revoked.

3 SEC. 13. *Reportorial Requirement.* - The grantee shall
4 submit an annual report to the Congress of the Philippines,
5 through the Committee on Legislative Franchises of the House
6 of Representatives and the Committee on Public Services of
7 the Senate, on its compliance with the terms and conditions of
8 the franchise and on its operations on or before April 30 of
9 every year during the term of its franchise.

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

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

19 SEC. 14. *Fine.* - Failure of the grantee to submit the
20 requisite annual report to Congress shall be penalized by a fine of
21 Five hundred pesos (P500.00) per working day of noncompliance.
22 The fine shall be collected by the NTC from the delinquent franchise
23 grantee separate from the reportorial penalties imposed by the NTC
24 and the same shall be remitted to the Bureau of the Treasury.

25 SEC. 15. *Equality Clause.* - Any advantage, favor, privilege,
26 exemption, or immunity granted under existing franchises, or which
27 may hereafter be granted for radio and/or television broadcasting,
28 upon prior review and approval of Congress, shall become

1 part of this franchise and shall be accorded immediately and
2 unconditionally to the herein grantee: *Provided*, That the foregoing
3 shall neither apply to nor affect the provisions of broadcasting
4 franchises concerning territorial coverage, the term, or the type
5 of service authorized by the franchise.

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

11 SEC. 17. *Separability Clause.* - If any of the sections or
12 provisions of this Act is held invalid, all other provisions not
13 affected thereby shall remain valid.

14 SEC. 18. *Repealing Clause.* - All laws, decrees, orders,
15 resolutions, instructions, rules and regulations, and other issuances
16 or parts thereof which are inconsistent with the provisions of
17 this Act are hereby repealed, amended, or modified accordingly.

18 SEC. 19. *Effectivity.* - This Act shall take effect fifteen (15) days
19 after its publication in the *Official Gazette* or in a newspaper of general
20 circulation.

Approved,

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