

(AS AMENDED BY THE SENATE)

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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 IN CASE OF VIOLATION/S OF ANY OF THE PROVISIONS
5 OF THIS FRANCHISE, THE NTC SHALL HAVE THE
6 AUTHORITY TO REVOKE OR SUSPEND, AFTER DUE
7 PROCESS, THE PERMITS, OR LICENSES ISSUED BY THE NTC
8 PURSUANT TO THE FRANCHISE. NTC MAY RECOMMEND TO
9 CONGRESS THE REVOCATION OF THE FRANCHISE IF THERE
10 ARE ANY VIOLATION/S OF THE PROVISIONS OF THE
11 FRANCHISE.

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

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

11 PURSUANT TO REPUBLIC ACT NO. 8370, THE GRANTEE
12 SHALL ALLOT A MINIMUM OF FIFTEEN PERCENT (15%) OF
13 THE DAILY TOTAL AIR TIME OF EACH BROADCASTING
14 NETWORK TO CHILD-FRIENDLY SHOW/S WITHIN ITS
15 REGULAR PROGRAMMING.

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

20 A special right is hereby reserved to the President of the
21 Philippines, in times of war, rebellion, public peril, calamity,
22 emergency, disaster, or disturbance of peace and order: to
23 temporarily take over and operate the stations or facilities of
24 the grantee; to temporarily suspend the operation of any station
25 or facility in the interest of public safety, security and public
26 welfare; or to authorize the temporary use and operation thereof
27 by any agency of the government, upon due compensation to the

1 grantee, for the use of the stations or facilities during the period
2 when these shall be so operated.

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

8 ~~[SEC. 7. *Renewal or Extension of Franchise.* — The grantee
9 shall apply for the renewal or extension of its franchise five (5)
10 years before its expiration, reckoned from fifteen (15) days after the
11 publication of the franchise in the *Official Gazette* or in a newspaper
12 of general circulation.]~~

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

26 SEC. [9] 8. *Warranty in Favor of the National and Local*
27 *Governments.* – The grantee shall hold the national, provincial,
28 city, and municipal governments of the Philippines free from all

1 claims, liabilities, demands, or actions arising out of accidents,
2 causing injury to persons or damage to properties, during the
3 construction or operation of the stations of the grantee.

4 SEC. [10] 9. *Commitment to Provide and Promote the Creation of*
5 *Employment Opportunities.* – The grantee shall create employment
6 opportunities and shall allow on-the-job trainings in their
7 franchise operation: *Provided,* That priority shall be accorded to
8 the residents of the place where their principal office is located:
9 *Provided, further,* That the grantee shall follow the applicable
10 labor standards and allowance entitlement under existing labor
11 laws, rules and regulations and similar issuances: *Provided, finally,*
12 That the employment opportunities or jobs created shall be
13 reflected in the General Information Sheet (GIS) to be submitted
14 to the Securities and Exchange Commission (SEC) annually.

15 SEC. [11] 10. *Sale, Lease, Transfer, Grant of Usufruct, or*
16 *Assignment of Franchise.* – The grantee shall not sell, lease,
17 transfer, grant the usufruct of, nor assign this franchise or the
18 rights and privileges acquired thereunder to any person, firm,
19 company, corporation, or other commercial or legal entity, nor
20 merge with any other corporation or entity, nor the controlling
21 interest of the grantee be transferred, simultaneously or
22 contemporaneously, to any person, firm, company, corporation, or
23 entity without the prior approval of the Congress of the Philippines.
24 Congress shall be informed of any sale, lease, transfer, grant of
25 usufruct, or assignment of franchise or the rights and privileges
26 acquired thereunder, or of the merger or transfer of the controlling
27 interest of the grantee, within sixty (60) days after the completion
28 of the said transaction. Failure to report to Congress such change of

1 ownership shall render the franchise *ipso facto* revoked. Any person
2 or entity to which this franchise is sold, transferred, or assigned
3 shall be subject to the same conditions, terms, restrictions, and
4 limitations of this Act.

5 SEC. [12] 11. *Dispersal of Ownership.* – In accordance with
6 the constitutional provision to encourage public participation in
7 public utilities, the grantee shall offer to Filipino citizens at least
8 thirty percent (30%) or a higher percentage that may hereafter be
9 provided by law of its outstanding capital stock in any securities
10 exchange in the Philippines within five (5) years from the
11 commencement of its operations: *Provided*, That in cases where
12 public offer of shares is not applicable, the grantee shall apply
13 other methods of encouraging public participation by citizens
14 and corporations operating public utilities as allowed by law.
15 Noncompliance therewith shall render the franchise *ipso facto*
16 revoked.

17 SEC. [13] 12. *Reportorial Requirement.* – The grantee shall
18 submit an annual report to the Congress of the Philippines,
19 through the Committee on Legislative Franchises of the House
20 of Representatives and the Committee on Public Services of
21 the Senate, on its compliance with the terms and conditions of
22 the franchise and on its operations on or before April 30 of
23 every year during the term of its franchise.

24 The annual report shall include an update on the roll-out,
25 development, operation and/or expansion of business; audited
26 financial statements; latest GIS officially submitted to the SEC,
27 if applicable; certification of the NTC on the status of its permits

1 and operations; and an update on the dispersal of ownership
2 undertaking, if applicable.

3 The reportorial compliance certificate issued by Congress
4 shall be required before any application for permit or certificate
5 is accepted by the NTC.

6 SEC. [14] 13. *Fine.* – Failure of the grantee to submit the
7 requisite annual report to Congress shall be penalized by a fine of
8 Five hundred pesos (P500.00) per working day of noncompliance.
9 The fine shall be collected by the NTC from the delinquent franchise
10 grantee separate from the reportorial penalties imposed by the NTC
11 and the same shall be remitted to the Bureau of the Treasury.

12 SEC. [15] 14. *Equality Clause.* – Any advantage, favor, privilege,
13 exemption, or immunity granted under existing franchises, or which
14 may hereafter be granted for radio and/or television broadcasting,
15 upon prior review and approval of Congress, shall become
16 part of this franchise and shall be accorded immediately and
17 unconditionally to the herein grantee: *Provided*, That the foregoing
18 shall neither apply to nor affect the provisions of broadcasting
19 franchises concerning territorial coverage, the term, or the type
20 of service authorized by the franchise.

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

26 SEC. [17] 16. *Separability Clause.* – If any of the sections or
27 provisions of this Act is held invalid, all other provisions not
28 affected thereby shall remain valid.

1 SEC. [18] 17. *Repealing Clause.* – All laws, decrees, orders,
2 resolutions, instructions, rules and regulations, and other issuances
3 or parts thereof which are inconsistent with the provisions of
4 this Act are hereby repealed, amended, or modified accordingly.

5 SEC. [19] 18. *Effectivity.* – This Act shall take effect fifteen (15) days
6 after its publication in the *Official Gazette* or in a newspaper of general
7 circulation.

Approved,

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