

HOUSE OF REPRESENTATIVES

H. No. 8755

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BY REPRESENTATIVES TEJADA AND ALVAREZ (F.), PER COMMITTEE REPORT NO. 757

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AN ACT

**GRANTING SULU-TAWI-TAWI BROADCASTING FOUNDATION, INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE, AND MAINTAIN RADIO AND TELEVISION STATIONS IN THE PROVINCES OF SULU AND TAWI-TAWI**

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2 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*  
3 *assembled:*

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5       **SECTION 1. Nature and Scope of Franchise.** – Subject to the provisions of the  
6 Constitution and applicable laws, rules and regulations, there is hereby granted to Sulu-Tawi-  
7 Tawi Broadcasting Foundation, Inc., hereunder referred to as the grantee, its successor or  
8 assignees, a franchise to construct, install, operate, and maintain for commercial purposes  
9 and in the public interest, radio and/or television broadcasting stations in the Provinces of  
10 Sulu and Tawi-Tawi, where frequencies and channels are still available for radio and television  
11 broadcasting, including digital television system, through microwave, satellite or whatever  
12 means, as well as the use of any new technology in television and radio systems, with the  
13 corresponding technological auxiliaries and facilities, special broadcast and other program  
14 and distribution services and relay stations.  
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16       **SEC. 2. Manner of Operation of Stations or Facilities.** – The stations or facilities of the  
17 grantee shall be constructed and operated in a manner as will, at most, result only in the  
18 minimum interference on the wavelengths or frequencies of existing stations or other stations  
19 which may be established by law, without in any way diminishing its own privilege to use its  
20 assigned wavelengths or frequencies and the quality of transmission or reception thereon as  
21 should maximize rendition of the grantee's services and availability thereof.  
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23       **SEC. 3. Prior Approval of the National Telecommunications Commission.** – The  
24 grantee shall secure from the National Telecommunications Commission (NTC) the  
25 appropriate permits and licenses for the construction and operation of its stations or facilities  
26 and shall not use any frequency in the radio or television spectrum without authorization from  
27 the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such  
28 authority.  
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1 In case of any violation of the provisions of this franchise, the NTC shall have the  
2 authority to revoke or suspend, after due process, the permits or licenses it issued pursuant  
3 to the franchise. The NTC may recommend to Congress the revocation of the franchise for any  
4 violation of the provisions of this franchise.

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

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

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27 Pursuant to Republic Act No. 8370, otherwise known as the “Children’s Television Act  
28 of 1997”, the grantee shall allot a minimum of fifteen percent (15%) of the daily total air time  
29 of each broadcasting network or station to child-friendly shows within its regular  
30 programming.

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

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36 A special right is hereby reserved to the President of the Philippines, in times of war,  
37 rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order, to  
38 temporarily take over and operate the stations or facilities of the grantee; to temporarily  
39 suspend the operation of any station or facility in the interest of public safety, security, and  
40 public welfare; or to authorize the temporary use and operation thereof by any agency of the  
41 government, upon due compensation to the grantee, for the use of said stations or facilities  
42 during the period when these shall be so operated.

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

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49 **SEC. 7. Renewal or Extension of Franchise.** – The grantee shall apply for the renewal  
50 or extension of its franchise three (3) years before its expiration which shall be reckoned from

1 fifteen (15) days after the publication of the franchise in the *Official Gazette* or in a newspaper  
2 of general circulation.

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4 **SEC. 8. Self-regulation by and Undertaking of Grantee.** – The grantee shall not require  
5 any previous censorship of any speech, play, act or scene, or other matter to be broadcast  
6 from its stations, but if any such speech, play, act or scene, or other matter should constitute  
7 a violation of the law or infringement of a private right, the grantee shall be free from any  
8 liability, civil or criminal, for such speech, play, act or scene, or other matter: *Provided*, That  
9 the grantee, during any broadcast, shall cut off the airing of speech, play, act or scene, or  
10 other matter being broadcast if the tendency thereof is to propose or incite treason, rebellion  
11 or sedition; or the language used therein or the theme thereof is indecent or immoral:  
12 *Provided, further*, That willful failure to do so shall constitute a valid cause for the cancellation  
13 of this franchise.

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

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20 **SEC. 10. Commitment to Provide and Promote the Creation of Employment**  
21 **Opportunities.** – The grantee shall create employment opportunities and accept on-the-job  
22 trainees in the franchise operations: *Provided*, That priority shall be accorded to the residents  
23 of the place where the principal office of the grantee is located: *Provided further*, That the  
24 grantee shall ensure that at least sixty percent (60%) of its employees are regular employees  
25 and in no case shall the percentage of contractual, job order, or casual employees, talents,  
26 and independent contractors combined, exceed forty percent (40%) of its total  
27 workforce: *Provided, finally*, That the grantee shall comply with the applicable labor standards  
28 and allowance entitlement under existing labor laws, rules and regulations and similar  
29 issuances.

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31 The employment opportunities or jobs created shall be reflected in the General  
32 Information Sheet (GIS) to be submitted to Securities and Exchange Commission (SEC)  
33 annually. In addition, the grantee shall include in its annual report to Congress the number of  
34 trainees, job order workers, casual employees, and contract of service workers whose  
35 employment status are made regular, and append the appropriate certificate from the  
36 Department of Labor and Employment attesting that it has complied with the employment  
37 requirement under this Section.

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39 **SEC. 11. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.** – The  
40 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the  
41 rights and privileges acquired thereunder to any person, firm, company, corporation or other  
42 commercial or legal entity, nor merge with any other corporation or entity, nor shall the  
43 controlling interest of the grantee be transferred, simultaneously or contemporaneously, to  
44 any person, firm, company, corporation, or entity without the prior approval of Congress. The  
45 grantee shall inform Congress of any sale, lease, transfer, grant of usufruct, or assignment of  
46 franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the  
47 controlling interest of the grantee, within sixty (60) days after the completion of the said  
48 transaction. Failure to report to Congress such change of ownership shall render the franchise  
49 *ipso facto* revoked. Any person or entity to which this franchise is sold, transferred, or

1 assigned shall be subject to the same conditions, terms, restrictions, and limitations of this  
2 Act.

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4 **SEC. 12. Reportorial Requirement.** – The grantee shall submit an annual report on its  
5 compliance with the terms and conditions of the franchise and on its operations to the  
6 Congress of the Philippines, through the Committee on Legislative Franchises of the House of  
7 Representatives and the Committee on Public Services of the Senate, on or before April 30 of  
8 every year during the term of its franchise.

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

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

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18 **SEC. 13. Fine.** – Failure of the grantee to submit the requisite annual report to  
19 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day of  
20 noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee  
21 separate from the reportorial penalties imposed by the NTC and the same shall be remitted  
22 to the Bureau of the Treasury.

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24 **SEC. 14. Equality Clause.** – Any advantage, favor, privilege, exemption, or immunity  
25 granted under existing franchises, or which may hereafter be granted for radio and television  
26 broadcasting, upon prior review and approval of Congress, shall become part of this franchise  
27 and shall be accorded immediately and unconditionally to the herein grantee: *Provided*, That  
28 the foregoing shall neither apply to nor affect the provisions of broadcasting franchises  
29 concerning territorial coverage, the term, or the type of service authorized by the franchise.

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

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35 **SEC. 16. Separability Clause.** – If any of the sections or provisions of this Act is held  
36 invalid, all other provisions not affected thereby shall remain valid.

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38 **SEC. 17. Repealing Clause.** –All laws, decrees, orders, resolutions, instructions, rules  
39 and regulations, and other issuances or parts thereof which are inconsistent with the  
40 provisions of this Act are hereby repealed, amended, or modified accordingly.

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

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45 Approved,