



HOUSE OF REPRESENTATIVES

H. No. 8973

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BY REPRESENTATIVES GARBIN, ALVAREZ (F.) AND MACEDA, PER COMMITTEE REPORT NO. 846

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**AN ACT**

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO NATION BROADCASTING CORPORATION OF THE PHILIPPINES UNDER REPUBLIC ACT NO. 8623, ENTITLED "AN ACT GRANTING THE NATION BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"**

*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 provisions of  
2 the Constitution and applicable laws, rules and regulations, the franchise granted to  
3 Nation Broadcasting Corporation of the Philippines, hereunder referred to as the  
4 grantee, its successor or assignees, under Republic Act No. 8623, to construct, install,  
5 establish, operate, and maintain for commercial purposes and in the public interest,  
6 radio and television broadcasting stations in the Philippines, where frequencies and  
7 channels are still available for radio and television broadcasting, including digital  
8 television system, through microwave, satellite or whatever means, as well as the use  
9 of any new technology in radio and television systems, with the corresponding  
10 technological auxiliaries and facilities, special broadcast and other program and  
11 distribution services and relay stations, is hereby renewed for another twenty-five (25)  
12 years.

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

21  
22           **SEC. 3. *Prior Approval of the National Telecommunications Commission.***–  
23 The grantee shall secure from the National Telecommunications Commission (NTC)

1 the appropriate permits and licenses for the construction and operation of its stations  
2 or facilities and shall not use any frequency in the radio spectrum without authorization  
3 from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant  
4 of any such authority.  
5

6 In case of any violation of the provisions of this franchise, the NTC shall have  
7 the authority to revoke or suspend, after due process, the permits or licenses it issued  
8 pursuant to the franchise. The NTC may recommend to Congress the revocation of  
9 the franchise for any violation of the provisions of this franchise.  
10

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

25 Public service time referred herein shall be equivalent to a maximum aggregate  
26 of ten percent (10%) of paid commercials or advertisements which shall be allocated  
27 based on need to the Executive and Legislative branches, the Judiciary, Constitutional  
28 Commissions, and international humanitarian organizations duly recognized by  
29 statutes: Provided, That the NTC shall increase the public service time in case of  
30 extreme emergency or calamity. The NTC shall issue rules and regulations for this  
31 purpose, the effectivity of which shall commence upon applicability with other similarly  
32 situated broadcast network franchise holders.  
33

34 Pursuant to Republic Act No. 8370, otherwise known as the "Children's  
35 Television Act of 1997", the grantee shall allot a minimum of fifteen percent (15%) of  
36 the daily total air time of each broadcasting network or station to child-friendly shows  
37 within its regular programming.  
38

39 **SEC. 5. Right of the Government.** —The radio spectrum is a finite resource  
40 that is part of the national patrimony, and the use thereof is a privilege conferred upon  
41 the grantee by the State that may be withdrawn any time after due process.  
42

43 A special right is hereby reserved to the President of the Philippines, in times  
44 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace  
45 and order, to temporarily take over and operate the stations or facilities of the grantee;  
46 to temporarily suspend the operation of any station or facility in the interest of public

1 safety, security, and public welfare; or to authorize the temporary use and operation  
2 thereof by any agency of the government, upon due compensation to the grantee, for  
3 the use of said stations or facilities during the period when these shall be so operated.  
4

5 **SEC. 6. Term of Franchise.** –This franchise shall be in effect for a period of  
6 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or  
7 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee  
8 fails to operate continuously for two (2) years.  
9

10 **SEC. 7. Renewal or Extension of Franchise.** – The grantee shall apply for the  
11 renewal or extension of its franchise three (3) years before its expiration which shall  
12 be reckoned from fifteen (15) days after the publication of the franchise in the *Official*  
13 *Gazette* or in a newspaper of general circulation.  
14

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

26 **SEC. 9. Warranty in Favor of the National and Local Governments.** –The  
27 grantee shall hold the national, provincial, city, and municipal governments of the  
28 Philippines free from all claims, liabilities, demands, or actions arising out of accidents  
29 causing injury to persons or damage to properties, during the construction or operation  
30 of the stations of the grantee.  
31

32 **SEC. 10. Commitment to Provide and Promote the Creation of**  
33 **Employment Opportunities.** – The grantee shall create employment opportunities  
34 and accept on-the-job trainees in the franchise operations: *Provided*, That priority shall  
35 be accorded to the residents of the place where the principal office of the grantee is  
36 located: *Provided further*, That the grantee shall ensure that at least sixty percent  
37 (60%) of its employees are regular employees and in no case shall the percentage of  
38 contractual, job order, or casual employees, talents, and independent contractors  
39 combined, exceed forty percent (40%) of its total workforce: *Provided, finally*, That the  
40 grantee shall comply with the applicable labor standards and allowance entitlement  
41 under existing labor laws, rules and regulations and similar issuances.  
42

43 The employment opportunities or jobs created shall be reflected in the General  
44 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission  
45 (SEC) annually. In addition, the grantee shall include in its annual report to Congress  
46 the number of trainees and workers whose employment status are made regular, and

1 append the appropriate certificate from the Department of Labor and Employment  
2 attesting that it has complied with the employment requirement under this Section.  
3

4 **SEC. 11. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of**  
5 **Franchise.** – The grantee shall not sell, lease, transfer, grant the usufruct of, nor  
6 assign this franchise or the rights and privileges acquired thereunder to any person,  
7 firm, company, corporation, or other commercial or legal entity, nor merge with any  
8 other corporation or entity, nor shall the controlling interest of the grantee be  
9 transferred, simultaneously or contemporaneously, to any person, firm, company,  
10 corporation, or entity without the prior approval of Congress. The grantee shall inform  
11 Congress, through the Office of the Speaker of the House of Representatives and  
12 Office of the Senate President, of any sale, lease, transfer, grant of usufruct, or  
13 assignment of franchise or the rights and privileges acquired thereunder, or of the  
14 merger or transfer of the controlling interest of the grantee, within sixty (60) days after  
15 the completion of the said transaction. Failure to report to Congress such change of  
16 ownership shall render the franchise ipso facto revoked. Any person or entity to which  
17 this franchise is sold, transferred, or assigned shall be subject to the same conditions,  
18 terms, restrictions, and limitations of this Act.  
19

20 **SEC. 12. Dispersal of Ownership.** – In accordance with the constitutional  
21 provision to encourage public participation in public utilities, the grantee shall offer to  
22 Filipino citizens at least thirty percent (30%) of its common stocks, or a higher  
23 percentage that may hereafter be provided by law, in any securities exchange in the  
24 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases  
25 where public offer of shares is not applicable, other methods of encouraging public  
26 participation by citizens and corporations operating public utilities must be  
27 implemented. Noncompliance therewith shall render the franchise ipso facto revoked.  
28

29 **SEC. 13. Reportorial Requirement.** – The grantee shall submit an annual  
30 report on its compliance with the terms and conditions of the franchise and on its  
31 operations to the Congress of the Philippines, through the Committee on Legislative  
32 Franchises of the House of Representatives and the Committee on Public Services of  
33 the Senate, on or before April 30 of every year during the term of its franchise.  
34

35 The annual report shall include an update on the commencement of activities,  
36 development, operation, and expansion of business; audited financial statements;  
37 latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the  
38 status of its permits and operations; and an update on the dispersal of ownership  
39 undertaking, if applicable.  
40

41 The reportorial compliance certificate issued by Congress shall be required  
42 before any application for permit or certificate is accepted by the NTC.  
43

44 **SEC. 14. Fine.** – Failure of the grantee to submit the requisite annual report to  
45 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working  
46 day of noncompliance to the NTC. The fine shall be collected separately from the

1 reportorial penalties imposed by the NTC, and it shall be remitted to the Bureau of the  
2 Treasury.

3  
4 **SEC. 15. Equality Clause.** – Any advantage, favor, privilege, exemption, or  
5 immunity granted under existing franchises, or which may hereafter be granted for  
6 radio and television broadcasting, upon prior review and approval of Congress, shall  
7 become part of this franchise and shall be accorded immediately and unconditionally  
8 to the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect the  
9 provisions of broadcasting franchises concerning territorial coverage, the term, or the  
10 type of service authorized by the franchise.

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

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

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20 **SEC. 18. Repealing Clause.** – All laws, decrees, orders, resolutions,  
21 instructions, rules and regulations, and other issuances or parts thereof which are  
22 inconsistent with the provisions of this Act are hereby repealed, amended, or modified  
23 accordingly.

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

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28 Approved,