



HOUSE OF REPRESENTATIVES

H. No. 8977

BY REPRESENTATIVES ROMUALDO, ALVAREZ (F.) AND MACEDA, PER COMMITTEE REPORT NO. 850

AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GV BROADCASTING SYSTEM, INC., PRESENTLY KNOWN AS SIGNAL TV, INC., UNDER REPUBLIC ACT NO. 8169, AS AMENDED BY REPUBLIC ACT NO. 8591, ENTITLED "AN ACT AMENDING REPUBLIC ACT NO. 8169, ENTITLED 'AN ACT GRANTING GV BROADCASTING SYSTEM, INC. A FRANCHISE TO CONSTRUCT, INSTALL, MAINTAIN AND OPERATE FOR COMMERCIAL PURPOSES RADIO BROADCASTING STATIONS IN THE ISLAND OF LUZON AND FOR OTHER PURPOSES' "

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 the
2 Constitution and applicable laws, rules and regulations, the franchise granted to GV
3 Broadcasting System, Inc., presently known as Signal TV, Inc., hereunder referred to as
4 the grantee, its successor or assignees, under Republic Act No. 8169, as amended by
5 Republic Act No. 8591, to construct, install, operate, and maintain for commercial
6 purposes and in the public interest, radio and television broadcasting stations throughout
7 the Philippines, where frequencies and channels are still available for radio and television
8 broadcasting, including digital television system, and the use of any new technology in
9 radio and television systems, as well as such other systems, facilities or structures for the
10 origination, reception, processing, transmission, broadcast, rebroadcast or distribution of
11 audio, video, information, and other electronic signals, for the provision of services such
12 as direct to home/user broadcast via satellite, pay television, multimedia, value-added

1 services and other similar services, through electromagnetic waves, fiber optics, satellites
2 and whatever means now available or which in the future may be developed, with the
3 corresponding technical auxiliaries or facilities, relay stations, transmit and receive
4 satellite systems, content production and distribution facilities, and other systems as are
5 essential or convenient to carry out the purposes of this franchise, is hereby renewed for
6 another twenty-five (25) years.

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

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

22
23 In case of any violation of the provisions of this franchise, the NTC shall have the
24 authority to revoke or suspend, after due process, the permits or licenses it issued
25 pursuant to the franchise. The NTC may recommend to Congress the revocation of the
26 franchise for any violation of the provisions of this franchise.

27
28 **SEC. 4. Responsibility to the Public.**– The grantee shall provide, free of charge,
29 adequate public service time which is reasonable and sufficient to enable the government,
30 through the broadcasting stations or facilities of the grantee, to reach the pertinent
31 populations or portions thereof, on important public issues and relay important public

1 announcements and warnings concerning public emergencies and calamities, as
2 necessity, urgency, or law may require; provide at all times sound and balanced
3 programming; promote public participation; assist in the functions of public information
4 and education; conform to the ethics of honest enterprise; promote audience sensibility
5 and empowerment including closed captioning; and not use its stations or facilities for the
6 broadcasting of obscene or indecent language, speech, act, or scene, the dissemination
7 of deliberately false information or willful misrepresentation, to the detriment of public
8 interest, or to incite, encourage, or assist in subversive or treasonable acts.

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

18
19 Pursuant to Republic Act No. 8370, otherwise known as the "Children's Television
20 Act of 1997", the grantee shall allot a minimum of fifteen percent (15%) of the daily total
21 air time of each broadcasting network or station to child-friendly shows within its regular
22 programming.

23
24 **SEC. 5. Right of the Government.** –The radio spectrum is a finite resource that
25 is part of the national patrimony, and the use thereof is a privilege conferred upon the
26 grantee by the State that may be withdrawn any time after due process.

27
28 A special right is hereby reserved to the President of the Philippines, in times of
29 war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and
30 order, to temporarily take over and operate the stations or facilities of the grantee; to
31 temporarily suspend the operation of any station or facility in the interest of public safety,

1 security, and public welfare; or to authorize the temporary use and operation thereof by
2 any agency of the government, upon due compensation to the grantee, for the use of said
3 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 cancelled.
7 This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to operate
8 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 be
12 reckoned from fifteen (15) days after the publication of the franchise in the *Official Gazette*
13 or in a newspaper of general circulation.
14

15 **SEC. 8. Self-regulation by and Undertaking of Grantee.**–The grantee shall not
16 require any previous censorship of any speech, play, act or scene, or other matter to be
17 broadcast from its stations, but if any such speech, play, act or scene, or other matter
18 should constitute a violation of the law or infringement of a private right, the grantee shall
19 be free from any liability, civil or criminal, for such speech, play, act or scene, or other
20 matter: *Provided*, That the grantee, during any broadcast, shall cut off the airing of
21 speech, play, act or scene, or other matter being broadcast if the tendency thereof is to
22 propose or incite treason, rebellion, or sedition; or the language used therein or the theme
23 thereof is indecent or immoral: *Provided, further*, That willful failure to do so shall
24 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 of
30 the stations of the grantee.
31

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

11
12 The employment opportunities or jobs created shall be reflected in the General
13 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
14 (SEC) annually. In addition, the grantee shall include in its annual report to Congress the
15 number of trainees and workers whose employment status are made regular, and append
16 the appropriate certificate from the Department of Labor and Employment attesting that it
17 has complied with the employment requirement under this Section.

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

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

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

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

18 The annual report shall include an update on the commencement of activities,
19 development, operation, and expansion of business; audited financial statements; latest
20 GIS officially submitted to the SEC, if applicable; certification of the NTC on the status of
21 its permits and operations; and an update on the dispersal of ownership undertaking, if
22 applicable.
23

24 The reportorial compliance certificate issued by Congress shall be required before
25 any application for permit or certificate is accepted by the NTC.
26

27 **SEC. 14. *Fine.*** – Failure of the grantee to submit the requisite annual report to
28 Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day
29 of noncompliance to the NTC. The fine shall be collected separately from the reportorial
30 penalties imposed by the NTC, and it shall be remitted to the Bureau of the Treasury.
31

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

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

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

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

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

Approved,