



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 5200

Introduced by **REP. ROSE MARIE J. ARENAS & REP. ANICETO D. BERTIZ III**

EXPLANATORY NOTE

This bill seeks to renew the franchise granted to Bright Star Broadcasting Network Corporation (BSBNC) to construct, install, establish, operate and maintain radio and television broadcasting stations in the Philippines by another twenty-five (25) years.

Bright Star Broadcasting Network Corporation was established in 1991 through Republic Act 7925 dated March 26, 1992, to construct, install, operate and maintain radio and television stations for commercial purposes. It was incorporated and registered with the Securities and Exchange Commission (SEC) on August 22, 1986 for the same purpose. It is an advertising agent, duly licensed to also carry on the business of advertising for other radio and television broadcast station. It is authorized to manufacture and produce musical records and tapes for broadcasting and private use alike, and to carry a recording business for this purpose. The National Telecommunications Commission (NTC) granted its FM DZW LA 105.9 frequency and started its operations in 1992 in Pasig City.

The twenty-five year legislative franchise of BSBNC is expiring in 2017, hence there is an urgent need to seek a legislative authorization for its continued operations.

In view of the foregoing, the approval of this bill is earnestly sought.



ROSE MARIE 'BABY' J. ARENAS



ANICETO "JOHN" D. BERTIZ III

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HOUSE BILL NO. 5200

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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO BRIGHT STAR BROADCASTING NETWORK CORPORATION UNDER REPUBLIC ACT NO. 7295 ENTITLED "AN ACT GRANTING THE BRIGHT STAR BROADCASTING NETWORK CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES 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 Philippine Constitution and applicable laws, rules and regulations, the franchise
3 granted to Bright Star Broadcasting Network Corporation, hereunder referred to as the
4 grantee, its successors or assignees, under Republic Act No.7295 entitled "An Act
5 Granting the Bright Star Broadcasting Network Corporation, a Franchise to Construct,
6 Operate and Maintain Radio Broadcasting Stations in the Philippines, and for Other
7 Purposes", to construct, install, establish, operate, and maintain for commercial
8 purposes and in the public interest, radio and/or television broadcasting stations,
9 including digital television system, through microwave, satellite or whatever means,
10 including the use of any new technology in television and radio systems, with the
11 corresponding technological auxiliaries and facilities, special broadcast and other
12 program and distribution services and relay stations in the Philippines, is hereby
13 renewed for another twenty-five (25) years from the effectivity of this Act.

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

1 stations or other stations which may be established by law, without in any way
2 diminishing its own privilege to use its assigned wavelengths or frequencies and the
3 quality of transmission or reception thereon as should maximize rendition of the
4 grantee's services and/or availability thereof.

5
6 *SEC. 3. Prior Approval of the National Telecommunications Commission.* – The
7 grantee shall secure from the National Telecommunications Commission (NTC) the
8 appropriate permits and licenses for the construction and operation of its stations and
9 facilities and shall not use any frequency in the radio/television spectrum without
10 authorization from the NTC. The NTC, however, shall not unreasonably withhold or
11 delay the grant of any such authority.

12 *SEC. 4. Responsibility to the Public.* - The grantee shall provide adequate
13 public service time to enable the government, through the said broadcasting stations
14 or facilities, to reach the population on important public issues; provide at all times
15 sound and balanced programming; assist in the functions of public information and
16 education; conform to the ethics of honest enterprise; and not use its stations and
17 facilities for the broadcasting of obscene and indecent language, speech, act or scene;
18 or for the dissemination of deliberately false information or willful misrepresentation, to
19 the detriment of the public interest; or to incite, encourage, or assist in subversive or
20 treasonable acts.

21 *SEC. 5. Right of Government.* - A special right is hereby reserved to the
22 President of the Philippines, in times of war, rebellion, public peril, calamity,
23 emergency, disaster, or disturbance of peace and order: to temporarily take over and
24 operate the stations or facilities of the grantee; to temporarily suspend the operation of
25 any station or facility in the interest of public safety, security and public welfare; or to
26 authorize the temporary use and operation thereof by any agency of the government,
27 upon due compensation to the grantee, for the use of said stations or facilities during
28 the period when they shall be so operated.

29 The radio spectrum is a finite resource that is part of the national patrimony and
30 the use thereof is a privilege conferred upon the grantee by the State and may be
31 withdrawn anytime after due process.

32 *SEC. 6. Term of Franchise.* – This franchise shall be in effect for a period of
33 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or

1 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee
2 fails to operate continuously for two (2) years.

3 SEC. 7. *Acceptance and Compliance.* – Acceptance of this new franchise shall
4 be given in writing to the Congress of the Philippines, through the Committee on
5 Legislative Franchises of the House of Representatives and the Committee on Public
6 Services of the Senate, within sixty (60) days from the effectivity of this Act. Upon
7 giving such acceptance, the grantee shall exercise the privileges granted under this
8 Act. Nonacceptance shall render the franchise void.

9 SEC. 8. *Self-regulation by and Undertaking of Grantee.* - The grantee shall not
10 require any previous censorship of any speech, play, act or scene, or other matter to
11 be broadcast from its stations: *Provided*, That the grantee, during any broadcast, shall
12 cut off from the air the speech, play, act or scene, or other matter being broadcast if
13 the tendency thereof is to propose and/or incite treason, rebellion or sedition; or the
14 language used therein or the theme thereof is indecent or immoral: *Provided, further*,
15 That willful failure to do so shall constitute a valid cause for the cancellation of this
16 franchise.

17
18 SEC. 9. *Warranty in Favor of National and Local Governments.* - The grantee
19 shall hold the national, provincial, city, and municipal governments of the Philippines
20 free from all claims, accounts, demands, or actions arising out of accidents or injuries,
21 whether to property or to persons, caused by the construction or operation of the
22 stations of the grantee.

23 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* - The
24 grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or
25 the rights and privileges acquired thereunder to any person, firm, company,
26 corporation, or other commercial or legal entity, nor merge with any other corporation
27 or entity, nor the controlling interest of the grantee be transferred, whether as a whole
28 or in parts, and whether simultaneously or contemporaneously, to any such person,
29 firm, company, corporation or entity without the prior approval of the Congress of the
30 Philippines: *Provided*, That Congress shall be informed of any sale, lease, transfer,
31 grant of usufruct of, or assignment of franchise or the rights or privileges acquired
32 thereunder, or of the merger or transfer of the controlling interest of the grantee, within
33 sixty (60) days after the completion of said transaction: *Provided, further*, That failure
34 to report to Congress such change of ownership shall render the franchise *ipso facto*

1 revoked: *Provided, finally*, That any person or entity to which this franchise is sold,
2 transferred or assigned, shall be subject to the same conditions, terms, restrictions,
3 and limitations of this Act.

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 per cent (30%) or a higher percentage that may hereafter
7 be provided by law of its outstanding capital stock in any securities exchange in the
8 Philippines within five (5) years from the commencement of its operations: *Provided*,
9 That in cases where public offer of shares is not applicable, establishment of
10 cooperatives and other methods of encouraging public participation by citizens and
11 corporations operating public utilities must be implemented. Noncompliance therewith
12 shall render the franchise *ipso facto* revoked.

13
14 SEC. 13. *General Broadcast Policy Law*. - The grantee shall comply with and
15 be subject to the provisions of a general broadcast policy law, which Congress may
16 hereafter enact.

17 SEC. 14. *Reportorial Requirement*. - The grantee shall submit an annual
18 report to the Congress of the Philippines, through the Committee on Legislative
19 Franchises of the House of Representatives and the Committee on Public Services of
20 the Senate, on its compliance with the terms and conditions of the franchise and on its
21 operations on or before April 30 of every year during the term of its franchise. The
22 reportorial compliance certificate issued by Congress shall be required before any
23 application for permit or certificate is accepted by the NTC.

24
25 SEC. 15. *Penalty Clause* - Failure of the grantee to submit the requisite
26 annual report to Congress will be penalized by a fine in the amount of five hundred
27 pesos (P500.00) per working day of noncompliance. The fine will be collected by the
28 NTC from the delinquent franchise grantee separate from the reportorial penalties
29 imposed by the NTC.

30
31 SEC. 16. *Equality Clause*. - Any advantage, favor, privilege, exemption, or
32 immunity granted under existing franchises, or which may hereafter be granted for
33 radio and/or television broadcasting, upon prior review and approval of Congress, shall
34 become part of this franchise and shall be accorded immediately and unconditionally
35 to the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect the

1 provisions of broadcasting franchises concerning territory covered by the franchise, the
2 life span of the franchise, or the type of service authorized by the franchise.

3
4 SEC. 17. *Separability Clause.* – If any of the sections or provisions of this Act is
5 held invalid, all other provisions not affected thereby shall remain valid.

6
7 SEC. 18. *Repealability and Nonexclusivity Clause.* – This franchise shall be
8 subject to amendment, alteration, or repeal by the Congress of the Philippines when
9 the public interest so requires and shall not be interpreted as an exclusive grant of the
10 privileges herein provided for.

11
12 SEC. 19. *Effectivity.*– This Act shall take effect fifteen (15) days after its
13 publication in the *Official Gazette* or in a newspaper of general circulation.

14
15 Approved,

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