EXPLANATORY NOTE

Broadcasting is the most inexpensive form of information and entertainment for the people. Radio, television, and cable television have provided the general public with news that have wide ranging consequences to their day-to-day activities, and entertainment that perks and stimulates the creativity of a public longing for holistic growth. Once upon a time, development communications (or Devcom) was a virtual beacon for those engaged in broadcasting. It was anchored on the philosophy that broadcasting, like all forms of communications, has to have a clearly defined purpose: to help facilitate communion or unity among peoples and institutions that would contribute to the greater good.

**FICTAP BROADCASTING NETWORK INC.** is a newly-formed corporation. The company's incorporators come from many different parts of the country – from far north all the way to the south. They have a very good grasp and understanding of the socio-cultural nuances of their respective communities. They are considered mavens of the industry and their expertise has been acknowledged locally and abroad.

It is a certainty that **FICTAP BROADCASTING NETWORK INC.** will contribute immensely to the positive development of broadcast communications in the country.

It is on this note that the immediate approval of this bill is earnestly sought.

ANTONIO "TONYPET" T. ALBANO
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7845

Introduced by HON. ANTONIO “TONYPET” T. ALBANO

AN ACT
GRANTING FICTAP RADIO BROADCASTING NETWORK INC. A
FRANCHISE TO INSTALL, CONSTRUCT, OPERATE AND MAINTAIN
COMMERCIAL RADIO AND TELEVISION BROADCASTING, AND CABLE
TELEVISION, STATIONS, THROUGHOUT THE PHILIPPINES

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

SECTION 1. Nature and Scope of Franchise.— Subject to the provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, there is hereby granted to FICTAP Broadcasting Network, Inc., hereunder referred to as the grantee, its successors or assignees, a franchise to construct, install, operate, and maintain, for commercial purposes and in the public interest, radio and television broadcasting stations, cable television, digital television, television white space systems, pay service, through microwave, satellite, terrestrial, or whatever mean, as well as the use of any new technology in television systems, with the corresponding auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in the Philippines.

SECTION 2. Manner of Operation of Stations or Facilities. - The stations or facilities of the grantee shall be constructed and operated in a manner as will, at most, result only in the minimum interference on the wavelengths or frequencies of existing stations or other stations which may be established by law, without in any way diminishing its own privilege to use its assigned wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's services and/or the availability thereof.
SECTION 3. Prior Approval of the National Telecommunications Commission. 
- The grantee shall secure from the National Telecommunications 
Commission (NTC) the appropriate permits and licenses for the construction 
and operation of its stations or facilities and shall not use any frequency in 
the radio/television spectrum without authorization from the NTC. The NTC, 
however, shall not unreasonably withhold or delay the grant of any such 
authority. The grantee shall not dispose or lease its facilities except to 
entities with radio or television broadcasting franchise: Provided, That the 
grantee shall inform and secure written authorization to proceed from the 
NTC, and report the transaction to the NTC within sixty (60) days after its 
completion: Provided, further, That the NTC shall determine the 
 corresponding sanction for any violation of this provision. In case of 
violation/s of any of the provisions of this franchise, the NTC shall have the 
authority to revoke or suspend, after due process, the permits, or licenses 
issued by the NTC pursuant to the franchise. NTC may recommend to 
Congress the revocation of the franchise if there are any violation/s of the 
provisions of the franchise.

SECTION 4. Responsibility to the Public. - The grantee shall provide, 
free of charge, adequate public service time which is reasonable and 
sufficient to enable the government, through the broadcasting stations or 
facilities of the grantee, to reach the pertinent populations or portions 
thereof, on important public issues and relay important public 
announcements and warnings concerning public emergencies and 
calamities, as necessity, urgency or law may require; provide at all times 
sound and balanced programming; promote public participation; assist in 
the functions of public information and education; conform to the ethics of 
honest enterprise; promote audience sensibility and empowerment; and not 
use its stations or facilities for the broadcasting of obscene or indecent 
language, speech, act, or scene; or for the dissemination of deliberately false 
information or willful misrepresentation, to the detriment of the public 
interest; or to incite, encourage, or assist in subversive or treasonable acts. 
Public service time referred herein shall be equivalent to a maximum 
aggregate of ten percent (10%) of the paid commercials or advertisements 
which shall be allocated based on need to the Executive and Legislative 
branches, the Judiciary, Constitutional Commissions, and international 
humanitarian organizations duly recognized by statutes: Provided, That the 
NTC shall increase the public service time in case of extreme emergency or 
calamity. The NTC shall issue rules and regulations for this purpose, the 
effectivity of which shall commence upon applicability with other similarly 
situated broadcast network franchise holders. Pursuant to Republic Act 
No.8370, the grantee shall allot a minimum of fifteen percent (15%) of the 
daily total air time of the broadcasting network to child-friendly show/s 
within its regular programming.

SECTION 5. Right of the Government. - The radio spectrum is a finite 
resource that is part of the national patrimony and the use thereof is a 
privilege conferred upon the grantee by the State and may be withdrawn any 
time after due process. A special right is hereby reserved to the President of 
the Philippines, in times of war, rebellion, public peril, calamity, emergency,
disaster, or disturbance of peace and order, to temporarily take over and
operate the stations or facilities of the grantee; to temporarily suspend the
operation of any station or facility in the interest of public safety, security
and public welfare; or to authorize the temporary use and operation thereof
by any agency of the government, upon due compensation to the grantee, for
the use of stations or facilities during the period when these shall be so
operated.

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

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

SECTION 8. Warranty in Favor of the National and Local Governments.
The grantee shall hold the national, provincial, city, and municipal
governments of the Philippines free from all claims, liabilities, demands, or
actions arising out of accidents causing injury to persons or damage to
properties, during the construction or operation of the stations of the
grantee.

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

SECTION 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment
of Franchise. - The grantee shall not sell, lease, transfer, grant the usufruct
of, nor assign this franchise or the rights and privileges acquired thereunder
to any person, firm, company, corporation or other commercial or legal
entity, nor merge with any other corporation or entity, nor the controlling
interest of the grantee be transferred simultaneously or contemporaneously, to any person, firm, company, corporation, or entity without the prior approval of the Congress of the Philippines. Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of the said transaction. Failure to report to Congress such change of ownership shall render the franchise ipso facto revoked. Any person or entity to which this franchise is sold, transferred, or assigned shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

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

SECTION 12. Reportorial Requirement. - The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of every year during the term of its franchise. The annual report shall include an update on the roll-out, development, operation, and/or expansion of business; audited financial statements; latest GIS officially submitted to SEC, if applicable; certification of the NTC on the status of its permits and operations; and an update on the dispersal of ownership undertaking, if applicable. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

SECTION 13. Fine. - Failure of the grantee to submit the requisite annual report to Congress shall be penalized by a fine of Five hundred pesos ($500.00) per working day of noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC and the same shall be remitted to the National Treasury.

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

SECTION 15. Repealability and Nonexclusivity Clause. - This
franchise shall be subject to amendment, alteration, or repeal by the
Congress of the Philippines when the public interest so requires and shall
not be interpreted as an exclusive grant of the privileges herein provided.

SECTION 16. Separability Clause. - If any of the sections or
provisions of this Act is held invalid, all other provisions not affected thereby
shall remain valid.

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

SECTION 18. Effectivity. - This Act shall take effect fifteen (15) days
after its publication in the Official Gazette or in a newspaper of general
circulation.

Approved,