Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

EIGHTEENTH CONGRESS  
Second Regular Session

COMMITTEE REPORT NO. 814

Submitted by the Committee on Legislative Franchises on MAR 05 2021.

Re: House Bill No. 8901

Recommending its approval in substitution of House Bill No. 6571

Sponsors: Representatives Franz E. Alvarez and Pablo John F. Garcia

Mr. Speaker:

The Committee on Legislative Franchises to which was referred House Bill No. 6571, authored by Rep. Pablo John F. Garcia entitled:

"AN ACT RENEWING THE FRANCHISE GRANTED TO SOUNDSTREAM BROADCASTING CORPORATION TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS FOR COMMERCIAL PURPOSES IN THE PROVINCE OF ISABELA AND IN OTHER PLACES IN THE PHILIPPINES UNDER REPUBLIC ACT NO. 8209 FOR ANOTHER TWENTY-FIVE (25) YEARS"

has considered the same and recommends that the attached House Bill No. 8901 entitled:

"AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO SOUNDSTREAM BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8209, ENTITLED ‘AN ACT GRANTING SOUNDSTREAM BROADCASTING CORPORATION, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF ISABELA, AND IN OTHER PLACES IN THE PHILIPPINES’"

Marquez, Florida P. Robes, Claudine Diane D. Bautista, Samantha Louise Vargas Alfonso, Luis A. Ferrer IV, Precious Hipolito Castelo, Jose I. Tejada, Joel Mayo Z. Almario, and Alyssa Sheena P. Tan as authors thereof.

Respectfully submitted:

FRANZ E. ALVAREZ
Chairperson
Committee on Legislative Franchises

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
Republic of the Philippines

HOUSE OF REPRESENTATIVES

Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 8901
(In substitution of House Bill No. 6571)


AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO
SOUNDSTREAM BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8209, ENTITLED
‘AN ACT GRANTING SOUNDSTREAM BROADCASTING CORPORATION, A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION
BROADCASTING STATIONS IN THE PROVINCE OF ISabela, AND IN OTHER PLACES IN 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
Constitution and applicable laws, rules and regulations, the franchise granted to Soundstream
Broadcasting Corporation, hereunder referred to as the grantee, its successor or assignees,
under Republic Act No. 8209, to construct, install, operate, and maintain for commercial
purposes and in the public interest, radio and/or television broadcasting stations in the
Province Isabela and other areas in the Philippines, where frequencies and channels are still
available for radio and television broadcasting, including digital television system, through
microwave, satellite or whatever means, as well as the use of any new technology in radio
and television systems, with the corresponding technological auxiliaries and facilities, special
broadcast and other program and distribution services and relay stations is hereby renewed
for another twenty-five (25) years.

SEC. 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 availability thereof.

SEC. 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 spectrum without authorization from the NTC.
The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

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

SEC. 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 including
closed captioning; and not use its stations or facilities for the broadcasting of obscene or
indecent language, speech, act, or scene, the dissemination of deliberately false information
or willful misrepresentation, to the detriment of 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 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, otherwise known as the “Children’s Television Act
of 1997”, the grantee shall allot a minimum of fifteen percent (15%) of the daily total air time
of each broadcasting network or station to child-friendly shows within its regular
programming.

SEC. 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 that 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 said stations or facilities
during the period when these shall be so operated.

SEC. 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.

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

SEC. 8. Self-regulation by and Undertaking of 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 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.

SEC. 9. 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.

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

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. In addition, the grantee shall include in its annual report to Congress the number of
trainees and workers whose employment status are made regular, and append the
appropriate certificate from the Department of Labor and Employment attesting that it has
complied with the employment requirement under this Section.

SEC. 11. 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 shall the
controlling interest of the grantee be transferred, simultaneously or contemporaneously, to
any person, firm, company, corporation, or entity without the prior approval of Congress. The
grantee shall inform Congress, through the Office of the Speaker and Office of the Senate
President, 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.

SEC. 12. 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%) of its common stocks, or a higher percentage that may hereafter be
provided by law, in any securities exchange in the Philippines within five (5) years from the
effectivity of this Act: Provided, That in cases where public offer of shares is not applicable,
other methods of encouraging public participation by citizens and corporations operating
public utilities must be implemented. Noncompliance therewith shall render the franchise
ipso facto revoked.

SEC. 13. Reportorial Requirement. — The grantee shall submit an annual report on its
compliance with the terms and conditions of the franchise and on its operations 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 or before April 30 of
every year during the term of its franchise.

The annual report shall include an update on the commencement of activities,
development, operation, or expansion of business; audited financial statements; latest GIS
officially submitted to the 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.

SEC. 14. Fine. — Failure of the grantee to submit the requisite annual report to
Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day of
noncompliance to the NTC. The fine shall be collected separately from the reportorial
penalties imposed by the NTC, and it shall be remitted to the Bureau of the Treasury.
SEC. 15. Equality Clause. – Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio 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.

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

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

SEC. 18. 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.

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

Approved,
FACT SHEET 8901
House Bill No. ______
In substitution of House Bill No. 6571
(As approved on 2 March 2021)

AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO SOUNDSTREAM BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8209, ENTITLED "AN ACT GRANTING SOUNDSTREAM BROADCASTING CORPORATION, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF ISABELA, AND IN OTHER PLACES IN THE PHILIPPINES"

Introduced by: REP. PABLO JOHN F. GARCIA

Committee Referral: LEGISLATIVE FRANCHISES
Committee Chairperson: HON. FRANZ E. ALVAREZ

OBJECTIVE:

- To allow the Soundstream Broadcasting Corporation to continue its effective public service through commercial radio and television broadcasting in the Philippines.

KEY PROVISIONS:

- Renews the radio and television franchise granted to Soundstream Broadcasting Corporation for another twenty-five (25) years;

- Mandates the grantee to secure the appropriate permits and licenses for the construction, installation and operation of its telecommunications systems or facilities from the NTC;

- Requires the grantee to provide an adequate public service time equivalent to a maximum aggregate of ten percent (10%) of the paid advertisements, to enable it to inform the population on important public issues and assist in the performance of the functions of public information and education;

- Requires the grantee to allot a minimum of fifteen percent (15%) of the daily total air time of each broadcasting network or station to child-friendly shows within its regular programming;

- Mandates the grantee to apply for the renewal or extension of its franchise three (3) years before its expiration which shall be reckoned from fifteen (15) days after the publication of the franchise in the Official Gazette or in a newspaper of general circulation.
• Prohibits the grantee to use its stations for the broadcasting of obscene and indecent language, speech, act or scene of for the dissemination of deliberately false information or willful misrepresentation, or to incite, encourage, or assist in subversive or treasonable acts;

• Reserves the right of the President of the Philippines 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 in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order;

• Provides that the national and local governments shall not be held liable for any damage to properties or injury to persons caused by accidents during construction or operation of the stations;

• Requires the grantee to create employment opportunities and allow on-the-job trainings in their franchise operation for residents of the place where any of its offices is located subject to applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances;

• Prohibits the grantee from leasing, transferring, selling nor assigning the franchise or the controlling interest thereof without the prior approval of Congress;

• Requires the grantee to offer to Filipino citizens at least thirty per cent (30%) of its outstanding stock in any security exchange in the Philippines or through other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law;

• Requires the grantee to submit an annual report to Congress on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year;

• Imposes a fine in the amount of Five hundred pesos (P500.00) per working day of noncompliance in the submission of its annual report to Congress; and

• Provides an equality clause which aims to grant existing and potential franchise grantees equal privilege, except those concerning territorial coverage, the term, or the type of service authorized by the franchise.

RELATED LAWS:

• Republic Act No. 8209 - AN ACT GRANTING SOUNDSTREAM BROADCASTING CORPORATION, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF ISABELA, AND IN OTHER PLACES IN THE PHILIPPINES
• Republic Act No. 8370 – CHILDREN’S TELEVISION ACT OF 1997