

HOUSE OF REPRESENTATIVES

H. No. 6914

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BY REPRESENTATIVES ROBES, ALVAREZ (F.), ALVAREZ (P.), QUIMBO, PIMENTEL, TEJADA, CAMINERO, ROMUALDO, MARCOLETA, CHAVEZ, SAVELLANO, RADAZA, ENVERGA, BANAL, VARGAS-ALFONSO, ZAMORA (M.C.), UNABIA, ABELLANOSA, ACOSTA, BERNOS, CORTES, ESPINO, MARTINEZ, UNICO, VIOLAGO, MONTORO, VILLAFUERTE, CHIPECO, RODRIGUEZ (I.), DURANO, AGGABAO, MACEDA, GATCHALIAN, RELAMPAGOS, VARGAS, REVILLA, BRAVO (M.V.), FERRER (L.), BELMONTE (R.), BATOCABE, VELARDE, ROMERO, MADRONA, CUA, TUGNA, ALMARIO, BERTIZ, SINGSON (E.), ALVAREZ (M.), CASTRO (F.H.), ABU, GARCIA-ALBANO, GARCIA (G.), CAYETANO, GARIN (S.), VILLARICA, SEMA, HERNANDEZ, ABUEG, ANDAYA, FARIÑAS, BONDOC, DEFENSOR, MERCADO, HOFER, CRISOLOGO, GONZALES (A.D.), NOEL, GULLAS, TY, SUAREZ, ABAYON, ATIENZA, GARBIN, DE VERA, BRAVO (A.), CAMPOS, ERMITA-BUHAIN, BATAOIL, NOGRALES (J.J.), SALO, PRIMICIAS-AGABAS AND VERGARA, PER COMMITTEE REPORT NO. 553

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AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO PEÑAFRANCIA BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8166, EXPANDING ITS COVERAGE TO THE ENTIRE PHILIPPINES, AND APPROVING THE TRANSFER OF ITS CORPORATE SHARES

*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  
2 provisions of the Philippine Constitution and applicable laws, rules  
3 and regulations, the franchise granted to Peñafrancia Broadcasting  
4 Corporation under Republic Act No. 8166, hereinafter referred to as  
5 the grantee, whose majority shares have been transferred to Eagle  
6 Broadcasting Corporation, to construct, install, establish, operate  
7 and maintain for commercial purposes and in the public interest,  
8 radio and/or television broadcasting stations, including digital  
9 television system, through microwave, satellite or whatever means,  
10 including the use of any new technologies in television and radio  
11 systems, with the corresponding technological auxiliaries and  
12 facilities, special broadcast and other program and distribution  
13 services and relay stations in the Philippines, is hereby renewed for  
14 another twenty-five (25) years.

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

24 SEC. 3. *Prior Approval of the National Telecommunications*  
25 *Commission.* – The grantee shall secure from the National  
26 Telecommunications Commission (NTC) the appropriate permits  
27 and licenses for the construction and operation of its stations

1 or facilities and shall not use any frequency in the radio/television  
2 spectrum without authorization from the NTC. The NTC, however,  
3 shall not unreasonably withhold or delay the grant of any such  
4 authority.

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

21 Public service time as used in this Act shall be equivalent  
22 to a maximum aggregate of ten percent (10%) of the paid  
23 commercials or advertisements which shall be allocated based  
24 on need to the executive, legislative, judiciary, constitutional  
25 commissions and international humanitarian organizations duly  
26 recognized by statutes: *Provided*, That the NTC shall increase  
27 the public service time in case of extreme emergency or calamity.

1 The NTC shall issue rules and regulations for this purpose, the  
2 effectivity of which shall commence upon applicability with other  
3 similarly situated broadcast network franchise holders.

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

8 A special right is hereby reserved to the President of  
9 the Philippines, in times of war, rebellion, public peril, calamity,  
10 emergency, disaster, or disturbance of peace and order: to  
11 temporarily take over and operate the stations or facilities of the  
12 grantee; to temporarily suspend the operation of any station or  
13 facility in the interest of public safety, security and public welfare;  
14 or to authorize the temporary use and operation thereof by any  
15 agency of the government, upon due compensation to the grantee,  
16 for the use of said stations or facilities during the period when these  
17 shall be so operated.

18 SEC. 6. *Term of Franchise.* – This franchise shall be in effect  
19 for a period of twenty-five (25) years from September 23, 2020,  
20 unless sooner revoked and cancelled. This franchise shall be  
21 deemed *ipso facto* revoked in the event the grantee fails to operate  
22 continuously for two (2) years.

23 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* –  
24 The grantee shall not require any previous censorship of any  
25 speech, play, act or scene, or other matter to be broadcast from its  
26 stations, but if any such speech, play, act or scene, or other matter  
27 should constitute a violation of the law or infringement of a

1 private right, the grantee shall be free from any liability, civil or  
 2 criminal, for such speech, play, act or scene, or other matter:  
 3 *Provided*, That the grantee, during any broadcast, shall cut off the  
 4 airing of speech, play, act or scene, or other matter being broadcast  
 5 if the tendency thereof is to propose and/or incite treason, rebellion  
 6 or sedition; or the language used therein or the theme thereof is  
 7 indecent or immoral: *Provided, further*, That willful failure to do so  
 8 shall constitute a valid cause for the revocation and cancellation of  
 9 this franchise.

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

16 SEC. 9. *Sale, Lease, Transfer, Usufruct, or Assignment of*  
 17 *Franchise.* – The grantee shall not sell, lease, transfer, grant the  
 18 usufruct of, nor assign this franchise or the rights and privileges  
 19 acquired thereunder to any person, firm, company, corporation, or  
 20 other commercial or legal entity, nor merge with any other  
 21 corporation or entity, nor the controlling interest of the grantee be  
 22 transferred, whether as a whole or in part, and whether  
 23 simultaneously or contemporaneously, to any such person, firm,  
 24 company, corporation, or entity without the prior approval of the  
 25 Congress of the Philippines: *Provided*, That such transfer, sale or  
 26 issuance is in accordance with any applicable constitutional  
 27 limitation: *Provided, further*, That any person or entity to which

1 this franchise is sold, transferred or assigned shall be subject  
 2 to all the same conditions, terms, restrictions, and limitations of  
 3 this Act.

4 SEC. 10. *Dispersal of Ownership.* – In accordance with the  
 5 constitutional provision to encourage public participation in  
 6 public utilities, the grantee shall offer to Filipino citizens at  
 7 least thirty percent (30%) or a higher percentage that may hereafter  
 8 be provided by law of its outstanding capital stock in any securities  
 9 exchange in the Philippines within five (5) years from the  
 10 commencement of its operations: *Provided*, That in cases where  
 11 public offer of shares is not applicable, establishment of  
 12 cooperatives and application of other methods of encouraging  
 13 public participation by citizens and corporations operating public  
 14 utilities as allowed by law must be implemented.

15 Noncompliance therewith shall render the franchise *ipso facto*  
 16 revoked.

17 SEC. 11. *Reportorial Requirement.* – The grantee shall  
 18 submit an annual report to the Congress of the Philippines,  
 19 through the Committee on Legislative Franchises of the House  
 20 of Representatives and the Committee on Public Services of the  
 21 Philippine Senate, on its compliance with the terms and conditions  
 22 of the franchise and on its operations on or before April 30 of every  
 23 year during the term of its franchise. The reportorial compliance  
 24 certificate issued by Congress shall be required before any  
 25 application for permit or certificate is accepted by the NTC.

26 SEC. 12. *Fine.* – Failure of the grantee to submit the  
 27 requisite annual report to Congress shall be penalized by a

1 fine of five hundred pesos (P500.00) for every working day of  
 2 noncompliance. The fine shall be collected separately by the  
 3 NTC distinct from the penalties it imposes for noncompliance  
 4 of its own reportorial requirements.

5       SEC. 13. *Equality Clause.* – Any advantage, favor,  
 6 privilege, exemption, or immunity granted under existing  
 7 franchises, or which may hereafter be granted for radio  
 8 broadcasting, upon prior review and approval of Congress, shall  
 9 become part of this franchise and shall be accorded immediately and  
 10 unconditionally to the herein grantee: *Provided*, That the foregoing  
 11 shall neither apply to nor affect the provisions of broadcasting  
 12 franchises concerning territorial coverage, term, or type of service  
 13 authorized by the franchise.

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

19       SEC. 15. *Separability Clause.* – If any of the sections or  
 20 provisions of this Act is held invalid, all other provisions not  
 21 affected thereby shall remain valid.

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

1       SEC. 17. *Effectivity.* – This Act shall take effect fifteen (15)  
 2 days after its publication in the *Official Gazette* or in a newspaper  
 3 of general circulation.

Approved,

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