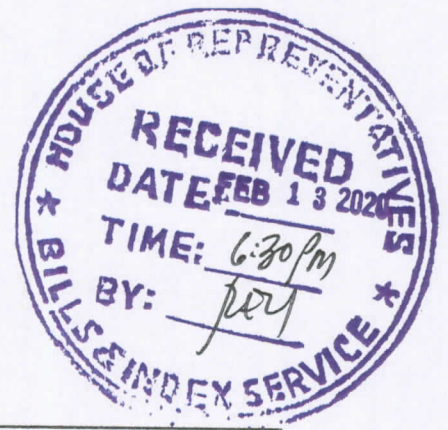




Eighteenth Congress
First Regular Session

HOUSE BILL NO. 6293



Introduced by
REPRESENTATIVE LOREN B. LEGARDA

AN ACT
RENEWING THE FRANCHISE GRANTED TO ABS-CBN CORPORATION (FORMERLY ABS-CBN BROADCASTING CORPORATION) UNDER REPUBLIC ACT NO. 7966 OR 'AN ACT GRANTING ABS-CBN BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES' FOR TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT

EXPLANATORY NOTE

For many decades now, ABS-CBN Corporation has been the country's leading media and entertainment organization¹. Under its current franchise: it has aired news and current affairs programs mirroring the nation's history; produced feature and entertainment programs that have inspired and touched the lives of millions of Filipinos; honed the skills of world-class talents and its platforms have served as the best training ground in the industry; and, its different enterprises have provided jobs and livelihood to thousands of Filipinos both here and abroad. All these, the Corporation hopes to continue, and do even more, under a renewed legislative franchise, once Congress approves.

This representation, having also served the public as broadcast journalist of this organization from 1986 to 1998, witnessed how ABS-CBN Corporation always endeavored to deliver only the best service to the Filipino people. From a simple news organization to a world-class multi-media corporation, ABS-CBN Corporation will no doubt continue to lead the industry in promoting freedom of the press, and in protecting the welfare of media practitioners as well as members and workers of the entertainment industry.

In view of the foregoing, the passage of this measure which seeks to renew the franchise of ABS-CBN for another twenty-five (25) years is earnestly sought.


LOREN LEGARDA

¹ <https://www.abs-cbn.com/who-we-are/our-story>



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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 1987
2 Constitution and applicable laws, rules and regulations, the franchise granted to ABS-
3 CBN Corporation, formerly known as ABS-CBN Broadcasting Corporation, hereunder
4 referred to as the grantee, its successors or assignees, to construct, install, establish,
5 operate and maintain for commercial purposes and in the public interest, radio and/or
6 television broadcasting, including digital television system, through microwave,
7 satellite or whatever means, or the use of any new technologies in television and radio
8 systems, with the corresponding technological auxiliaries and facilities, special
9 broadcast and other program and distribution services and relay stations, is hereby
10 renewed for another twenty-five (25) years from the effectivity of this Act.

1 **SECTION 2. Manner of Operation of Stations or Facilities.** – The stations of the
2 grantee shall be constructed and operated in a manner as will, at most, result only in
3 the minimum interference on the wavelengths or frequencies of existing stations or
4 other stations which may be established by law, without in any way diminishing its own
5 right to use its selected wavelengths or frequencies and the quality of transmission or
6 reception thereon as should maximize rendition of the grantee's services and/or the
7 availability thereof.

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

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

23 **SECTION 5. Right of Government.** – A special right is hereby reserved to the
24 President of the Philippines, in times of war, rebellion, public peril, calamity,
25 emergency, disaster or disturbance of peace and order; to temporarily take over and
26 operate the stations or facilities of the grantee; to temporarily suspend the operation

1 of any station or facility in the interest of public safety, security and public welfare; or
2 to authorize the temporary use and operation thereof by any agency of the
3 government, upon due compensation to the grantee, for the use of said stations or
4 facilities during the period when they shall be so operated.

5 The radio spectrum 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 and may be
7 withdrawn anytime after due process.

8 **SECTION 6. Term of Franchise.** – This franchise shall be in effect for a period of
9 twenty-five (25) years, unless sooner revoked or cancelled. This franchise shall be
10 deemed ipso facto revoked in the event that grantee fails to operate continuously for
11 two (2) years.

12 **SECTION 7. Acceptance and Compliance.** – Acceptance of this franchise shall be
13 given in writing to the Congress of the Philippines, through the Committee on
14 Legislative Franchises of the House of Representatives and the Committee on Public
15 Services of the Senate within sixty (60) days from the effectivity of this Act. Upon giving
16 such acceptance, the grantee shall exercise the privileges granted under this Act. Non-
17 acceptance shall render the franchise void.

18 **SECTION 8. Self-regulation by and Undertaking of Grantee.** – The grantee shall
19 not require any previous censorship of any speech, play, act or scene, or other matter
20 to be broadcast from its stations: Provided, That the grantee, during any broadcast,
21 shall cut off from the air the speech, play, act or scene, or other matter being broadcast
22 if the tendency thereof is to propose and/or incite treason, rebellion or sedition; or the
23 language used therein or the theme thereof is indecent or immoral; Provided, further,
24 That willful failure to do so shall constitute a valid cause for the cancellation of this
25 franchise.

1 **SECTION 9. Warranty in Favor of National and Local Governments.** The grantee
2 shall hold the national, provincial, city and municipal governments of the Philippines
3 free from all claims, accounts, demands or actions arising out of accidents or injuries,
4 whether to property or to persons, cause by the construction or operation of the
5 stations of the grantee.

6 **SECTION 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of**
7 **Franchise.** – The grantee shall not sell, lease, transfer, grant the usufruct of, nor
8 assign this franchise or the rights and privileges acquired thereunder to any person,
9 firm, company, corporation or other commercial or legal entity, nor merge with any
10 other corporation, nor shall transfer the controlling interest of the grantee, whether as
11 a whole or in part and whether simultaneously or contemporaneously, to any such
12 person, firm, company, corporation or entity without the prior approval of the Congress
13 of the Philippines: Provided, That Congress shall be informed of any sale, lease,
14 transfer, grant of usufruct, or assignment of franchise or the rights or privileges
15 acquired thereunder, or the merger or transfer of the controlling interest of the grantee,
16 within sixty (60) days after the completion of said transaction: Provided, further, That
17 failure to report to Congress such change of ownership shall render the franchise ipso
18 facto revoked: Provided, finally, That any person or entity to which this franchise is
19 sold, transferred or assigned, shall be subject to the same condition, terms, restrictions
20 and limitations of this Act.

21 **SECTION 11. Dispersal of Ownership.** – In accordance with the Constitutional
22 provision to encourage public participation in public utilities, the grantee shall offer to
23 Filipino citizens at least thirty per centum (30%) or a higher percentage that may
24 hereafter be provided by law of its outstanding stock in any securities exchange in the
25 Philippines within five (5) years from the commencement of its operations: Provided,
26 That in cases where public offer of shares is not applicable, establishment of

1 cooperatives and other methods of encouraging public participation by citizens and
2 corporations operating public utilities must be implemented. Noncompliance therewith
3 shall render the franchise ipso facto revoked.

4 **SECTION 12. General Broadcast Policy Law.** – The grantee shall comply with and
5 be subject to the provisions of a general broadcast policy law, which Congress may
6 hereafter enact.

7 **SECTION 13. Reportorial Requirement.** – The grantee shall submit an annual report
8 to the Congress of the Philippines, through the Committee on Legislative Franchises
9 of the House of Representatives and the Committee on Public Services of the Senate,
10 on its compliance with the terms and conditions of the franchise and on its operations
11 on or before April 30 of the succeeding year. The reportorial compliance certificate
12 issued by Congress shall be required before any application for permit or certificate is
13 accepted by NTC.

14 **SECTION 14. Penalty Clause.** – Failure of the grantee to submit the requisite annual
15 report to Congress shall be penalized by a fine of five hundred pesos (P500.00) per
16 working day of noncompliance. The fine shall be collected by the NTC from the
17 delinquent franchise grantee separate from the reportorial penalties imposed by the
18 NTC. The collected funds shall accrue to the monitoring fund of the NTC in line with
19 its supervisory and regulatory functions.

20 **SECTION 15. Equality Clause.** – Any advantage, favor, privilege, exemption, or
21 immunity granted under existing franchise, or which may hereafter be granted for radio
22 and/or television broadcasting, upon prior review and approval of Congress, shall
23 become part of this franchise and shall be accorded immediately and unconditionally
24 to the herein grantee: Provided, That the foregoing shall neither apply to nor affect the
25 provisions of broadcasting franchise concerning territory covered by the franchise, the
26 life span of the franchise or the type of service authorized by the franchise: Provided,

1 further, That the foregoing shall not apply to sale, lease, transfer or grant of usufruct
2 of legislative franchise with prior Congressional approval.

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

5 **SECTION 17. Repealability and Non-exclusivity Clause.** -- This franchise shall be
6 subject to amendment, alteration, or repeal by the Congress of the Philippines when
7 the public interest so requires and shall not be interpreted as a exclusive grant of the
8 privileges herein provided for.

9 **SECTION 18. Publication.** -- This Act shall be published, through the initiative of the
10 grantee, fifteen (15) days after this Act is signed by the President of the Philippines or
11 has lapsed into law.

12 **SECTION 19. Effectivity Clause.** -- 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,