

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH (18<sup>th</sup>) CONGRESS**  
First Regular Session



**HOUSE BILL No. 3521**

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Introduced by Representative **ROSE MARIE J. ARENAS**

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**EXPLANATORY NOTE**

Mass media is communication—in all its forms, whether as mainstream media through print and broadcast, or as social media with digital platforms such as Facebook, Twitter or Instagram, to name a few. If there is anything that should describe this century, it has to be that of information and communication technology, which has evolved in ways that significantly changed the world, transforming people and societies, breaking down barriers and dissolving boundaries, leading to a more globalized community.

In this age of social media, mainstream media, such as print and broadcast, have to contend with many challenges, mainly competing for audience. With social media, people have gained unprecedented access to information, through one small device, that they can carry around in their pockets at all times. It has also provided a social platform for people to engage allowing more interaction.

A 2019 report by We Are Social showed Filipinos spend the most time on the internet and on social media sites. Filipinos spend an average of 10 hours, 2 minutes on the internet via any device but the worldwide average for hours spent on the internet is at 6 hours, 42 minutes. The report also showed Filipinos usually spend over 4 hours on social media daily, while the worldwide average for social media use is at 2 hours, 16 minutes.

The reality however is that, while some communities find it easier to get internet access, not everyone does, because most of the areas in the Philippines are still rural and not as developed as those areas with more access to the internet. Hence, despite the growing popularity of social media, broadcast media is still the biggest source of information for most Filipinos.


In a 2016 survey conducted by Kantar Media, 96.6 percent of Filipinos watch TV daily. In a survey conducted by the Asean DNA, a site that promotes a better understanding of the Southeast Asian Nations, or ASEAN, results showed that Filipinos are the second-most avid watchers of television in the world, spending an average of 21 hours a week watching TV, compared to Americans at 19 hours; Japan, 17.9 hours; and China 15.7 hours. Radio is still the second largest medium with an average of 3 in 10 Filipinos listen to the radio daily.

Front and center of the broadcast media industry is the ABS-CBN Corporation. It is the largest free-to-air TV broadcast station in the country and operates 19 radio stations, with a regional network of 25 originating stations, 8 affiliates, and other relay stations across the county. They are also into production of TV shows, movies, and music and owns the largest pay TV provider in the country which also offers broadband internet services. It was the first Filipino company to pursue global programming through The Filipino Channel (TFC), which broadcasts to viewers in the United States, Canada, Europe, Australia, the Middle East, and Asia Pacific.

Being a pillar in the broadcast industry of the Philippines, with the widest reach to more than 10 million Filipinos overseas, it is crucial that their franchise be renewed at the earliest possible time, to avoid any interruption in the delivery of their services, whether for information or entertainment.

Equally important is the fact that the renewal of their legislative franchise for the next twenty-five (25) years will save the jobs and source of livelihood of more than 10,000 Filipino workers and their families. ABS-CBN currently employs 6,730 regular employees, 900 non-regular workers and more than 3,325 talents, based on the network's 2018 report to the Securities and Exchange Commission (SEC) and Philippine Stocks Exchange (PSE).

One cannot talk of the beginnings and development of broadcast media in the Philippines without talking about the history and evolution of the ABS-CBN Corporation. The future of ABS-CBN is as tied together with the future of Philippine broadcast media, just as much as their pasts are intrinsically bound together.



**ROSE MARIE 'BABY' J. ARENAS**  
Deputy Speaker  
Representative  
Third District of Pangasinan

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

*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 Constitution and applicable laws, rules and regulations, the ABS-CBN Broadcasting Corporation, hereunder referred to as the grantee, its successors or assigns, is hereby granted a franchise to construct, operate and maintain, for commercial purposes and in the public interest, television and radio broadcasting stations in and throughout the Philippines, through microwave, satellite or whatever means including the use of any new technologies in television and radio systems, with the corresponding technological auxiliaries or facilities, special broadcast and other broadcast distribution services and relay stations.

**SECTION 2. *Manner of Operation of Stations or Facilities.*** – The existing and future stations or facilities of the grantee shall be constructed in a manner as will at most result only in the minimum interference on the wavelengths or frequencies of the other existing station or stations which may be established by law without in any way diminishing its own right to use its selected 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 the appropriate permits and licenses for its stations and shall not use any frequency in the television or radio spectrum without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

**SECTION 4. Responsibility to the Public.** – The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations, to reach the population on important public issues; provide at all times sound and balanced programming; promote public participation such as in community programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations for the broadcasting of obscene and 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.

**SECTION. 5. Right of Government.** – A special right is hereby reserved to the President of the Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and operate the stations of the grantee, to temporarily suspend the operation of any station 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 the said stations during the period when they shall be so operated.

**SECTION 6. Term of Franchise.**–This franchise shall be **IN EFFECT FOR A PERIOD** for a of twenty-five (25) years from the date of **EFFECTIVITY** of this Act. In the event the grantee fails to operate continuously for two (2) years, this Franchise, shall be deemed *ipso facto* revoked.

**SECTION 7. Acceptance and Compliance.**– This Franchise shall become effective upon acceptance **GIVEN** in writing to Congress within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act.

**SECTION 8. Tax Provisions.** – The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns, shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the radio/television business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *Provided*, That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

“The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representatives in accordance with the National Internal Revenue Code, and the return shall be subject to audit by the Bureau of Internal Revenue. “

**SECTION 9. 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 and/or telecast from its stations: *Provided*, That the grantee, during any broadcast and/or telecast, shall cut off from the air the speech, play, act or scene, or other matter being broadcast and/or telecast 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, and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

**SECTION 10. *Warranty in Favor of National and Local Governments.*** – The grantee shall hold the national, provincial, and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

**SECTION 11. *Sale, Lease, Transfer, Usufruct, etc.*** – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms, and limitations of this Act.

**SECTION 12. *General Broadcast Policy Law.*** – The grantee shall comply with **AND BE SUBJECT TO THE PROVISIONS OF** a general broadcast policy law, which Congress may hereafter enact.

**SECTION 13. *Separability Clause.*** – If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

**SECTION 14. *Repealability and Nonexclusivity Clauses.*** – 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 for.

**SECTION 15. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,