

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

**EIGHTEENTH CONGRESS**  
First Regular Session

House Bill No. 3947



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**Introduced by Representative Representative Sol Aragon**

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**EXPLANATORY NOTE**

Information is communication. Information is education. Information is empowerment.

It is information that allows our people to learn about anything and everything, to make an opinion or not make an opinion about matters that affect their daily lives, and to inspire them to move or not to move on items that affect their future or the future of generations yet unborn. This is the spirit of democracy.

It is information that makes our people act or not act, help or not help, agree or disagree, support or oppose, and love or hate. This is the essence of democracy.

It is information that builds or breaks the nation, unites or divides our people, and teach and train the young and our youth. This is the substance of democracy.

Needless to say, information is essential, necessary and imperative.

And, while information may be taken or received from various sources, broadcasting is still the highest, widest, and fastest medium from which Filipinos at home or overseas get their information.

In the Philippines, ABS-CBN Corporation is not only the oldest broadcasting network; it is also one of the leading companies if not the leader in the broadcasting industry. To be sure, it is one of the top media conglomerates in the country. Without a doubt, over the years, it has also diversified its interests in support of its primary purpose of disseminate information wherever the Filipino may be in the world.

ABS-CBN is involved in television and radio programming for domestic and international audiences and other related businesses. ABS-CBN also produces a wide variety of entertainment programs in multiple genres, as well as news programs that are aired on free-to-air television. ABS-CBN likewise operates radio stations. Moreover, ABS-CBN provides news and entertainment programming for cable TV and is actually now the country's largest cable TV service

provider. Furthermore, ABS-CBN has business interests in merchandising and licensing, mobile and online multimedia services, glossy magazine publishing, video and audio post production, overseas telecommunication services, money remittance, cargo forwarding, TV shopping services, theme park development and management, property management, and food and restaurant services.

In acknowledgement of the former and present contributions of ABS-CBN and its thousands of personnel in nation-building, the immediate renewal of its original franchise, which expires on March 30, 2020, is seriously and sincerely recommended, to ensure the continued and uninterrupted, and improved and expanded, delivery of its services to the Filipino people.

This bill aims to renew the right to operate TV and radio broadcasting stations in the Philippines through microwave, satellite or whatever means, including the use of new technologies in television and radio systems, of ABS-CBN Corporation.

In view of the following, the immediate approval of this bill is earnestly sought.

  
SOL ARACONES  
3<sup>RD</sup> District, Laguna



1 services and relay stations, is hereby renewed for another twenty-five (25) years from the  
2 effectivity of this Act.

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

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

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

22         **SECTION 5. *Right of Government.*** — A special right is hereby reserved to the President  
23 of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or  
24 disturbance of peace and order; to temporarily take over and operate the stations or facilities of  
25 the grantee; to temporarily suspend the operation of any station or facility in the interest of public  
26 safety, security and public welfare; or to authorize the temporary use and operation thereof by any  
27 agency of the government, upon due compensation to the grantee, for the use of said stations or  
28 facilities during the period when they shall be so operated.

1           The radio spectrum is a finite resource that is part of the national patrimony and the use  
2 thereof is a privilege conferred upon the grantee by the State and may be withdrawn anytime after  
3 due process.

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

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

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

19           **SECTION 9. Warranty in Favor of National and Local Governments.** — The grantee shall  
20 hold the national provincial, city and municipal governments of the Philippines free from all  
21 claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to  
22 persons, caused by the construction or operation of the stations of the grantee.

23           **SECTION 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.** —  
24 The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the  
25 rights and privileges acquired thereunder to any person, firm, company, corporation or other  
26 commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the  
27 controlling interest of the grantee, whether as a whole or in part and whether simultaneously or  
28 contemporaneously, to any such person, firm, company, corporation or entity without the prior

1 approval of the Congress of the Philippines: Provided, That Congress shall be informed of any  
2 sale, lease, transfer, grant of usufruct, or assignment Of franchise or the rights or privileges  
3 acquired thereunder, or the merger or transfer of the controlling interest of the grantee, within sixty  
4 (60) days after the completion of said transaction: Provided, further, That failure to report to  
5 Congress such change of ownership shall render the franchise ipso facto revoked: Provided,  
6 finally, That any person or entity to which this franchise is sold, transferred or assigned, shall be  
7 subject to the same conditions, terms, restrictions and limitations of this Act.

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

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

18         **SECTION 13. *Reportorial Requirement.*** — The grantee shall submit an annual report to  
19 the Congress of the Philippines, through the Committee on Legislative Franchises of the House Of  
20 Representatives and the Committee on Public Services Of the Senate, on its compliance with the  
21 terms and conditions of the franchise and on its operations on or before April 30 Of the succeeding  
22 year, The reportorial compliance certificate issued by Congress shall be required before any  
23 application for permit or certificate is accepted by NTC.

24         **SECTION 14. *Penalty Clause.*** — Failure of the grantee to submit the requisite annual  
25 report to Congress shall be penalized by a fine of five hundred pesos (P500.00) per working day  
26 of noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee  
27 separate from the reportorial penalties imposed by the NT C. The collected funds shall accrue to  
28 the monitoring fund of the N TC in line with its supervisory and regulatory functions.

1           **SECTION 15. *Equality Clause.*** — Any advantage, favor, privilege, exemption, or  
2 immunity granted under existing franchises, or which may hereafter be granted for radio and/or  
3 television broadcasting, upon prior review and approval Of Congress, shall become part of this  
4 franchise end shall be accorded immediately and unconditionally to the herein grantee: Provided,  
5 That the foregoing shall neither apply to nor affect the provisions of broadcasting franchises  
6 concerning territory covered by the franchise, the life span of the franchise or the type of service  
7 authorized by the franchise: Provided, further, That the foregoing shall not apply to sale, lease,  
8 transfer or grant of usufruct of legislative franchise with prior congressional approval.

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

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

14           **SECTION 18. *Publication.*** — This Act shall be published, through the initiative of the  
15 Grantee, fifteen (15) days after this Act is signed by the President of the Philippines or has lapsed  
16 into law.

17           **SECTION 19. *Effectivity Clause.*** — This Act shall take effect fifteen (15) days after its  
18 publication in the Official Gazette or in a newspaper of general circulation.

19           Approved,