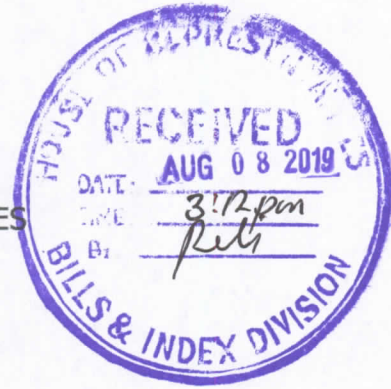


Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 3713



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Introduced by **HON. JOY MYRA S. TAMBUNTING**

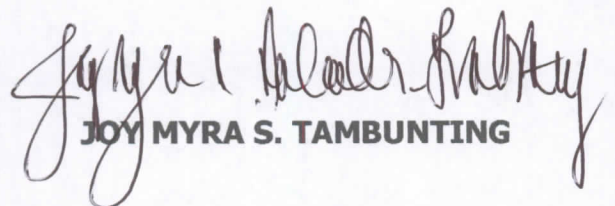
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### EXPLANATORY NOTE

This bill which has been refiled from the 17<sup>th</sup> Congress seeks to renew ABS-CBN Corporation's right to construct, install, establish, operate, and maintain broadcasting stations in the Philippines. ABS-CBN Corporation, as the leading media and entertainment organization, is primarily involved in content creation and production for television, online, and over-the-top platforms, cable satellite, cinema, live events and radio for domestic and international markets<sup>1</sup>.

ABS CBN Corporation prides on producing a wide variety of world-class entertainment and news programs both for domestic and international audiences. For the past few decades, ABS CBN Corporation has remained true to its mission to serve the Filipino through informing, educating and entertaining audiences through creative content for any distribution platform—cable, satellite, online and mobile. It has strived to innovate, diversify, and expand into different enterprises such as the network's TV Shopping service O Shopping, the motion picture company Star Cinema, the music recording label Star Music and the talent agency Star Magic among many others.

In recognition of ABS CBN Corporation's tireless service delivery for the Filipino people since its establishment and to likewise allow them to continue providing its services to the people, the immediate renewal of its original franchise which is set to expire on March 30, 2020 is earnestly sought.

  
**JOY MYRA S. TAMBUNTING**

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<sup>1</sup> ABS-CBN Corporation: Our Story. Retrieved from <https://www.abs-cbn.com/who-we-are/our-story>

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**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**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. Nature and Scope of Franchise.** - Subject to the provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation), hereunder referred to as the grantee, its successors or assignees, to construct, install, establish, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in the Philippines, where frequencies and/or channels are still available for radio and/or television broadcasting, including digital television system, through microwave, satellite or whatever means, or the use of any new technologies in television and radio 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 from the effectivity of this Act.

**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 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.

**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 operation of its stations and facilities and shall not use any frequency in the radio/television spectrum without authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of such authority.

**SEC. 4. Responsibility to the Public.** - The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations or facilities, to reach the population on important public issues; provide at all times sound and balanced programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations and facilities 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.

**SEC. 5. Right of Government.** - 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 they shall be so operated.

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 and may be withdrawn anytime after due process.

**SEC. 6. Term of Franchise.** - This franchise shall be in effect for a period of twenty-five (25) years, 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. Acceptance and Compliance.** - Acceptance of this franchise shall be given in writing 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 within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

**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: Provided, That the grantee, during any broadcast, shall cut

off from the air the speech, play, act or scene, or other matter being broadcast 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: 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 National and Local Governments.** - The grantee shall hold the national, provincial, city and municipal governments of the Philippines free 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.

**SEC. 10. 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 transfer the controlling interest of the grantee, whether as a whole or in part and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: Provided, That Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights or privileges acquired thereunder, or the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of said transaction: Provided, further, That failure to report to Congress such change of ownership shall render the franchise ipso facto revoked: Provided, finally, That 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. 11. 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 per centum (30%) or a higher percentage that may hereafter be provided by law of its outstanding stock in any securities exchange in the Philippines within five (5) years from the commencement of its operations: Provided, That in cases where public offer of shares is not applicable, establishment of cooperatives and 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. 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.

**SEC. 13. Reportorial Requirement.** - The grantee shall submit an annual report 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 its

compliance with the terms and conditions of the franchise and on its operations on or before April 30 of the succeeding year. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by NTC.

**SEC. 14. Penalty Clause.** - 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. The fine shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC, The collected funds shall accrue to the monitoring fund of the NTC in line with its supervisory and regulatory functions.

**SEC. 15. Equality Clause.** - Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio and/or television 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 territory covered by the franchise. the life span of the franchise or the type of service authorized by the franchise: Provided, further, That the foregoing shall not apply to sale, lease, transfer or grant of usufruct of legislative franchise with prior congressional approval.

**SEC. 16. 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. 17. Repeatability and Non-exclusivity Clause.** - 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.

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

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

Approved,