Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2324

Introduced by HONORABLE JOCELYN F. FORTUNO

EXPLANATORY NOTE

The Bicol Broadcasting Systems, Inc. (BBSI) was granted a franchise to construct, install, operate and maintain radio broadcasting stations in the Bicol Region effective July 6, 1995 under Republic Act No. 8092. The same law has given the grantee the rights, privileges, and authority to function for a period of twenty-five (25) years.

For twenty-four (24) years now, the Bicol Broadcasting Systems, Inc. through its sound and balanced programming has made information accessible to the general public. Bicol Broadcasting Systems, Inc. (BBSI) has regularly communicated with the people on vital and relevant issues that concern the public. Through all these years, Bicol Broadcasting Systems, Inc. has also been consistent in the promotion of Bicol songs and music on the air and in launching of Bicol compositions on original music and lyrics.

The renewal of its franchise would allow Bicol Broadcasting Systems, Inc. to continue providing public service while taking into account the latest technologies in the broadcasting industry to improve the quality of its service.

In view of the foregoing, the passage of this bill is earnestly requested.

JOCELYN F. FORTUNO
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HOUSE BILL NO. 2324

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AN ACT
RENEWING THE FRANCHISE GRANTED TO BICOL BROADCASTING SYSTEMS, INC. (UNDER REPUBLIC ACT NO. 8092 ENTITLED “AN ACT GRANTING THE BICOL BROADCASTING SYSTEMS, INC. (BBSI) A FRANCHISE TO ESTABLISH, OPERATE AND MAINTAIN COMMERCIAL RADIO AND TELEVISION BROADCASTING STATIONS IN REGION V”) - FOR ANOTHER 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 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to Bicol Broadcasting Systems, Inc., hereunder referred to as the grantee, its successors or assignees, under Republic Act No. 8092 entitled “An Act Granting the Bicol Broadcasting Systems, Inc. (BBSI), a Franchise to Establish, Operate and Maintain Commercial Radio and Television Broadcasting
Stations in Region V”, to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations, where frequencies and/or channels are still available for radio and/or television broadcasting, including digital television system, through microwave, satellite or whatever means, including 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 in the Bicol Region, 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 privilege to use its assigned 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 construction
and 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 any 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 its 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 from the effectivity
of the Act, 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 new 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.
Nonacceptance shall render the franchise void.
- 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 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, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in
parts, 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 of, 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 cent (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital 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 every year during the term of its franchise. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

**SEC. 14. Penalty Clause** – Failure of the grantee to submit the requisite annual report to Congress will be penalized by a fine in the amount of Five hundred pesos (P500.00) per working day of noncompliance. The fine will be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.
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.

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. *Repealability and Nonexclusivity 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 *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.
Approved,