Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
EIGHTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 4055

INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

EXPLANATORY NOTE

This measure seeks to renew the legislative franchise granted to Broadcast Enterprises and Affiliated Media, Inc. ("BEAM"), under Republic Act No. 8098, to establish and operate radio and television radio stations in the country.

Since the grant of its franchise in 1995 and the commencement of its operations, BEAM has consistently provided its audiences with a variety of programs that inform, instruct, and entertain. Through its program offerings, BEAM has brought Filipinos all around the country to the economic and social mainstream and, indeed, the global arena.

Given the all-important role media plays in nation-building, particularly the gathering and dissemination of timely and accurate news and information and the production of wholesome entertainment, BEAM wishes to continue to have the privilege of serving and promoting the public interest. Moreover, it intends to take advantage of new technologies to provide even better educational, informative, and entertaining programs to viewers.

In view of the fact that BEAM has made appropriate use of its franchise, complied with the provisions thereof, invested significantly in its stations and equipment, and intends to continue and expand its operations, it is only proper for Congress to renew BEAM’s legislative franchise.

In view of all the foregoing, the support of the Members of Congress for the prompt and timely passage of this measure is earnestly sought.

XAVIER JESUS D. ROMUALDO
AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO BROADCAST ENTERPRISES AND AFFILIATED MEDIA, INC.
UNDER REPUBLIC ACT NO. 8098 TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING
STATIONS, INCLUDING CABLE TELEVISION SYSTEMS AND BROADCASTING
THROUGH ANY OTHER MEANS, IN THE PHILIPPINES

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
Constitution and applicable laws, rules, and regulations, the franchise granted to Broadcast
Enterprises and Affiliated Media, Inc., hereunder referred to as the grantee, its successors, or
assignees, under Republic Act No. 8098, to construct, install, operate, and maintain, for
commercial purposes and in the public interest, radio and television broadcasting stations,
including digital television systems, pay service, through microwave, satellite, terrestrial, or
whatever means, as well as the use of any new technology in television and radio systems, with
the corresponding auxiliaries and facilities, special broadcast and other program and distribution
services and relay stations, in the Philippines is hereby renewed for another twenty-five (25)
years.

SEC. 2. Manner of Operation of Stations or Facilities. – The stations and 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
wavelengths or frequencies and the quality of transmission or reception thereof as should
maximize the rendition of the grantee’s services and 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 its stations and facilities and shall not use any frequency in the radio or
television spectrum without having been authorized by the NTC, which, however, shall not
unreasonably withhold or delay the grant of any such authority.

SEC. 4. Responsibility to the Public. – The grantee shall provide, free of charge, adequate
public service time that is reasonable and sufficient to enable the government, through the
broadcasting stations or facilities of the grantee, to reach the pertinent population, or portions
thereof, on important public issues and relay important public announcements and warnings
concerning public emergencies and calamities, as necessity, urgency, or law may require;
provide at all times sound and balanced programming; promote public participation; assist in the
functions of public information and education; conform to the ethics of honest enterprise;
promote audience sensibility and empowerment through, but not limited to, closed captioning;
and not use its stations or facilities for the broadcast of any obscene or indecent language,
speech, act, or scene; or for the dissemination of deliberately false information or willful
misinterpretation, to the detriment of the public interest; or to incite, encourage or assist in
subversive or treasonable acts.

The public service time referred to herein shall be equivalent to a maximum aggregate of
ten percent (10%) of the paid commercials or advertisements which shall be allocated, based on
need, to the Executive and Legislative Branches, the Judiciary, the Constitutional Commissions,
and international humanitarian organizations duly recognized by statutes: Provided, That the
NTC shall increase the public service time in case of extreme emergency or calamity. The NTC
shall issue rules and regulations for this purpose, the effectivity of which shall commence upon
applicability with other similarly situated broadcast network franchise holders.
SEC. 5. Right of the Government. – 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 any time after due process.

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 these shall be so operated.

SEC. 6. Term of Franchise. – This franchise shall be in effect for a period of twenty-five (25) years from the effectivity of this 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. Self-Regulation by and Undertaking of the 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 any speech, play, act, or scene, or other matter being broadcast, if the tendency thereof is to propose 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. 8. Warranty in Favor of the National and Local Governments. – The grantee shall hold the national, provincial, city, and municipal governments of the Philippines free from all
claims, liabilities, demands, or actions arising out of accidents causing injury to persons or
damage to properties, during the construction or operation of its stations.

SEC. 9. Sale, Lease, Transfer, 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 the controlling interest of the
grantee be transferred, whether as a whole or in parts, and whether simultaneously or
contemporaneously, to any such private person, firm, company, corporation or entity without the
prior approval of the Congress of the Philippines: Provided, That any person or entity to which
this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms,
restrictions, and limitations of this Act.

SEC. 10. Reportorial Requirement. – During the term of its franchise, 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.

The annual report shall include an update on the roll-out, development, operation, or
expansion of the grantee’s business; its audited financial statements; its latest General
Information Sheet officially submitted to the SEC; certification from the NTC on the status of its
permits and operations; and an update on the dispersal of ownership undertaking. The reportorial
compliance certificate issued by Congress shall be required before an application for permit,
certificate, or any equivalent thereof, of the grantee is accepted by the NTC.

SEC. 11. Fine. – Failure on the part of the grantee to submit the required annual report to
Congress shall be penalized with a fine of Five hundred pesos (P500.00) per working day of non-
compliance. The fine shall be collected by the NTC from the grantee separate from the
reportorial penalties imposed by the NTC and the same shall be remitted to the National
Treasury.

SEC. 12. Equality Clause. — Any advantage, favor, privilege, exemption, or immunity
granted under existing franchises, or which may hereafter be granted to radio 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 grantee: Provided, That the
foregoing shall neither apply to nor affect provisions of broadcasting franchises concerning
territorial coverage and the term or the type of service authorized under this franchise.

SEC. 13. Repealability 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.

SEC. 14. 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. 15. Repealing Clause. — All laws, decrees, orders, resolutions, instructions, rules
and regulations, and other issuances, or parts thereof, which are inconsistent with the provisions
of this Act are hereby repealed, amended, or modified accordingly.

SEC. 16. Effectivity. — This Act shall take effect fifteen (15) days after its publication in
the Official Gazette or in a newspaper of general circulation.

Approved,