Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila  

EIGHTEENTH CONGRESS  
First Regular Session  

House Bill No. 4162

Introduced by Representatives Cyrille “Beng” F. Abueg-Zaldivar and Gil “Kabarangay Jr.” A. Acosta

EXPLANATORY NOTE

Section 24, Article II of the 1987 Constitution provides that “the State recognizes the vital role of communication and information in nation-building.” This means that the mass media serves as a conduit that ensures the flow of information between the government and the people. Further, Section 7 of said Constitution declares "the right of the people to information on matter of public concern.” These legal provisions of the highest law of the land serve as the centerpoint and basis of Romeo Cabrestante Servando for his mass media practice and in securing a legislative franchise to operate a broadcast media.

For several years, Romeo Cabrestante Servando has made it his personal mission to disseminate information to the public in the far-flung areas of the Philippines. Primarily located in the Province of Palawan, his radio stations have served as one of the most reliable sources of news and information needed by the public through relevant, timely and balanced broadcast programs.

Romeo Cabrestante Servando recognizes the essentiality of the free flow of ideas and information in a democracy. His radio stations play an important role in catering to the needs of, and providing a voice for, communities that are not adequately serviced by other broadcast sectors. In so doing, these community radio stations share with their listeners a diverse range of viewpoints that enrich the social and cultural fabric of local communities in the province, and provide opportunities for participation in public broadcasting and content production.

The law that grants Romeo Cabrestante Servando the mandate to fulfill
his mission will expire very soon. With full knowledge of the significance of the franchise given to him, as well as having the interest of the public at heart, this bill seeks to extend the term of the franchise granted to Romeo Cabrestante Servando, to construct, install, establish, operate, and maintain for commercial purpose and in the public interest, radio stations in the Province of Palawan for another twenty-five (25) years.

Taking into account the significance of this measure, its immediate passage into law is earnestly sought.

CYRILLE "BENG" E. ABUEG-ZALDIVAR
Representative, 2nd District of Palawan

GIL "KABARANGAY JR. A. ACOSTA"
Representative, 3rd District, Palawan
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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO ROMEO CABRESTANTE SERVANDO UNDER REPUBLIC ACT
NO. 8202, TITLED "AN ACT GRANTING ROMEO CABRESTANTE SERVANDO, A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN
RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF
PALAWAN"

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
Romeo Cabrestante Servando hereunder referred to as the grantee, its successor or
assignees, under Republic Act No. 8202, to construct, establish, maintain and operate
in the public interest and for and commercial purposes, radio and/or television
broadcasting stations, including digital television system, through microwave,
satellite, terrestrial 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 province of Palawan, is hereby renewed for another twenty-five (25)
years.

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 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 or facilities and shall not use any frequency in the radio and/or television spectrum without authorization from the NTC.

SEC. 4. Responsibility to the Public. - The grantee shall provide, free of charge, adequate public service time which is reasonable and sufficient to enable the government, through its broadcasting stations or facilities of the grantee, to reach the pertinent population/s 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 broadcasting of obscene or indecent language, speech, act or scene; or for the dissemination of deliberately false information or willful misrepresentation, to the detriment of public interest; or to incite, encourage or assist in subversive or treasonable acts.

Public service time referred 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, legislative, judiciary, 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 and cancelled. This franchise shall be deemed ipso facto revoked in the event the grantee fails to operate continuously for two (2) years.
SEC. 7. Renewal or Extension of Franchise. - The grantee shall apply for the renewal or extension of its franchise five (5) years before its expiration date which shall be reckoned fifteen (15) days after the publication of the franchise in the Official Gazette or in any newspaper of general circulation, whichever comes earlier.

SEC. 8. 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, but if any such speech, play, act or scene, or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play, act or scene, or other matter 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: Provided, further, That willful failure to do so shall constitute a valid cause for the revocation and cancellation of this franchise.

SEC. 9. 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 the stations of the grantee.

SEC. 10. Commitment to Provide and Promote the Creation of Employment Opportunities. - The grantee shall create employment opportunities and shall allow on-the-job trainings in their franchise operation: Provided, That priority shall be accorded to the residents in areas where any of its offices is located: Provided further, That the grantee shall follow the applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances: Provided, finally, That the employment opportunities or jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to Securities and Exchange Commission annually.

SEC. 11. Tax Provisions. - The grantee, its successors or assignees shall continue to be subject to all applicable taxes, duties, fees or charges and other impositions under Republic Act No. 8424, otherwise known as “The National Internal Revenue Code of 1997”, as amended, and other applicable laws.

SEC. 12. 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 the controlling interest of the grantee be transferred, 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 such transfer, sale or issuance is in accordance with any
applicable constitutional limitation: *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. 13. 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, the grantee shall apply other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law. Noncompliance therewith shall render the franchise *ipso facto* revoked.

SEC. 14. Compliance with Labor Standards. - The grantee, its successors or assignees shall comply with the applicable labor standards under existing labor laws, rules and regulations and such other issuances as may be promulgated by the Department of Labor and Employment, taking into consideration the nature and peculiarities of the broadcasting industry.

SEC. 15. 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 annual report shall include an update on the roll-out, development, operation and/or expansion of business; audited financial statements; latest General Information Sheet officially submitted to SEC (if applicable); certification of the NTC on the status of its permits and operations; and an update on the dispersal of ownership undertaking, if applicable.

The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

SEC. 16. Fine. - 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 and the same shall be remitted to the National Treasury.

SEC. 17. 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 territorial coverage, the term, or the type of service authorized by the franchise.

SEC. 18. 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. 19. Separability Clause. - If any section or provision of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SEC. 20. Repealing Clause. - All other laws, orders, issuances, rules and regulations or parts thereof inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 21. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,