RESOLUTION DIRECTING THE COMMITTEE ON LEGISLATIVE FRANCHISE TO INQUIRE, IN AID OF LEGISLATION, ON THE PROBABLE VIOLATIONS OF AMCARA BROADCASTING NETWORK, INC. OF ITS LEGISLATIVE FRANCHISE UNDER REPUBLIC ACT NO. 8135.

WHEREAS, Republic Act No. 8135 granted Amcara Broadcasting Network, Inc. (Amcara) a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines.

WHEREAS, Section 11 of Republic Act No 8135 provides that Amcara “shall not lease, transfer, grant the usufruct of, sell nor assign the franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor shall the controlling interest in the grantee be transferred to any such private person, firm, company, corporation or entity without the prior approval of Congress.”

WHEREAS, on May 4, 2020, the franchise of ABS-CBN Corporation (ABS-CBN) granted by Republic Act No. 7966 had expired, the renewal thereof remains pending with the Committee on Legislative Franchises.

WHEREAS, despite the expiration of the legislative franchise of ABS-CBN Corporation, the corporation continued operating its programs through channel 43, granted to Amcara, guised under a legitimate “blocktime arrangement.”

WHEREAS, under the “blocktime agreement,” ABS-CBN “bought” 21 out of the 24 hours a day of channel 43 operated by Amcara for an entire year.

WHEREAS, in the committee hearing on legislative franchise dated June 29, 2020 at the House of Representatives, it was revealed that ABS-CBN, in its Amended Annual Report for 2012 submitted to the SEC, ABS-CBN disclosed that it had invested or advanced forty-nine percent (49%) of equity interest or ownership in Amcara, which ABS-CBN considers as one of its subsidiary company. It also revealed that the remaining carrying value of investment in Amcara amounted to forty million pesos (P40,000,000) as of December 31, 2012 and 2011.
WHEREAS, an independent SGV audit of the Amcara dated February 22, 2017, was signed by Eugenio L. Lopez III, the current chairman emeritus of ABS-CBN, who declared himself to be the president of Amcara, while an Annual Income Tax Return received by the Bureau of Internal Revenue on April 24, 2019 by ABS-CBN revealed that the address of Amcara is at ABS-CBN Building, Mother Ignacia street, Quezon City.

WHEREAS, the ABS-CBN effectively controlled the franchise of its sister company, Amcara which only last year, it had forty-nine percent (49%) ownership of, in order to continue its operations sans a legislative franchise, thereby circumventing the Constitution and bypassing Congress.

WHEREAS, Amcara violated Section 11 of its franchise when it effectively granted usufruct of its legislative franchise, guised as being validly bought through a “blocktime agreement,” to ABS-CBN.

WHEREAS, Amcara also violated Section 11, Article XII of the Constitution when it continued to operate under the franchise of Amcara.

WHEREAS, Congress, as the constitutionally-mandated body to issue and grant legislative franchises, is also called upon by the Constitution under Section 11, Article XVI, to ensure that there will be no unfair competition in mass media – which the use by ABS-CBN of another franchise to continue its operation partakes of.

NOW WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, that the Committee on Legislative Franchises be directed to conduct an inquiry in aid of legislation on the probable violations by the Amcara of its legislative franchise under Republic Act 8135, and Section 11, Article XII of the Constitution.

HON. JESUS CRISPIN C. REMULLA
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