

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session



COMMITTEE REPORT NO. 1188

Submitted by the Committee on Legislative Franchises on September 3, 2021

Re: House Bill No. 10142

Recommending its approval in substitution of House Bills Numbered 6894 and 7066

Sponsors: Representatives Franz E. Alvarez, Juan Fidel Felipe F. Nograles, and Jose Francisco "Kiko" B. Benitez

Mr. Speaker:

The Committee on Legislative Franchises to which were referred House Bill No. 6894, authored by Juan Fidel Felipe F. Nograles entitled:

“AN ACT RENEWING THE FRANCHISE GRANTED TO NOW CABLE, INC. (FORMERLY KNOWN AS GHT NETWORK, INC.) UNDER REPUBLIC ACT NO. 8213 OR " AN ACT GRANTING GHT NETWORK, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS AND MULTIMEDIA SERVICES IN THE PHILIPPINES" FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT”

and House Bill No. 7066, authored by Jose Francisco "Kiko" B. Benitez entitled:

“AN ACT RENEWING THE FRANCHISE GRANTED TO NOW CABLE, INC. (FORMERLY KNOWN AS GHT NETWORK, INC.) UNDER REPUBLIC ACT NO. 8213 OR " AN ACT GRANTING GHT NETWORK, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS AND MULTIMEDIA SERVICES IN THE PHILIPPINES" FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT”

has considered the same and recommends that the attached House Bill No. 10142
entitled:

“AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GHT NETWORK, INC., PRESENTLY KNOWN AS NOW CABLE, INC., UNDER REPUBLIC ACT NO. 8213, ENTITLED ‘AN ACT GRANTING GHT NETWORK, INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES’”

be approved in substitution of House Bills Numbered 6894 and 7066 with Juan Fidel Felipe F. Nograles, Jose Francisco "Kiko" B. Benitez, Franz E. Alvarez, Loren Legarda, Strike B. Revilla, Antonio "Tonypet" T. Albano, John Marvin "Yul Servo" C. Nieto, and Godofredo N. Guya as authors thereof.

Respectfully submitted:



FRANZ E. ALVAREZ

Chairperson

Committee on Legislative Franchises

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. **10142**
(In substitution of House Bills Numbered 6894 and 7066)

Introduced by **REPS. JUAN FIDEL FELIPE F. NOGRALES, JOSE FRANCISCO "KIKO" B. BENITEZ, FRANZ E. ALVAREZ, LOREN LEGARDA, STRIKE B. REVILLA, ANTONIO "TONYPET" T. ALBANO, JOHN MARVIN "YUL SERVO" C. NIETO, AND GODOFREDO N. GUYA**

AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GHT NETWORK, INC., PRESENTLY KNOWN AS NOW CABLE, INC., UNDER REPUBLIC ACT NO. 8213, ENTITLED 'AN ACT GRANTING GHT NETWORK, INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES'

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

1 **SECTION 1. Nature and Scope of Franchise.** – Subject to the provisions of the Constitution
2 and applicable laws, rules and regulations, there is granted to NOW Cable, Inc., hereunder
3 referred to as the Grantee, its successors or assigns, a franchise to construct, install, establish,
4 operate and maintain for commercial purposes and in the public interest, radio and television
5 broadcasting stations in the Philippines, where frequencies or channels are still available for
6 radio and television broadcasting, including multi-channel multi-point distribution system
7 (MMDS), local multi-channel multi-point distribution system (LMDS), 5G or next generation
8 broadcast systems, wired, wireless or satellite communications networks; to construct, establish,
9 install, operate, manage, lease, maintain and purchase transmitting, receiving and switching
10 stations, both for local and international services, intranet and internet networks, lines, fiber
11 optics, including digital television system, through microwave, cables, satellite transmit and
12 receive systems, control signals, audio and video systems data, information service bureau, pay
13 and pay per view television, video on demand and public information on demand services, multi
14 disc read only memory network delivery, packet and frame relay and electronic mail services and
15 other value added services and all other related technologies and other technology that may
16 hereafter or in the future be developed such as outer space including low or high altitude
17 platform systems, and low or high earth orbit satellite systems, laser systems in the field of

1 broadcasting for telecasting and broadcasting of news, documentaries, entertainment,
2 informational and educational, interactive and various television programs, with the
3 corresponding technological auxiliaries or facilities, special broadcast and other program and
4 distribution services and relay stations.
5
6

7 **SEC. 2. Manner of Operation of Stations or Facilities.** – The stations or facilities of the
8 Grantee shall be constructed and operated in a manner as will, at most, result only in the
9 minimum interference on the wavelengths or frequencies of existing stations or other stations
10 which may be established by law, without in any way diminishing its own privilege to use its
11 assigned wavelengths or frequencies and the quality of transmission or reception thereon as
12 should maximize rendition of the Grantee’s services and availability thereof.
13

14 **SEC. 3. Prior Approval of the National Telecommunications Commission.**– The Grantee
15 shall secure from the National Telecommunications Commission (NTC) the appropriate permits
16 and licenses for the construction and operation of its stations or facilities and shall not use any
17 frequency in the radio spectrum without authorization from the NTC. The NTC, however, shall
18 not unreasonably withhold or delay the grant of any such authority.

19 **SEC. 4. Responsibility to the Public.**– The Grantee shall provide, free of charge, adequate
20 public service time which is reasonable and sufficient to enable the government, through the
21 broadcasting stations or facilities of the Grantee, to reach the pertinent populations or portions
22 thereof, on important public issues and relay important public announcements and warnings
23 concerning public emergencies and calamities, as necessity, urgency, or law may require; provide
24 at all times sound and balanced programming; promote public participation; assist in the
25 functions of public information and education; conform to the ethics of honest enterprise;
26 promote audience sensibility and empowerment including closed captioning; and not use its
27 stations or facilities for the broadcasting of obscene or indecent language, speech, act, or scene,
28 the dissemination of deliberately false information or willful misrepresentation, to the detriment
29 of public interest, or to incite, encourage, or assist in subversive or treasonable acts.
30

31 Public service time referred herein shall be equivalent to a maximum aggregate of ten
32 percent (10%) of paid commercials or advertisements which shall be allocated based on need to
33 the Executive and Legislative branches, the Judiciary, Constitutional Commissions, and
34 international humanitarian organizations duly recognized by statutes: *Provided*, That the NTC
35 shall increase the public service time in case of extreme emergency or calamity. The NTC shall
36 issue rules and regulations for this purpose, the effectivity of which shall commence upon
37 applicability with other similarly situated broadcast network franchise holders.
38

39 Pursuant to Republic Act No. 8370, otherwise known as the “Children’s Television Act of
40 1997”, the Grantee shall allot a minimum of fifteen percent (15%) of the daily total air time of
41 each broadcasting network or station to child-friendly shows within its regular programming.

1 **SEC. 5. Right of the Government.** – A special right is hereby reserved to the President of
2 the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster, or
3 disturbance of peace and order, to temporarily take over and operate the stations or facilities of
4 the Grantee; to temporarily suspend the operation of any station or facility in the interest of
5 public safety, security, and public welfare; or to authorize the temporary use and operation
6 thereof by any agency of the government, upon due compensation to the Grantee, for the use of
7 said stations or facilities during the period when these shall be so operated.
8

9 The radio spectrum is a finite resource that is part of the national patrimony, and the use
10 thereof is a privilege conferred upon the Grantee by the State that may be withdrawn any time
11 after due process.
12

13 **SEC. 6. Term of Franchise.** –This franchise shall be in effect for a period of twenty-five (25)
14 years from the effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be
15 deemed *ipso facto* revoked in the event the Grantee fails to operate continuously for two (2)
16 years.
17

18 **Sec. 7. Acceptance and Compliance.** – Acceptance of this franchise shall be given in
19 writing within sixty (60) days after the effectivity of this Act. Upon giving such acceptance, the
20 Grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the
21 franchise void.
22

23 **SEC. 8. Self-regulation by and Undertaking of Grantee.**– The Grantee shall not require
24 any previous censorship of any speech, play, act or scene, or other matter to be broadcast from
25 its stations, but if any such speech, play, act or scene, or other matter should constitute a
26 violation of the law or infringement of a private right, the Grantee shall be free from any liability,
27 civil or criminal, for such speech, play, act or scene, or other matter: *Provided*, That the Grantee,
28 during any broadcast, shall cut off the airing of speech, play, act or scene, or other matter being
29 broadcast if the tendency thereof is to propose or incite treason, rebellion, or sedition; or the
30 language used therein or the theme thereof is indecent or immoral: *Provided, further*, That willful
31 failure to do so shall constitute a valid cause for the cancellation of this franchise.
32

33 **SEC. 9. Warranty in Favor of the National and Local Governments.** – The Grantee shall
34 hold the national, provincial, city, and municipal governments of the Philippines free from all
35 claims, liabilities, demands, or actions arising out of accidents causing injury to persons or
36 damage to properties, during the construction or operation of the stations of the Grantee.
37

38 **SEC. 10. Commitment to Provide and Promote the Creation of Employment**
39 **Opportunities.** – The Grantee shall create employment opportunities and accept on-the-job
40 trainees in the franchise operations: *Provided*, That priority shall be accorded to the residents of
41 the place where the principal office of the Grantee is located: *Provided, further*, That the Grantee
42 shall comply with the applicable labor standards and allowance entitlement under existing labor
43 laws, rules and regulations and similar issuances.
44

1 The employment opportunities or jobs created shall be reflected in the General
2 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission (SEC)
3 annually.
4

5 **SEC. 11. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.** – The
6 Grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights
7 and privileges acquired thereunder to any person, firm, company, corporation, or other
8 commercial or legal entity, nor merge with any other corporation or entity, nor shall the
9 controlling interest of the Grantee be transferred, simultaneously or contemporaneously, to any
10 person, firm, company, corporation, or entity without the prior approval of Congress. The
11 Grantee shall inform Congress, through the Office of the Speaker of the House of Representatives
12 and Office of the Senate President, of any sale, lease, transfer, grant of usufruct, or assignment
13 of franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the
14 controlling interest of the Grantee, within sixty (60) days after the completion of the said
15 transaction. Failure to report to Congress such change of ownership shall render the franchise
16 ipso facto revoked. Any person or entity to which this franchise is sold, transferred, or assigned
17 shall be subject to the same conditions, terms, restrictions, and limitations of this Act.
18

19 **SEC. 12. Dispersal of Ownership.** – In accordance with the constitutional provision to
20 encourage public participation in public utilities, the Grantee shall offer to Filipino citizens at least
21 thirty percent (30%) of its outstanding capital stocks, or a higher percentage that may hereafter
22 be provided by law, in any securities exchange in the Philippines within five (5) years from the
23 effectivity of this Act: *Provided*, That in cases where public offer of shares is not applicable, other
24 methods of encouraging public participation by citizens and corporations operating public
25 utilities must be implemented. Noncompliance therewith shall render the franchise *ipso facto*
26 revoked.
27

28 **SEC. 13. Reportorial Requirement.** – The Grantee shall submit an annual report on its
29 compliance with the terms and conditions of the franchise and on its operations to the Congress
30 of the Philippines, through the Committee on Legislative Franchises of the House of
31 Representatives and the Committee on Public Services of the Senate, on or before April 30 of
32 every year during the term of its franchise.
33

34 The annual report shall include an update on the commencement of activities,
35 development, operation, and expansion of business; audited financial statements; latest GIS
36 officially submitted to the SEC, if applicable; certification of the NTC on the status of its permits
37 and operations; and an update on the dispersal of ownership undertaking, if applicable.
38

39 The reportorial compliance certificate issued by Congress shall be required before any
40 application for permit or certificate is accepted by the NTC.
41

42 **SEC. 14. Fine.** – Failure of the Grantee to submit the requisite annual report to Congress
43 shall be penalized by a fine of Five hundred pesos (P500.00) per working day of noncompliance

1 to the NTC. The fine shall be collected separately from the reportorial penalties imposed by the
2 NTC, and shall be remitted to the Bureau of the Treasury.

3
4 **SEC. 15. Equality Clause.** – Any advantage, favor, privilege, exemption, or immunity
5 granted under existing franchises, or which may hereafter be granted for radio and television
6 broadcasting, upon prior review and approval of Congress, shall become part of this franchise
7 and shall be accorded immediately and unconditionally to the herein Grantee: *Provided*, That the
8 foregoing shall neither apply to nor affect the provisions of broadcasting franchises concerning
9 territorial coverage, the term, or the type of service authorized by the franchise.

10
11 **SEC. 16. Repealability and Nonexclusivity Clause.** –This franchise shall be subject to
12 amendment, alteration, or repeal by Congress when the public interest so requires and shall not
13 be interpreted as an exclusive grant of the privileges herein provided for.

14
15 **SEC. 17. Separability Clause.** – If any of the sections or provisions of this Act is held invalid,
16 all other provisions not affected thereby shall remain valid.

17
18 **SEC. 18. Repealing Clause.** – All laws, decrees, orders, resolutions, instructions, rules and
19 regulations, and other issuances or parts thereof which are inconsistent with the provisions of
20 this Act are hereby repealed, amended, or modified accordingly.

21
22 **SEC. 19. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the
23 *Official Gazette* or in a newspaper of general circulation.

24
25 Approved,
26

FACT SHEET

House Bill No. **10142**

In substitution of House Bills Numbered 6894 and 7066
(As approved on _____)

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GHT NETWORK, INC., PRESENTLY KNOWN AS NOW CABLE, INC., UNDER REPUBLIC ACT NO. 8213, ENTITLED 'AN ACT GRANTING GHT NETWORK, INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES'

*Introduced by: HONs. JUAN FIDEL FELIPE F. NOGRALES and
JOSE FRANCISCO "KIKO" B. BENITEZ*

*Committee Referral: LEGISLATIVE FRANCHISES
Committee Chairperson: HON. FRANZ E. ALVAREZ*

OBJECTIVE:

- To allow the NOW Cable, Inc. (NCI), previously known as GHT NETWORK, INC., to continue its effective public service through commercial radio and television broadcasting in the Philippines.

KEY PROVISIONS:

- Renews the radio and television franchise granted to NCI for another twenty-five (25) years;
- Mandates the Grantee to secure the appropriate permits and licenses for the construction, installation and operation of its radio stations or facilities from the NTC;
- Requires the Grantee to provide an adequate public service time equivalent to a maximum aggregate of ten percent (10%) of the paid advertisements, to enable it to inform the population on important public issues and assist in the performance of the functions of public information and education;
- Requires the Grantee to allot a minimum of fifteen percent (15%) of the daily total air time of each broadcasting network or station to child-friendly shows within its regular programming;
- Prohibits the Grantee to use its stations for the broadcasting of obscene and indecent language, speech, act or scene of for the dissemination of deliberately false information or willful misrepresentation, or to incite, encourage, or assist in subversive or treasonable acts;

- Mandates the Grantee to submit a written acceptance of the terms and condition of its franchise within sixty (60) days after the effectivity thereof.
- Reserves the right of the President of the Philippines 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 in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order;
- Provides that the national and local governments shall not be held liable for any damage to properties or injury to persons caused by accidents during construction or operation of the stations;
- Requires the Grantee to create employment opportunities and allow on-the-job trainings in their franchise operation for residents of the place where any of its offices is located subject to applicable labor standards and allowance entitlement under existing labor laws, rules and regulations, and similar issuances; and to report to Congress the number of trainees and workers whose employment status are made regular and append the appropriate certificate from the Department of Labor and its relevant attached agencies;
- Prohibits the Grantee from leasing, transferring, selling nor assigning the franchise or the controlling interest thereof without the prior approval of Congress;
- Requires the Grantee to submit an annual report to Congress on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year;
- Imposes a fine in the amount of Five hundred pesos (P500.00) per working day of noncompliance in the submission of its annual report to Congress; and
- Provides an equality clause which aims to grant existing and potential franchise grantees equal privilege.

RELATED LAWS:

- Republic Act No. 8213 - AN ACT GRANTING GHT NETWORK, INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES
- Republic Act No. 8370 – CHILDREN’S TELEVISION ACT OF 1997