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

EIGHTEENTH CONGRESS
2nd Regular Session

House Bill No. 8333

Introduced by Representative Gabriel H. Bordado, Jr.

EXPLANATORY NOTE

Since its first television broadcast on October 23, 1953, the ABS-CBN Corporation had played an undeniably important role in the everyday lives of the Filipino people. The network had 80 television channels under its belt with a reach stretching far and wide across the Philippine archipelago. And in its service spanning almost seven decades, it had been a staple in Filipino homes, providing entertainment through its different shows, broadcasting timely and pertinent information and news, and truly taking part in Philippine history. However, it all came to an abrupt stop last May 2020 when the broadcasting network was denied the opportunity to renew its franchise to operate.

At this stage, we have been feeling the varying impacts of ABS-CBN’s closure. About 11,000 employees lost their source of income and countless others in the industry have been directly and indirectly affected by the shutdown, right in the middle of a pandemic that has negatively impacted the economy of the whole world. We also stopped having possible avenues for quick and accessible information dissemination during a time when the landscape and the conduct of education are being forced to change due to the limitations brought about by the pandemic. And, as we had seen during the back-to-back onslaught of typhoons in 2020, the shutdown did prove to be a debilitating blow in providing and relaying updates, warnings, and calls for assistance to families devastated by these extreme events.

This bill, therefore, seeks to grant ABS-CBN franchise to operate for 25 years.

GABRIEL H. BORDADO, JR.,
3rd District, Camarines Sur
AN ACT

GRANTING THE ABS-CBN CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN THE PHILIPPINES AND FOR OTHER PURPOSES

Be it enacted by the Senate and the 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 ABS-CBN Corporation (formerly ABS-CBN Broadcasting Corporation), herein after referred to as grantee, its successors or assignees, is hereby granted a franchise to construct, install, establish, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in the Philippines, where frequencies and/or channels are still available for radio and/or television broadcasting, including digital television system, through microwave, satellite or whatever means, or the use of any new technologies in television and in radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations.

Sec. 2. Manner of Operation of Stations or Facilities. — The stations or facilities of 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 selected 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 its stations and shall not use any frequency in the television or radio spectrum without having been authorized by 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 which is reasonable and sufficient to enable the government, through the aid of broadcasting stations, to reach the pertinent populations 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; provided 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 sensitivity and empowerment including closed captioning; and not 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, to detriment of 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 Republic 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 the said 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, unless sooner revoked or cancelled. This Franchise shall be deemed ipso facto revoked in the event the grantee fails to operate continuously for a period of two (2) years.

Sec. 7. Acceptance and Compliance. – Acceptance of this 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 Service 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. Non-acceptance shall render the franchise void.

Sec. 8. Self-regulation by and Undertaking of 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, The grantee, during any broadcast, shall cut 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, sedition, rebellion or sedition; or the language used therein or the theme thereof is indecent or immoral: Provided
further, that the 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 sell, lease, transfer, grant usufruct of, nor assign this franchise
or the right 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 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 Congress shall be informed of any sale, lease, transfer,
grant of usufruct, or assignment of franchise of the right 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 the 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 percent (30%) or a higher percentage that may hereafter be
provided by law of its outstanding 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 or shares is not applicable, establishment of cooperatives
and other methods of encouraging public participation by citizens and corporations
operating public utilities must be implemented. Non-compliance 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
hereinafter enact.

Sec. 13. Reportorial Requirements. – 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 Service of the Senate,
on its compliance with the terms and conditions of the franchise and on its
operations on or before April 30 of the succeeding year. The reportorial compliance
certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

**Sec. 14. Provisional Authority to Continue Operations.** – In the event that the franchise granted under this Act expires, the grantee is automatically given a Provisional Authority to continue its operations: Provided, that a bill is already filed in Congress renewing its franchise before expiration: Provided further, that the said Provisional Authority to continue its operations shall only be valid until its franchise is renewed, rejected or until the term of Congress when the bill for renewal was filed ends.

**Sec. 15. Penalty Clause.** – 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 non-compliance. The said penalty shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the commission. The collected funds shall accrue to the monitoring fund of the NTC in line with its supervisory and regulatory functions.

**Sec. 16. 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: Provided further, the foregoing shall not apply to sale, lease, transfer or grant of usufruct of legislative franchise without prior approval by Congress.

**Sec. 17. Separability Clause.** – If any of the sections or provisions of this Act is held invalid, all other provisions no affected thereby shall remain valid.

**Sec. 18. Repealing and Non-exclusivity Clause.** – This franchise shall be subject to amendment, alteration, or repeal by Congress when public interest so requires and shall not be interpreted as an exclusive grant of privileges herein provided for.

**Sec. 19. Effectivity Clause.** – This Act shall take effect after fifteen (15) days from complete publication either in the Official Gazette or in a newspaper of general circulation.

Approved,