

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 1218



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Introduced by
ACT Teachers Party-List Rep. FRANCE L. CASTRO,
GABRIELA Women’s Party Rep. ARLENE D. BROSAS,
and **KABATAAN Party-List Rep. RAOUL DANNIEL A. MANUEL**

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AN ACT
RENEWING THE FRANCHISE GRANTED TO ABS-CBN CORPORATION
(FORMERLY ABS-CBN BROADCASTING CORPORATION) UNDER
REPUBLIC ACT NO. 7966 OR “AN ACT GRANTING ABS-CBN
BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT; INSTALL,
ESTABLISH, OPERATE, AND MAINTAIN BROADCASTING STATIONS IN
THE PHILIPPINES, AND FOR OTHER PURPOSES” FOR TWENTY-FIVE
(25) YEARS FROM THE EFFECTIVITY OF THIS ACT

EXPLANATORY NOTE

One of the largest and oldest networks in the Philippines was shut down in 2020, not by the non-renewal of a congressional franchise, but because the then-highest political power in the land “used the presidential powers” to tell Congress to revoke it. ABS-CBN Broadcasting Network was pushed off air, forced to sign off, with a vote of 70-11 and a personal feud the circumstances of which are entirely admitted by the president himself.

The employees, talents, media workers, actors and actresses, and, the millions of viewers all over the country have expressed their concern on the shutdown of ABS-CBN Broadcasting Network. No doubt that there is broad support for the “Kapamilya Network” among the Filipino people. For instance, the online petition initiated by the National Union of Journalists in the Philippines (NUJP) that calls for

the House of Representatives to grant ABS-CBN a franchise renewal readily gathered—in just three (3) days—more than 120,000 signatures.

The ABS-CBN shutdown cost the jobs of some 6,730 regular employees, 900 non-regular workers and more than 3,325 talents, basing on the number of employees listed under the media corporation's report to the Securities and Exchange Commission and the Philippine Stock Exchange.

Yet, an even bigger ripple of the ABS-CBN shutdown is its cost to freedom of the press, in particular, and to democracy in the country, in general.

Pres. Rodrigo Duterte repeatedly expressed his personal ire against the network and vowed to vigorously block the renewal of its franchise. He even openly advised the owners of the network to just sell it, raising legitimate concerns over the possible takeover of the network by administration allies. Finally, days before he stepped down, he himself belied all pretexts of tax and other violations and Malacañang's claims then of neutrality.

That the president is personally piqued is certainly a miniscule—and inappropriate—reason in the face of the thousands that will be out of jobs if the network will be out of the airwaves and its dire implications on press freedom, particularly on those critical of the present administration.

The shutdown of ABS-CBN due to a mere personal grudge by the Chief Executive is evocative of the forced shutdown of radio and TV stations during the Marcos martial rule in 1972. In fact, ABS-CBN was padlocked, and eventually sequestered and became one of the TV stations controlled by Marcos and his cronies during that dreaded era.

The non-renewal of ABS-CBN's franchise could be construed as an act against the Constitutionally-protected freedoms, especially of the right to a free and independent press. Section 4, Article III of the 1987 Constitution expressly stated: "No law shall be passed abridging the freedom of speech, of expression, or of the press, or the right of the people peaceably to assemble and petition the government for redress of grievances."

We live in a time that democracy is walking on knife's edge; authoritarianism once again is on the rise. Disinformation, fake news, and historical amnesia reign. In times like these, democratic institutions such as the press are embattled. If the environment is such that media outfits are shuttered rather than allowed to be robust and independent, where truth is muted and turned off rather than broadcast, then our democratic spaces are shrinking indeed.

This is a challenge for Congress to defy the rising tyranny, to stand for freedom and democracy. Thus, urgent passage of this bill is sought.



Rep. FRANCE L. CASTRO
ACT Teachers Party-List



Rep. ARLENE D. BROSAS
GABRIELA Women's Party



Rep. RAOUL DANNIEL A. MANUEL
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(25) YEARS FROM THE EFFECTIVITY OF THIS ACT

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 Constitution and applicable laws, rules, and regulation, the ABS-CBN Corporation, hereunder referred to as the grantee, its successors or assigns, is hereby granted a franchise to construct, operate, and maintain, for commercial purposes and in the public interest, television and radio broadcasting stations in and throughout the Philippines, through microwave, satellite, digital, or, whatever means including the use of any new technologies in television and radio systems, with the corresponding technological auxiliaries or facilities, special broadcast and other broadcast distribution services and relay stations.

SEC. 2. *Manner of Operation of Stations or Facilities.* - The existing and future stations or facilities of the grantee shall be constructed in a manner as will at most

result only in the minimum interference on the wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition or 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 the operation of its stations and facilities and shall not use any frequency in the radio/television spectrum without authorization from the NC. The NTC, however, shall not unreasonable withhold or delay the grant of such authority.

SEC. 4. *Responsibility to the Public.* - The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations or facilities, to reach the population on important public issues; provide at all times sound and balanced programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations and facilities for the dissemination of deliberately false information or willful misrepresentation, to the detriment of the public interest, or to incite, encourage or assist in treasonable acts.

SEC. 5. *Right of Government.* - 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 and 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 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 any time after due process.

SEC. 6. *Term of Franchise.*- The franchise shall be in effect for a period of twenty-five (25) years from the date of effectivity of this Act. In the event the grantee fails to operate continuously for two (2) years, the Franchise, shall be deemed *ipso facto* revoked.

SEC. 7. *Acceptance and Compliance.* - This Franchise shall become effective upon acceptance given in writing to Congress within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act.

SEC. 8. Tax Provision. - The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns, shall pay a franchise tax equivalent to three (3%) of all gross receipts of the radio/television business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof. *Provided,* That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

The grantee shall file the return with and may the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representatives in accordance with the National Internal Revenue Code, and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 9. Self-regulation by Undertaking of Grantee. - The grantee shall not require any previous censorship of any speech, play, act or scene, or other matter to be broadcast and/or telecast from its stations.

SEC. 10. Warranty in Favor of National and Local Governments. - The grantee shall hold the national, provincial, and municipal governments of the Philippines harmless 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. 11. Sale, Lease, Transfer, Usufruct, etc. - The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is sold, transferred, or assigned shall be subject to all the same conditions, terms, and limitation of this Act.

SEC. 12. Separability Clause. - If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

SEC. 14. Repealability and Nonexclusivity Clauses. - 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. 15. *Effectivity Clause.* - This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,