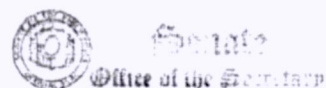


SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



SENATE

S. No. 2129

'18 DEC 10 P2:02

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Introduced by Senator Ralph G. Recto

RECEIVED

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AN ACT

**RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ABC DEVELOPMENT CORPORATION, PRESENTLY KNOWN AS TV5 NETWORK, INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7831 ENTITLED, "AN ACT GRANTING ABC DEVELOPMENT CORPORATION UNDER BUSINESS NAME 'ASSOCIATED BROADCASTING COMPANY,' A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES"**

**Explanatory Note**

ABC Development Corporation (ABC), presently known as TV5 Network, Inc., was founded and established in 1960 by publisher and activist, Joaquin "Chino" P. Roces. Since its early years, the station has consistently produced a lineup of shows that has endeared ABC to its loyal Filipino viewers and was even recognized as one of the top TV networks.

When Martial Law was declared by former President Marcos, ABC was shut down and its founder, Chino Roces, was among the first to be ordered arrested and detained. ABC would remain closed during the Martial Law years and would only reopen with the help of an investor who bought majority stake of the company six (6) years after the EDSA Revolution in 1983. By that time, two (2) broadcast networks have dominated the airwaves through their aggressive and enormous market power namely ABS-CBN and GMA Network. ABC was poised to challenge these two network giants but with the overwhelming dominance of the two networks, ABC experienced difficulties that resulted in ownership changes in the next two decades. However, these challenges did not prevent ABC, later renamed TV5, from producing an array of shows that deliver accurate and well-balance-news, wholesome viewing, patriotic programs, sports programs that showcase amazing Filipino athletic talents and other news and entertainment programs.

Despite the growing popularity of social media, television still remains as a preferred mass medium in our provinces and other far-flung areas. It is enshrined in our Constitution that science and technology are essential for national development and progress.<sup>1</sup> In this regard, ABC has remained steadfast in its commitment to reach out to as many Filipinos as possible by delivering their quality core programs closer to our countrymen by taking advantage of emerging broadcast technologies.

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<sup>1</sup> Section 10, Article XIV of the 1987 Philippine Constitution

Hence, ABC Development Corporation deserves the renewal of its franchise for another twenty-five years in order to continue its mission of providing entertainment and educational programs that inform and enlighten the people.

In view of the foregoing, immediate passage of this bill is earnestly sought.



**RALPH G. RECTO**

SEVENTEENTH CONGRESS OF THE )  
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Senate  
Office of the Secretary

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

1       **SECTION 1.** Section 1 of Republic Act No. 7831 is hereby amended to read as follows:  
2

3               **"SECTION 1. *Nature and Scope of Franchise.*** – Subject to the  
4 provisions of the Constitution and applicable laws, rules and regulations,  
5 [there is hereby granted to the Associated Broadcasting Company, its  
6 successors or assigns and hereunder referred to as the grantee] **THE**  
7 **FRANCHISE GRANTED UNDER REPUBLIC ACT NO. 7831 TO**  
8 **ABC DEVELOPMENT CORPORATION, PRESENTLY KNOWN**  
9 **AS TV5 NETWORK, INC. HEREUNDER REFERRED TO AS THE**  
10 **GRANTEE, ITS SUCCESSORS OR ASSIGNEES** to construct, install,  
11 establish, operate and maintain for commercial purposes and in the public  
12 interest radio and/or television broadcasting stations, including digital  
13 television system, through microwave, satellite, terrestrial or whatever  
14 means, as well as the use of any new technologies in television and radio  
15 systems, with the corresponding technological auxiliaries and facilities,  
16 special broadcast and other program and distribution services and relay  
17 stations[.] **IN THE PHILIPPINES, IS HEREBY RENEWED FOR**  
18 **ANOTHER TWENTY-FIVE (25) YEARS."**

19  
20       **SEC. 2.** Section 2 of Republic Act No. 7831 is hereby amended to read as follows:  
21

1                   “SEC. 2. *Manner of Operation of Stations or Facilities.* – The  
2 stations or facilities of the grantee shall be constructed and operated in a  
3 manner as will, **AT MOST**, [avoid] **RESULT ONLY IN THE**  
4 **MINIMUM** interference on the wavelengths of frequencies of [authorized  
5 users] **EXISTING STATIONS** or other stations **WHICH MAY BE**  
6 **ESTABLISHED BY LAW** [whether for broadcasting or  
7 telecommunications purposes] without in any way diminishing its own  
8 privilege to use its [selected] **ASSIGNED** wavelengths or frequencies and  
9 the quality of transmission or reception [of signals] **THEREON AS**  
10 **SHOULD MAXIMIZE RENDITION OF THE GRANTEE’S**  
11 **SERVICES AND/OR THE AVAILABILITY THEREOF.”**

12  
13 **SEC. 3.** Section 3 of Republic Act No. 7831 is hereby amended to read as follows:

14  
15                   “SEC. 3. *Prior Approval of the National Telecommunications*  
16 *Commission.* – The grantee shall secure from the National  
17 Telecommunications Commission (NTC) the appropriate permits and  
18 licenses for [the construction and operation of] its stations or facilities and  
19 shall not use any frequency in the radio and/or television spectrum without  
20 [having been authorized by the Commission] **AUTHORIZATION**  
21 **FROM THE NTC.** The [Commission] **NTC**, however, shall not  
22 unreasonably withhold or delay the grant of any such authority.”

23  
24 **SEC. 4.** Section 4 of Republic Act No. 7831 is hereby amended to read as follows:

25  
26                   “SEC. 4. *Responsibility to the Public.* – The grantee shall provide,  
27 [reasonable] **FREE OF CHARGE, ADEQUATE** public service time  
28 **WHICH IS REASONABLE AND SUFFICIENT** to enable the  
29 government, through the broadcasting stations or facilities of the grantee,  
30 to reach the **PERTINENT** populationS **OR PORTIONS THEREOF**, on  
31 important public issues; **AND RELAY IMPORTANT PUBLIC**  
32 **ANNOUNCEMENTS AND WARNINGS CONCERNING PUBLIC**  
33 **EMERGENCIES AND CALAMITIES, AS NECESSITY, URGENCY**  
34 **OR LAW MAY REQUIRE**; provide at all times sound and balanced  
35 programming; promote public participation [such as in community  
36 programming]; assist in the functions of public information and education;  
37 conform to the ethics of honest enterprise; **PROMOTE AUDIENCE**  
38 **SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED**  
39 **CAPTIONING**; and not use its stations or facilities for the broadcasting  
40 of obscene or indecent language, speech, act, [or] scene[;] or for the  
41 dissemination of deliberately false information or willful  
42 misrepresentation, to the detriment of the public interest; or to incite,  
43 encourage, or assist in subversive or treasonable acts.

1  
2 PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE  
3 EQUIVALENT TO A MAXIMUM AGGREGATE OF TEN  
4 PERCENT (10%) OF THE PAID COMMERCIALS OR  
5 ADVERTISEMENTS WHICH SHALL BE ALLOCATED BASED  
6 ON NEED TO THE EXECUTIVE AND LEGISLATIVE  
7 BRANCHES, THE JUDICIARY, CONSTITUTIONAL  
8 COMMISSIONS AND INTERNATIONAL HUMANITARIAN  
9 ORGANIZATIONS DULY RECOGNIZED BY STATUTES;  
10 *PROVIDED*, THAT THE NTC SHALL INCREASE THE PUBLIC  
11 SERVICE TIME IN CASE OF EXTREME EMERGENCY OR  
12 CALAMITY. THE NTC SHALL ISSUE RULES AND  
13 REGULATIONS FOR THIS PURPOSE, THE EFFECTIVITY OF  
14 WHICH SHALL COMMENCE UPON APPLICABILITY WITH  
15 OTHER SIMILARLY SITUATED BROADCAST NETWORK  
16 FRANCHISE HOLDERS.

17  
18 **SEC. 5.** Section 5 of Republic Act No. 7831 is hereby amended to read as follows:

19  
20 “SEC. 5. *Right of the Government.* – **THE RADIO SPECTRUM**  
21 **IS A FINITE RESOURCE THAT IS PART OF THE NATIONAL**  
22 **PATRIMONY AND THE USE THEREOF IS A PRIVILEGE**  
23 **CONFERRED UPON THE GRANTEE BY THE STATE AND MAY**  
24 **BE WITHDRAWN ANY TIME AFTER DUE PROCESS.**

25  
26 A SPECIAL RIGHT IS HEREBY RESERVED TO the  
27 President of the Philippines, in times of war, rebellion, public peril,  
28 calamity, emergency, disaster, or disturbance of peace and order; to  
29 temporarily take over and operate the stations or facilities of the grantee;  
30 to temporarily suspend the operation of any station or facility in the  
31 interest of public safety, security and public welfare; or to authorize the  
32 temporary use and operation thereof by any agency of the government,  
33 upon due compensation to the grantee, for the use of said stations or  
34 facilities during the period when these shall be so operated.”

35  
36 **SEC. 6.** Section 6 of Republic Act No. 7831 is hereby amended to read as follows:

37  
38 “SEC.6 *Term of Franchise.* – This franchise shall be [in effect] for  
39 a period of twenty-five (25) years from the effectivity of this Act, unless  
40 sooner revoked or cancelled. [In the event the grantee fails to operate  
41 continuously for two (2) years or within two (2) years from the approval  
42 of its permit by the National Telecommunications Commission.] This

1 franchise shall be deemed *ipso facto* revoked in the event the grantee fails  
2 to operate continuously for two (2) years.”

3  
4 **SEC. 7.** Section 9 of Republic Act No. 7831 is hereby amended to read as follows:  
5

6 “SEC. 9. *Self-regulation by and Undertaking of the Grantee.* –  
7 The grantee shall not require any previous censorship of any speech, play,  
8 act or scene, or other matter to be broadcast [and/or telecast] from its  
9 stations: *Provided*, That the grantee, during any broadcast [and/or telecast],  
10 shall cut off from the air [such] **THE** speech, play, act or scene, or other  
11 matter being broadcast [and/or telecast] if the tendency thereof is to  
12 propose or incite treason, rebellion or sedition; or the language used  
13 therein or the theme thereof is indecent or immoral; [and] *Provided*,  
14 *further*, That willful failure to do so shall constitute a valid cause for the  
15 cancellation of this franchise.”

16  
17 **SEC. 8.** Section 10 of Republic Act No. 7831 is hereby amended to read as follows:  
18

19 “SEC. 10. *Warranty in Favor of the National and Local*  
20 *Governments.* – The grantee shall hold the national, provincial, **CITY**, and  
21 municipal governments of the Philippines [harmless] free from all claims,  
22 [accounts] **LIABILITIES**, demands, or actions arising out of accidents  
23 [or injuries, whether to property or to persons caused by the] **CAUSING**  
24 **INJURY TO PERSONS OR DAMAGE TO PROPERTIES, DURING**  
25 the construction or operation of the stations of the grantee.

26  
27 **SEC. 9.** A new section 11 is hereby inserted after Section 10 of Republic Act No. 7831,  
28 to read as follows:  
29

30 “SEC. 11. **COMMITMENT TO PROVIDE AND PROMOTE**  
31 **THE CREATION OF EMPLOYMENT OPPORTUNITIES.** – **THE**  
32 **GRANTEE SHALL CREATE EMPLOYMENT OPPORTUNITIES**  
33 **AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR**  
34 **FRANCHISE OPERATION: PROVIDED, THAT PRIORITY**  
35 **SHALL BE ACCORDED TO THE RESIDENTS IN AREAS**  
36 **WHERE ANY OF ITS OFFICES IS LOCATED: PROVIDED,**  
37 **FURTHER, THAT THE GRANTEE SHALL COMPLY WITH THE**  
38 **APPLICABLE LABOR STANDARDS AND ALLOWANCE**  
39 **ENTITLEMENT UNDER EXISTING LABOR LAWS, RULES AND**  
40 **REGULATIONS AND SIMILAR ISSUANCES: PROVIDED,**  
41 **FINALLY, THAT THE EMPLOYMENT OPPORTUNITIES OR**

1 **JOBS CREATED SHALL BE REFLECTED IN THE GENERAL**  
2 **INFORMATION SHEET TO BE SUBMITTED TO SECURITIES**  
3 **AND EXCHANGE COMMISSION (SEC) ANNUALLY.”**  
4

5 **SEC. 10.** The present Section 11 is hereby renumbered as Section 12 and amended to  
6 read as follows:  
7

8 “SEC. [11] 12. *Sale, Lease, Transfer, GRANT OF Usufruct,[etc.]*  
9 **OR ASSIGNMENT OF FRANCHISE.** – The grantee shall not sell, lease,  
10 transfer, grant the usufruct of, nor assign this franchise or the rights and  
11 privileges acquired thereunder to any person, firm, company, corporation  
12 or **OTHER COMMERCIAL OR LEGAL** entity, [not otherwise  
13 enfranchised for broadcasting services] **NOR MERGE WITH ANY**  
14 **OTHER CORPORATION OR ENTITY, NOR SHALL TRANSFER**  
15 **THE CONTROLLING INTEREST OF THE GRANTEE,**  
16 **WHETHER AS A WHOLE OR IN PART, AND WHETHER**  
17 **SIMULTANEOUSLY OR CONTEMPORANEOUSLY, TO ANY**  
18 **PERSON, FIRM, COMPANY, CORPORATION, OR ENTITY**  
19 without the prior approval of the Congress of the Philippines **AND**  
20 **COMPLIANCE WITH LEGAL REQUIREMENTS STIPULATED**  
21 **IN OTHER STATUTES:** [The controlling interest in the grantee shall  
22 not be transferred, assigned nor sold whether as a whole or in parts and  
23 whether simultaneously or contemporaneously within five (5) years from  
24 the date of effectivity of this Act.] *Provided,* That any person or entity to  
25 which this franchise is sold, transferred, or assigned shall be subject to the  
26 same conditions, terms, restrictions, and limitations of this Act.  
27

28 **SEC. 11.** A new Section 13 is hereby inserted after the remembered Section 12 of  
29 Republic Act No. 7831 to read as follows:  
30

31 “SEC. 13. **DISPERSAL OF OWNERSHIP.** – **IN**  
32 **ACCORDANCE WITH THE CONSTITUTIONAL PROVISION TO**  
33 **ENCOURAGE PUBLIC PARTICIPATION IN PUBLIC UTILITIES,**  
34 **THE GRANTEE SHALL OFFER TO FILIPINO CITIZENS AT**  
35 **LEAST THIRTY PERCENT (30%) OR A HIGHER PERCENTAGE**  
36 **THAT MAY HEREAFTER BE PROVIDED BY LAW OF ITS**  
37 **OUTSTANDING CAPITAL STOCK IN ANY SECURITIES**  
38 **EXCHANGE IN THE PHILIPPINES WITHIN FIVE (5) YEARS**  
39 **FROM THE COMMENCEMENT OF ITS OPERATIONS:**  
40 **PROVIDED,** THAT IN CASES WHERE PUBLIC OFFER OF  
41 SHARES IS NOT APPLICABLE, THE GRANTEE SHALL APPLY  
42 OTHER METHODS OF ENCOURAGING PUBLIC  
43 PARTICIPATION BY CITIZENS AND CORPORATIONS  
44 OPERATING PUBLIC UTILITIES AS ALLOWED BY LAW.

1                   NONCOMPLIANCE THEREWITH SHALL RENDER THE  
2                   FRANCHISE *IPSO FACTO* REVOKED.”

3  
4                   **SEC. 12.** A new Section 14 is hereby inserted after the new Section 13 of Republic Act  
5 No. 7831 to read as follows:

6  
7                   “**SEC. 14. REPORTORIAL REQUIREMENT.** – DURING THE  
8 TERM OF ITS FRANCHISE THE GRANTEE SHALL SUBMIT AN  
9 ANNUAL REPORT TO THE CONGRESS OF THE PHILIPPINES,  
10 THROUGH THE COMMITTEE ON LEGISLATIVE FRANCHISES  
11 OF THE HOUSE OF REPRESENTATIVES AND THE  
12 COMMITTEE ON PUBLIC SERVICES OF THE SENATE, ON ITS  
13 COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE  
14 FRANCHISE AND ON ITS OPERATIONS ON OR BEFORE  
15 APRIL 30 OF EVERY YEAR.

16  
17                   THE ANNUAL REPORT SHALL INCLUDE AN UPDATE  
18 ON THE ROLL-OUT, DEVELOPMENT, OPERATION OR  
19 EXPANSION OF BUSINESS; AUDITED FINANCIAL  
20 STATEMENTS; LATEST GENERAL INFORMATION SHEET  
21 OFFICIALLY SUBMITTED TO SEC (IF APPLICABLE);  
22 CERTIFICATION OF THE NTC ON THE STATUS OF ITS  
23 PERMITS AND OPERATIONS; AND AN UPDATE ON THE  
24 DISPERSAL OF OWNERSHIP UNDERTAKING, IF  
25 APPLICABLE.

26  
27                   THE REPORTORIAL COMPLIANCE CERTIFICATE  
28 ISSUED BY CONGRESS SHALL BE REQUIRED BEFORE AN  
29 APPLICATION FOR PERMIT, CERTIFICATE, OR ANY  
30 EQUIVALENT THEREOF IS ACCEPTED BY THE NTC.”

31  
32                   **SEC. 13.** A new Section 15 is hereby inserted after the new Section 14 of Republic Act  
33 No. 7831 to read as follows:

34  
35                   “**SEC. 15. FINE.-** FAILURE OF THE GRANTEE TO  
36 SUBMIT THE REQUISITE ANNUAL REPORT TO CONGRESS  
37 SHALL BE PENALIZED BY A FINE OF FIVE HUNDRED PESOS  
38 (P500.00) PER WORKING DAY OF NONCOMPLIANCE. THE  
39 FINE SHALL BE COLLECTED BY THE NTC FROM THE  
40 DELINQUENT FRANCHISE GRANTEE SEPARATE FROM THE  
41 REPORTORIAL PENALTIES IMPOSED BY THE NTC AND THE



1 SAME SHALL BE REMITTED TO THE NATIONAL  
2 TREASURY.”

3  
4 SEC. 14. A new Section 16 is hereby inserted after the new Section 15 of Republic Act  
5 No. 7831 to read as follows:

6  
7 “SEC. 16. *EQUALITY CLAUSE.* – ANY ADVANTAGE,  
8 FAVOR, PRIVILEGE, EXEMPTION, OR IMMUNITY GRANTED  
9 UNDER EXISTING FRANCHISES, OR WHICH MAY  
10 HEREAFTER BE GRANTED FOR RADIO AND TELEVISION  
11 BROADCASTING, UPON PRIOR REVIEW AND APPROVAL OF  
12 CONGRESS, SHALL BECOME PART OF THIS FRANCHISE AND  
13 SHALL BE ACCORDED IMMEDIATELY AND  
14 UNCONDITIONALLY TO THE HEREIN GRANTEE: *PROVIDED,*  
15 THAT THE FOREGOING SHALL NEITHER APPLY TO NOR  
16 AFFECT PROVISIONS OF BROADCASTING FRANCHISES  
17 CONCERNING TERRITORIAL COVERAGE, THE TERM, OR  
18 THE TYPE OF SERVICE AUTHORIZED UNDER THIS  
19 FRANCHISE.”

20  
21 SEC. 15. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject to  
22 amendment, alteration, or repeal by the Congress of the Philippines when the public interest so  
23 requires and shall not be interpreted as an exclusive grant of the privileges herein provided.

24  
25 SEC. 16. *Separability Clause.* – If any of the sections or provisions of this Act is held  
26 invalid or unconstitutional, the other provisions not affected thereby shall remain valid.

27  
28 SEC. 17. *Repealing Clause.* – All laws, decrees, orders resolutions, instructions, rules  
29 and regulations, and other issuances or parts thereof which are inconsistent with the provisions of  
30 this Act are hereby repealed, amended, or modified accordingly.

31  
32 SEC. 18. *Effectivity.* – This Act shall take effect within fifteen (15) days after its  
33 publication in the *Official Gazette* or in a newspaper of general circulation.

34  
35 *Approved,*