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LAWNUM: RA07163

DATE : 11/19/91

TITLE : AN ACT GRANTING THE PROGRESSIVE BROADCASTING CORPORATION A
FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL
PURPOSES RADIO BROADCASTING STATIONS AND TELEVISION STATIONS IN
METRO
MANILA AND IN REGIONS I, VI AND VII, AND FOR OTHER PURPOSES

TEXT :

H. No. 27877

Republic of the Philippines
Congress of the Philippines
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second
day of July, nineteen hundred and ninety-one.

[REPUBLIC ACT No. 07163]

AN ACT GRANTING THE PROGRESSIVE BROADCASTING
CORPORATION A FRANCHISE TO CONSTRUCT,
INSTALL, OPERATE AND MAINTAIN FOR
COMMERCIAL PURPOSES RADIO BROADCASTING
STATIONS AND TELEVISION STATIONS IN METRO
MANILA AND IN REGIONS I, VI AND VII, AND
FOR OTHER PURPOSES

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

SECTION 1. Nature and Scope of Franchise. - Subject to the
provisions of the Constitution and applicable laws, rules and
regulations, there is hereby granted to the Progressive
Broadcasting Corporation, hereunder referred to as the
grantee, its successors or assigns a franchise to construct,
install, operate and maintain for commercial purposes and in
the public interest radio broadcasting stations and
television stations in Metro Manila and in Regions I, VI and
VII with the corresponding technological auxiliaries or
facilities for special broadcast and other program and
distribution services and relay stations, and to install
radio communication facilities for the grantee's private use
in its broadcast services.

SEC. 2. Manner of Operation of Stations or Facilities. -
The stations or facilities of the 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 the other existing stations or 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 the appropriate permits and licenses for the technical aspects of its operations, particularly on its frequency assignment in the radio and television spectrum and equipment for its stations. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority, nor impose unnecessary requirements that would impede immediate start of the contemplated service.

SEC. 4. Responsibility to the Public. - The grantee shall provide reasonable public service time to enable the Government, through the said television systems, to reach the population on important public issues; provide at all times sound and balanced programming; promote public participation such as in community programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations for the broadcasting of obscene and indecent language, speech, act or scene, or for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of the public interest, or to incite, encourage, or assist in subversive or treasonable acts.

SEC. 5. Right of Government. - The President of the Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, may temporarily take over and operate the stations of the grantee, temporarily suspend the operation of any station in the interest of public safety, security and public welfare, or 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 during the period when they shall be so operated.

SEC. 6. Term of Franchise. - This franchise shall be for a term of twenty-five (25) years from the date of the effectivity of this Act, unless sooner revoked or cancelled. In the event the grantee fails to operate within two (2) years, this franchise shall be deemed ipsofacto revoked from the effectivity of this Act or one (1) year from the grant of certificate of public convenience by the National Telecommunications Commission, whichever is later. Likewise, the term expires if the grantee suspends operation or fails

to operate continuously for two (2) years except for reasons outside its control, such as force majeure or acts of government, but suspends operation thereafter.

SEC. 7. Acceptance and Compliance. - Acceptance of this franchise shall be given in writing within sixty (60) days after approval of this Act. Refusal or failure to accept the franchise or to operate within the prescribed period shall render the franchise void.

SEC. 8. Tax Provisions. - 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 percent (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 has been amended or repealed, in which case the amendment or repeal shall be applicable thereto.

SEC. 9. 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, attributable solely to the act or omission of the grantee.

SEC. 10. Sale, Lease, Transfer, Usufruct, etc. - The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise nor 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 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, restrictions and limitations of this Act.

SEC. 11. Public Ownership. - In adherence to the constitutional mandate, the herein grantee shall comply with the enabling law implementing for the purpose the democratization of ownership of all public interest.

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. 13. Repealing Clause. - 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. 14. 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.

Approved,

JOVITO R. SALONGA
MITRA
President of the Senate
House

RAMON V.
Speaker of the
of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on August 7, 1991 and August 6, 1991, respectively.

EDWIN P. ACOBA
SABIO
Secretary of the Senate

CAMILO L.
Secretary General
House of Representatives

Approved: November 19, 1991

CORAZON C. AQUINO
President of the Philippines