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LAWNUM: RA07477

DATE : 05/05/92

TITLE : AN ACT GRANTING THE PEOPLE'S BROADCASTING SERVICE, INC., A  
FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR  
COMMERCIAL PURPOSES RADIO BROADCASTING AND TELEVISION STATIONS IN  
THE PHILIPPINES AND FOR OTHER PURPOSES

TEXT :

H. No. 30503

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. 7477]

AN ACT GRANTING THE PEOPLE'S BROADCASTING  
SERVICE, INC., A FRANCHISE TO CONSTRUCT,  
INSTALL, OPERATE AND MAINTAIN FOR  
COMMERCIAL PURPOSES RADIO BROADCASTING AND  
TELEVISION STATIONS IN THE PHILIPPINES 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 People's Broadcasting  
Service, Inc., 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 and television stations in the Philippines with  
the corresponding technological auxiliaries or facilities, special  
broadcast and other program, 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 its stations and shall not use any frequency in the radio spectrum without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

SEC. 4. Responsibility to the Public. - The grantee shall provide reasonable public service time to enable the Government, through the said broadcasting stations, 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 or speech, for the dissemination of deliberately false information or willful misrepresentation to the detriment of the 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 Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to 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 approval of this Act unless sooner revoked or cancelled. In the event the grantee fails to operate continuously for two (2) years, this franchise shall be deemed ipso facto revoked.

SEC. 7. Acceptance and Compliance. - Acceptance of this franchise shall be given in writing within sixty (60) days after approval of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance 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 which 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 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 pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 9. Democratization of Ownership. - In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make public offering through the stock exchanges of at least thirty percent (30%) of its common stocks within a period of three (3) years from the date of effectivity of this Act: Provided, That no single person or entity shall be allowed to own more than five percent (5%) of the stock offerings.

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 or assign this franchise or 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. 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 Philip-pines when the public interest so requires and shall not be inter-pret-ed as an exclusive grant of the privileges herein provided for.

SEC. 14. Reportorial Requirement. - The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SEC. 15. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,

NEPTALI A. GONZALES  
President of the Senate

RAMON V. MITRA  
Speaker of the House  
of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on February 6, 1992 and February 4, 1992, respectively.

ANACLETO D. BADOY, JR.  
Secretary of the Senate

CAMILO L. SABIO  
Secretary General  
House of Representatives

Approved: May 05, 1992

CORAZON C. AQUINO  
President of the Philippines