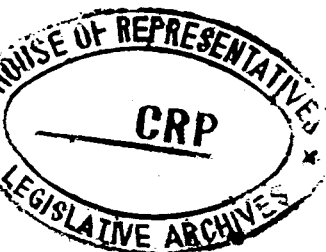


Republic of the Philippines  
Congress of the Philippines

Metro Manila

Twelfth Congress

Second Regular Session



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Begun and held in Metro Manila, on Monday, the twenty-second day  
of July, two thousand two.

[ REPUBLIC ACT NO. 9214 ]

AN ACT GRANTING THE NEWSOUNDS BROADCASTING  
NETWORK, INC. A FRANCHISE TO CONSTRUCT,  
INSTALL, ESTABLISH, OPERATE AND MAINTAIN  
RADIO AND TELEVISION BROADCASTING STATIONS  
IN THE PHILIPPINES

*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 Newsounds Broadcasting Network, Inc., hereunder referred to as the grantee, its successors or assigns, 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, through microwave, satellite or whatever means, including the use of any new technologies in television and 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 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 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 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 construction and operation of its stations and facilities and shall not use any frequency in the radio/television 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 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 broadcasting of obscene and indecent language, speech, act or scene; or 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 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 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 for a term of twenty-five (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to comply with any of the following conditions:

(a) Commence operations within one (1) year from the approval of its operating permit or provisional authority by the NTC;

(b) Operate continuously for two (2) years; and

(c) Commence operations within three (3) years from the effectivity of this Act.

SEC. 7. *Acceptance and Compliance.* – Acceptance of this franchise shall be given in writing within sixty (60) days from the effectivity 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. *Bond.* – The grantee shall file a bond issued in favor of the NTC, which shall determine the amount, to guarantee the compliance with and fulfillment of the conditions under which this franchise is granted. If after three (3) years from the date of the approval of its permit by the Commission, the grantee shall have fulfilled the same, the bond shall be cancelled by the Commission. Otherwise, the bond shall be forfeited in favor of the government and the franchise *ipso facto* revoked.

SEC. 9. *Self-regulation by and Undertaking of the 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*, That the grantee, during any broadcast, shall cut off 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, rebellion or sedition; or the language used therein or the theme thereof is indecent or immoral; and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 10. *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. 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, nor merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in parts 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 the foregoing limitations shall not apply to: (1) any transfer or issuance of shares to any investor pursuant to or in connection with any increase in the grantee's authorized capital stock which shall result in the dilution of the stockholdings of the grantee's then existing stockholders; (2) any transfer or sale of shares of stock to an investor or investors; (3) any sale, transfer or assignment by the stockholders of the grantee in favor of a holding company whose stockholders are identical to the stockholders of the grantee; (4) any combination thereof where such transfer, sale or issuance is effected in order to enable the grantee to raise the necessary capital or financing for the provision of any of the services authorized by this Act and/or carry out any of the purposes for which the grantee has been incorporated or organized: *Provided, further*, That any such transfer, sale or issuance is in accordance with any applicable constitutional limitation. 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. *Dispersal of Ownership.*** – In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make public offering through stock exchanges of at least thirty percent (30%) of its common stocks within a period of five (5) years from the time it has achieved the status of a national broadcasting network. A "national broadcasting network" is hereby defined as one that operates three (3) or more media and/or television stations: *Provided*, That no single person or entity shall be allowed to own more than five percent (5%) of the stock offering: *Provided, finally*, That the offer to the public through any securities and exchange in the Philippines of at least thirty percent (30%) of the number of shares of a holding company that owns at least a majority of the capital stock of the grantee sufficient to constitute an offer of at least thirty percent (30%) interest in the outstanding capital stock of the grantee shall be deemed compliance with the requirement herein provided. Noncompliance herewith shall render the franchise *ipso facto* revoked.

**SEC. 13. *No Tax Exemption.*** – Nothing herein contained in this Act should be understood as to exempt the grantee from any and all tax obligations to the government.

**SEC. 14. *General Broadcast Policy Law.*** – The grantee shall comply with and be subject to the provisions of a general broadcast policy law, which Congress may hereafter enact.

**SEC. 15. *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.

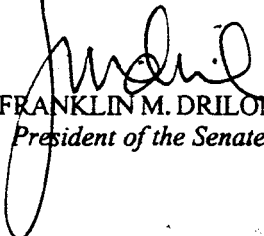
**SEC. 16. *Separability Clause.*** – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

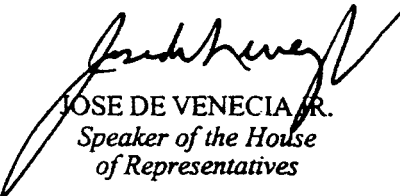
**SEC. 17. *Repealing and Nonexclusivity Clause.*** – This franchise shall be subject to amendment, alteration or repeal by

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.

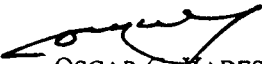
SEC. 18. *Effectivity Clause.* – This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

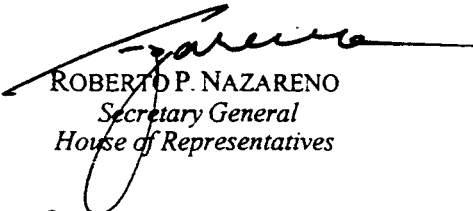
Approved,

  
FRANKLIN M. DRILON  
*President of the Senate*

  
JOSE DE VENECIA JR.  
*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 May 20, 2003 and May 12, 2003, respectively.

  
OSCAR G. YABES  
*Secretary of the Senate*

  
ROBERT P. NAZARENO  
*Secretary General House of Representatives*

Approved: JUL 23 2003

  
GLORIA MACAPAGAL-ARROYO  
*President of the Philippines*



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