

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S. B. No. **1521**

Introduced by SENATORS MANUEL "LITO" M. LAPID, FRANKLIN M. DRILON,
RALPH G. RECTO, RICHARD J. GORDON, SHERWIN GATCHALIAN,
JOEL VILLANUEVA, JUAN MIGUEL F. ZUBIRI, SONNY ANGARA, MARIA LOURDES
NANCY S. BINAY, RAMON BONG REVILLA, JR., RISA HONTIVEROS,
FRANCIS "KIKO" PANGILINAN, EMMANUEL D. PACQUIAO

AN ACT
GRANTING THE ABS-CBN BROADCASTING CORPORATION A
PROVISIONAL FRANCHISE TO CONSTRUCT, INSTALL, OPERATE, AND
MAINTAIN TELEVISION AND RADIO BROADCASTING STATIONS IN THE
PHILIPPINES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

By virtue of Republic Act No. 7966, ABS-CBN Broadcasting Corporation (ABS-CBN) was granted a franchise for twenty-five (25) years or until May 4, 2020. Pending the expiration of the franchise, several bills were filed to renew said franchise.

As early as the 16th Congress, an attempt had been made to renew the franchise of ABS-CBN through the filing of House Bill No. 4997. However, this did not get past the committee level. This 18th Congress, several bills in both Houses have been filed all seeking for the extension of ABS-CBN's franchise for another 25 years. Unfortunately, to date, the bills pending in House of Representatives have remained at the committee level.

In order to give Congress further time to deliberate on ABS-CBN's franchise, the House Committee on Legislative Franchise wrote a letter enjoining the National Telecommunications Commission (NTC) to grant ABS-CBN a provisional authority to

operate effective May 4, 2020 until such time that the Congress has made a decision on its application. For its part, the Senate adopted Senate Resolution No. 344, authorizing the NTC to issue a provisional authority to ABS-CBN, its subsidiaries and/or affiliates ABS-CBN Convergence, Inc., Sky Cable Corporation, and Amcara Broadcasting Network, Inc. until the Congress' final disposition of the franchise renewal bills. It should be noted that during the hearing of the Senate Committee on Public Services last February 24, 2020, Justice Secretary Menardo Guevarra has opined that Congress, through a concurrent resolution, could direct the NTC to provide provisional authority to operate pending deliberation on bills on the network's franchise renewal before the Congress.

The non-renewal of ABS-CBN's franchise will result in the loss of thousands of jobs as the network has over 11,017 employees including its artists, independent contractors, suppliers, and content creators who are spread out in ABS-CBN's information and entertainment group of companies.

ABS-CBN is also one of the country's two biggest networks. Hence, the cessation of its operations would imperil the Philippine advertising industry who has historically invested up to 75 percent of its P151-billion business into TV.

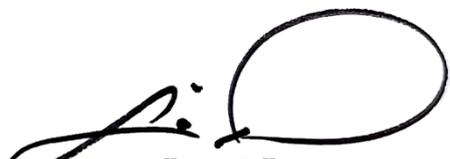
The television network is also among the country's largest taxpayers, having contributed up to P70.5 billion to the government between 2003 and 2020. Without the significant revenue stream the television network provides, government would be hard-pressed to find funding for basic services like education, healthcare, and security.

Equally important is the impact of the removal of a market leader such as ABS-CBN not only on competition within the broadcasting industry, but also on the economy as a whole. Former Socioeconomic Planning Secretary Ernesto Pernia was quoted as saying that the non-renewal of the franchise of ABS-CBN may affect investor confidence and get in the way of promoting diversity in the economy and fostering competition.

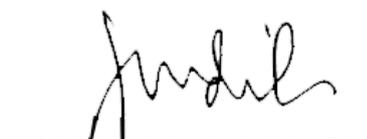
Now that we are in the midst of a pandemic, when the public is in need not just of reliable sources of information but also of entertainment and consolation for the sake of their mental health, and the failure of the NTC to heed Senate Resolution No. 344, the letter of House of Representatives, and the opinion of the DOJ Secretary to issue a provisional authority in favor of ABS-CBN, all the more is it urgent that legislative interventions are taken to ensure that ABS-CBN will continue their operations pending Congress' deliberations of the corporations' regular franchise renewal. The propriety of the long-standing practice of the Senate to conduct committee hearings in anticipation of any local, appropriation, tax, and private bills, such as franchise bills, still pending before the House of Representatives has been clearly explained in *Tolentino vs. Secretary of Finance*.¹ The Supreme Court held that the origination clause in the Constitution does not prohibit the filing in the Senate of a substitute bill in anticipation of its receipt of the bill from the House, so long as action by the Senate as a body is withheld pending receipt of the House bill.

Considering the network's huge economic contribution to country, this measure should also be viewed as an attempt to save all the thousands of direct and indirect jobs dependent on ABS-CBN in a time of great unease and economic contraction. Indeed, in the face of all the challenges brought by the COVID-19 virus, government must do all it can to ease the burdens faced by its people.

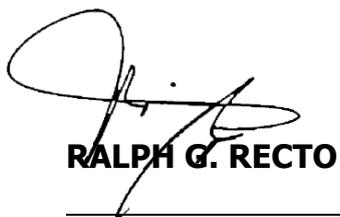
In view of the foregoing, the immediate passage of the bill is earnestly sought.



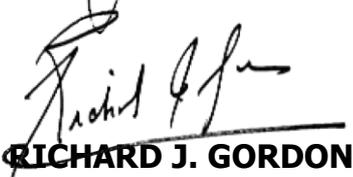
MANUEL "LITO" M. LAPID



FRANKLIN M. DRILON

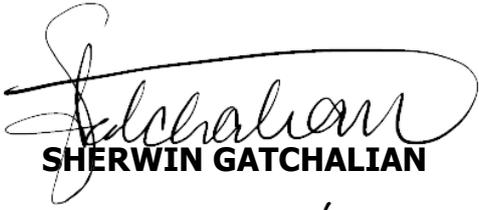


RALPH G. RECTO



RICHARD J. GORDON

¹ G.R. No. 115455, August 25, 1994



SHERWIN GATCHALIAN



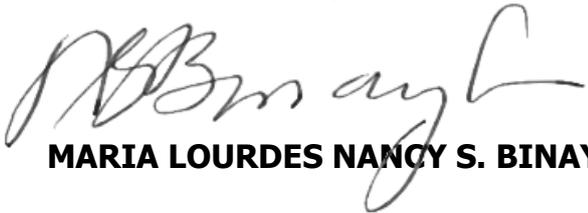
JOEL VILLANUEVA



JUAN MIGUEL F. ZUBIRI



SONNY ANGARA³



MARIA LOURDES NANCY S. BINAY



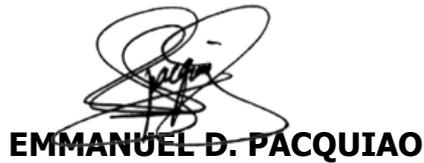
RAMON BONG REVILLA, JR.



RISA HONTIVEROS



FRANCIS "KIKO" PANGILINAN



EMMANUEL D. PACQUIAO

³ In full disclosure and compliance with the 1987 Constitution, Senator Sonny Angara's wife, Elvira Echauz-Angara, has worked for the ABS-CBN Group of Companies even before he entered the public service in 2004.

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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. 7966 is hereby amended to read
2 as follows:

3 "Section 1. *Nature and Scope of Franchise.* — Subject to the
4 provisions of the Constitution and applicable laws, rules and
5 regulations, the ABS-CBN Broadcasting Corporation, hereunder
6 referred to as the grantee, its successors or assignees, is hereby
7 granted a **PROVISIONAL** franchise **UNTIL JUNE 30, 2022** to
8 construct, operate and maintain[7] for commercial purposes and in
9 the public interest, television and radio broadcasting stations in and
10 throughout the Philippines, through microwave, satellite or whatever
11 means including the use of any new technologies in television and
12 radio systems, with the corresponding technological auxiliaries or
13 facilities, special broadcast and other broadcast distribution services
14 and relay stations.

15

1 **SEC. 2.** Section 6 of Republic Act No. 7966 is hereby repealed.

2 **SEC. 3. *Separability Clause.*** – If any part or provision of this Act is held
3 invalid or unconstitutional, the remaining parts or provisions not affected shall
4 remain in full force and effect.

5 **SEC. 4. *Repealing Clause.*** – All general and special laws, decrees, executive
6 orders, proclamations and administrative regulation, or any parts thereof which are
7 inconsistent with this Act are hereby repealed, amended and modified accordingly.

8 **SEC. 5. *Effectivity.*** — This Act shall take effect upon its publication in a
9 newspaper of general circulation or in the *Official Gazette. Provided,* That it shall
10 have retroactive effect from May 3, 2020 and shall be in full force and effect until a
11 new franchise has been granted to the grantee.

Approved,