

Title: ABS-CBN Corporation vs. National Telecommunications Commission (NTC)

Facts:

On March 30, 1995, ABS-CBN Corporation was granted a 25-year legislative franchise under Republic Act No. 7966, set to expire on May 4, 2020. Ahead of the expiration, several bills seeking the renewal of ABS-CBN's franchise were filed in the 16th, 17th, and 18th Congress but remained pending.

During a Senate Committee hearing on February 24, 2020, NTC Commissioner Gamaliel A. Cordoba stated that the NTC would grant a Provisional Authority to operate based on equity and in adherence to established practice, should DOJ advise accordingly. The DOJ, though not issuing a formal legal opinion, suggested that there is precedence for allowing a broadcast entity to continue operations while its franchise renewal is pending in Congress.

On February 26, 2020, the House Committee on Legislative Franchises requested the NTC to grant ABS-CBN a provisional authority effective May 4, 2020. This request was supported by subsequent House and Senate Resolutions.

On March 10, 2020, during a House Committee hearing, Cordoba confirmed that the NTC would follow the advice of the DOJ, allowing ABS-CBN to operate based on equity while franchise renewal bills were pending. The NTC announced an extension for permits expiring within the quarantine period due to COVID-19, effectively extending ABS-CBN's permit for 60 days after the quarantine.

Despite these developments, Solicitor General Jose C. Calida warned the NTC against issuing a provisional authority without a franchise, alleging the possibility of graft charges against NTC officials.

On May 5, 2020, immediately following the expiration of ABS-CBN's franchise, the NTC issued a Cease and Desist Order (CDO), prompting ABS-CBN to halt its broadcast operations. ABS-CBN filed a petition claiming grave abuse of discretion on the part of the NTC for issuing the CDO, arguing it should have been allowed to operate pending congressional action on its franchise renewal.

The NTC received a Show Cause Order from the House of Representatives for issuing the CDO and later explained that it was unable to issue a provisional authority because it would encroach on Congress's exclusive power to grant franchises.

ABS-CBN filed an Urgent Reiterative Motion for a TRO/WPI on May 18, 2020, noting House Bill No. 6732 which sought to grant a provisional franchise until October 31, 2020. Despite legislative efforts, the franchise renewal bills were eventually denied by the House Committee on Legislative Franchises on July 10, 2020.

Issues:

1. Whether the NTC gravely abused its discretion in issuing the CDO against ABS-CBN?
2. Whether ABS-CBN's right to due process was violated by the NTC's issuance of the CDO without prior notice or hearing?
3. Whether the NTC's actions were consistent with established practices and the advice given by the DOJ?
4. Whether ABS-CBN's right to equal protection was violated by being singled out despite the existence of other broadcasting entities with expired franchises still operating?

Court's Decision:

The Supreme Court resolved to drop the House of Representatives and the Senate as parties to the case and dismissed the petition on the ground of mootness. With the denial of the franchise renewal bills, the issue of NTC's grave abuse of discretion in issuing the CDO against ABS-CBN became moot.

Doctrine:

The legislative franchise is a necessary prerequisite for broadcasting entities to operate. Also, the "established practice" or "equitable practice" allows a broadcast company to continue operations despite an expired franchise, pending its renewal, is not legally binding.

Class Notes:

In the Philippine legal context, a legislative franchise is required for broadcasting entities to operate. Prior to a Supreme Court ruling, administrative practice, or equitable considerations allowing continued operations pending franchise renewal, are not enshrined within the law and do not constitute a right enforceable in court.

Historical Background:

The case of ABS-CBN Corporation vs. NTC occurred against a backdrop of political tension between the network and the Duterte administration. ABS-CBN's attempt to get its franchise renewed was closely watched as a bellwether for press freedom in the Philippines. The denial of the franchise was deemed to be heavily influenced by political tides and President Duterte's vocal disapproval of the network, which he accused of biased reporting

and of not airing his paid political advertisements during the 2016 election campaign. This historical context exemplifies the intricate interplay between politics, media, and law in shaping the democratic discourse and rights in the Philippines.