

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress
Second Regular Session

HOUSE BILL NO. 5019



Introduced by HON. DOUGLAS RA. CAGAS

EXPLANATORY NOTE

Broadcasting system is very vital especially now that we are in the Information Age. For the Philippines to cope up with the growing demand for such services, we must open doors to promote and improve our present broadcasting system.

Section 24, Article II of the 1987 Constitution recognizes the vital role of communication and information in nation building. Explicitly, the State recognizes the establishment of communication facilities.

Though seemingly sufficient, the present broadcasting system, especially in the countryside is still sadly lacking. Realizing the need to fill this inadequacy in the local broadcasting system, particularly in Davao del Sur, Cultural Foundation of Davao del Sur Incorporated intends to do its share in improving the present radio and television broadcasting systems in the said area.

This bill seeks to grant the Cultural Foundation of Davao del Sur Incorporated a franchise to construct, install, establish, operate and maintain radio and television broadcasting stations in Davao del Sur.

In view of the foregoing, the approval of this bill is earnestly sought.


DOUGLAS RA. CAGAS

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AN ACT
GRANTING THE CULTURAL FOUNDATION OF DAVAO DEL SUR
INCORPORATED (CFDI) FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION
BROADCASTING STATIONS IN DAVAO DEL SUR.

Be it enacted by the Senate and the 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 Cultural Foundation of Davao del Sur Incorporated (CFDI), 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 Davao del Sur, 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 technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations.

SECTION 2. *Manner of Operation of Stations of 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 should maximize rendition of the grantees services and/or the availability thereof.

SECTION 3. *Authority of the National Telecommunications Commission.* – The grantee shall secure from the National Telecommunications Commission (NTC), hereinafter referred to as the Commission, a Certificate of Public Convenience and Necessity or the appropriate permits and licenses for the construction, installation and operation of its telecommunications systems/facilities. In issuing the certificate, the Commission shall have the power to impose such conditions relative to the construction, operation, maintenance, or service level of the telecommunications system. The Commission shall have the authority to regulate the construction and operation of its telecommunications systems. The grantee shall not use any frequency in the radio spectrum without having been authorized by the Commission. Such certificate shall state the areas covered and date the grantee shall commence the service. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority, permits or licenses.

SECTION 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.

SECTION 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 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.

SECTION 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 by the NTC;
- b.) Operate continuously for two (2) years; and
- c.) Commence operations within three (3) years from the effectivity of this Act.

SECTION 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.

SECTION 8. *Bond.* – The grantee shall file a bond issued in favor of the National Telecommunications Commissions, which shall determine the amount, to guarantee the compliance with and fulfillment of the conditions under which this franchise is granted. If, after five (5) years from the date of the approval of its permit by the Commission, the grantee shall have fulfilled the same, bond shall be cancelled by the Commission. Otherwise, the bond shall be forfeited in favor of the government and the franchise *ipso facto* revoked.

SECTION 9. *Self-Regulation by the Undertaking of 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.

SECTION 10. *Warranty in Favor of the National and Local Governments.* – The grantee shall hold the national, provincial, city 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, transmitters, facilities and equipment of the grantee.

SECTION 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 to which this franchise is sold, transferred or assigned, shall be subject to the same conditions, terms, restrictions and limitations of this Act.

SECTION 12. *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.

SECTION 13. *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.

SECTION 14. *Separability Clause.* – If any of sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 15. *Repealability and Nonexclusivity Clause.* This franchise shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public when the interest so requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SECTION 16. *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) papers of general circulation in the Philippines.

Approved.