

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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 1269



Introduced by Hon. Carlos M. Padilla

EXPLANATORY NOTE

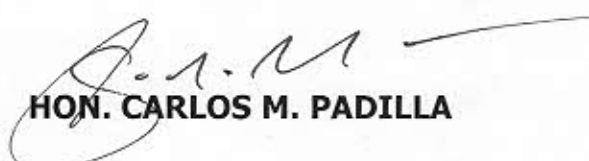
Originally, this bill was filed in the Fifteenth Congress. It was approved on Third Reading but was not acted by the Senate.

This bill seeks to grant UMC-BEA Communications Ministry, Inc, a religious organization affiliated to the Philippines Central Conference of the United Methodist Church, Inc., a franchise to construct, install, establish, operate and maintain radio and television broadcasting stations in Nueva Vizcaya, for commercial and evangelism purposes.

It will be the communications ministry of the United Methodist Church covering the Baguio Episcopal Area (Central & Northern Luzon). It will provide Christian education to its listeners and nurture programs through a radio and communications ministry. Its main goal is to "Make Disciples of Jesus Christ to Transform the World" adhering to the Wesleyan Traditions and Principles and will cater to its own membership. Youth and adult listeners will be the main target of this program, but program for children and special age group will also be considered.

At this crucial time of our history there is a great need for a radio and/or television program, that would be an instrument in molding the moral values of our people in the light of the apparent moral decadence in our midst.

Hence, approval of this bill is earnestly requested.


HON. CARLOS M. PADILLA

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AN

**ACT GRANTING THE UMC-BEA COMMUNICATIONS MINISTRY, INC. A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND
MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN NUEVA
VIZCAYA**

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 1987 Constitution and applicable laws, rules and regulations, there is hereby granted to UMC-BEA Communications Ministry, 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 Nueva Vizcaya, where frequencies and/or channels are still available for radio and/or television broadcasting, including digital television system, Internet Protocol (IP)-related services and IP-value-added services, 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 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 authorization from the NTC. The NTC, 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 to use its stations and facilities for broadcasting 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 or 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.

Sec. 6. *Term of Franchise.* - This franchise shall be in effect for a period of twenty-five (25) years, 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) Commence operations within three (3) years from the effectivity of this Act; and
- (c) Operate continuously for two (2) years.

Sec. 7. *Acceptance and Compliance.*- Acceptance of this franchise shall be given in writing to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate 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 with the NTC in the amount that the NTC shall determine to guarantee 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 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 from the air the speech, play, act or scene, or other matter being broadcast if the tendency is to propose and/or incite treason, rebellion or sedition; or the language use therein or the theme thereof is indecent or immoral: *Provided, further*, That any or 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 property or to persons, caused by the construction or operation of the stations of the grantee.

Sec . 11. *Sale, Lease, Transfer, Usufruct Assignment.*– 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 entity, nor shall 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 Congress shall be informed of any lease, transfer, granting the usufruct of, sale or assignment of the franchise or the rights or privileges acquired within sixty (60) days after the completion of said transaction: *Provided further*: That failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked: *Provided finally*, That any person 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.

Sec. 12. *Dispersal of Ownership.* – In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino Citizens at least thirty *per centum* (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital stock in any securities engage in the Philippines within five (5) years from the commencement of its operations. *Provided*, That in cases where public offer of shares is not applicable, establishment of cooperatives and other methods of encouraging public participation by citizens and corporations operating public utilities must be implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.

Sec. 13. *Equality Clause.* – Any advantage , favor, privilege, exemption, or immunity granted under existing franchise, or which may hereafter be granted for radio and/or television broadcasting, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: *Provided, however*, That the foregoing shall neither apply to nor affect the provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise or the type of service authorized by the franchise: *Provided, further*, That the foregoing shall not

apply to sale, lease, transfer or grant of usufruct of legislative franchise with prior congressional approval.

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, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, on its compliance with the terms and conditions of the franchise and on its operations or on before April 30 of the succeeding year.

Sec. 16. *Penalty Clause.* - Any grantee who fails to submit the annual report to Congress shall be fined Five hundred pesos (P500.00) per working day of noncompliance. The said fine shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC. The collected funds shall accrue to the monitoring fund of the NTC in line with its supervisory and regulatory functions. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

Sec. 17. *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. 18. *Repealability 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. 19. *Publication.* - This Act shall be published, through the initiative of the grantee, fifteen (15) days after this Act is signed by the President of the Philippines or has lapsed into law.

Sec. 20. *Effectivity Clause.* - This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved.