

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

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1886



Introduced by Rep. Wilfrido Mark M. Enverga

EXPLANATORY NOTE

The Bill seeks to grant the Southern Tagalog Sweet Life Inc., a legislative franchise to construct, install, establish, operate and maintain radio and television broadcasting stations in the Philippines.

Our constitution recognizes the significance of communication and information as it expressly provides that the State recognizes the vital role of communication and information in nation-building.

There is a direct link between a nation's material prosperity and that of her information-wealth; and vice versa. Development rests upon the dissemination and application of different types of information. Hence, there is no doubt, therefore, that information "has always played a central role in human life, a basic human need, which has an over-riding and all-permeating significance to all and sundry" (Issa, 2002),

In view of the foregoing considerations, approval of this bill is highly and earnestly recommended.


WILFRIDO MARK ENVERGA

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HOUSE BILL NO. _____

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**AN ACT GRANTING THE SOUTHERN TAGALOG SWEET LIFE, INC., A
FRANCHISE TO ESTABLISH, MAINTAIN AND OPERATE RADIO AND
TELEVISION BROADCASTING STATIONS WITHIN THE PHILIPPINES**

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 Southern Tagalog Sweet Life Inc., its successors or assigns and hereunder referred to as the grantee, a franchise to construct, establish, maintain and operate for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines with the corresponding technological auxiliary equipment, special broadcast, and other broadcast distribution services and relay stations.

SECTION 2. Right of the 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.

SECTION 3. 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.

SECTION 4. Prior Approval of the National Telecommunications Commission. — The grantee shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses for its stations 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.

SECTION 5. Manner of Operation of Stations or Facilities. — The stations or facilities of the grantee shall be so constructed and operated in a manner as will avoid interference on the wavelengths or frequencies of authorized users, whether for broadcasting or telecommunications purposes, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception of signals.

SECTION 6. 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 grantee.

SECTION 7. Responsibility to the Public. — The grantee shall provide reasonable public service time to enable the government, through the said broadcasting stations, to reach the population on important public issues; provide at all times sound and balanced programming; promote public participation such as in community programming; assist in the functions of public information and education, conform to the ethics of honest enterprise; and not use its stations for the broadcasting of obscene and indecent language,

1 speech, act or scene, or for the dissemination of deliberately false information or
2 willful misrepresentation to the detriment of public interest; or to incite,
3 encourage, or assist in subversive or treasonable acts.

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5 **SECTION 8. Acceptance and Compliance.** — Acceptance of this franchise
6 shall be given in writing to the Secretary of Transportation and
7 Communications, with a copy furnished to the chairman of the National
8 Telecommunications Commission, within sixty (60) days after the approval of
9 this Act. Upon giving such acceptance, the grantee shall exercise the privileges
10 granted under this Act. Non-acceptance shall render the franchise void.

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12 **SECTION 9. Sale, Lease, Transfer, Usufruct etc.** — The grantee shall not
13 lease, transfer, grant the usufruct of, sell or assign this franchise, nor the rights
14 or privileges acquired thereunder to any person, firm, company, partnership,
15 corporation or other commercial or legal entity, nor merge with any other
16 person, firm, company, partnership or corporation not otherwise enfranchised
17 for broadcasting services without the prior approval of the Congress of the
18 Philippines. The controlling interest in the grantee shall not be transferred,
19 assigned nor sold whether as a whole or in parts and whether simultaneously or
20 contemporaneously within five (5) years from the date of the effectivity of this
21 Act. Any corporation to which this franchise may be sold, transferred, or
22 assigned shall be subject to the corporation laws of the Philippines now existing
23 or hereafter enacted, and any person, firm, company, partnership, corporation
24 or other commercial or legal entity to which this franchise is sold, transferred,
25 or assigned shall be subject to all conditions, terms, restrictions, and limitations
26 of this franchise as fully and completely and to the same extent as if the
27 franchise had been originally granted to the said person, firm, company,
28 partnership, corporation or other commercial or legal entity.

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30 **SECTION 10. Tax Provisions.** — The grantee, its successors or assigns shall
31 be liable to pay the same taxes on their real estate, buildings and personal
32 property, exclusive of this franchise, as other persons or corporations are now
33 or hereafter may be required by law to pay. In addition thereto, the grantee, its
34 successors or assigns shall pay a franchise tax equivalent to three percent (3%)
35 of all gross receipts of the radio/television business transacted under this
36 franchise. The grantee, its successors or assigns, shall continue to be liable for
37 income taxes payable under Title II of the National Internal Revenue Code
38 pursuant to Section 1 of Executive Order No. 72 unless the latter enactment is
39 amended or repealed in which case the amendment or repeal shall be applicable
40 thereto.

1 The grantee shall file the return with and pay the tax due thereon to the
2 Commissioner of Internal Revenue or his duly authorized representative in
3 accordance with the National Internal Revenue Code and the return shall be
4 subject to audit by the Bureau of Internal Revenue.

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6 **SECTION 11. Self-regulation by and Undertaking of the Grantee.** — The
7 grantee shall not require any prior censorship in any speech, play, act or scene
8 or other matter to be broadcast or telecast from its stations: provided, that the
9 grantee during any broadcast or telecast may cut off from the air any speech,
10 play, act or scene or other matter being broadcast or telecast if the tendency
11 thereof is to propose and/or incite treason, rebellion or sedition or the language
12 used therein is indecent or immoral, and willful failure to do so shall constitute a
13 valid cause for the cancellation of this franchise.

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15 **SECTION 12. Separability Clause.** — If any of the sections or provisions of
16 this Act is held invalid, all the other provisions not affected thereby shall remain
17 valid.

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19 **SECTION 13. Repealability and Non-exclusivity Clause.** — This franchise
20 shall be subject to amendment, alteration or repeal by the Congress of the
21 Philippines when the public interest so requires. This franchise shall not be
22 interpreted to mean as an exclusive grant of the privileges herein provided for.

23
24 **SECTION 14. Effectivity Clause.** — This Act shall take effect fifteen (15) days
25 from the date of its publication in at least two (2) national newspapers of
26 general circulation in the Philippines.

27
28 *Approved,*