



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH CONGRESS

First Regular Session

House Bill No. **2916**

Introduced by Representative Leo Rafael M. Cueva

EXPLANATORY NOTE

This bill seeks to renew and expand the coverage granted to the Cadiz Radio and Television Network, Inc. (CRTN) under Republic Act (R.A.) No. 8111 which took effect last July 9, 1995. R.A. No. 8111 granted a franchise to CRTN to construct, install, operate and maintain radio and/or television broadcasting stations in the City of Cadiz, Province of Negros Occidental. The franchise term was for twenty-five (25) years. Even before the passage of the R.A. No. 8111, CRTN was originally granted a franchise to operate in the whole Western Visayas area for twenty-five (25) years.

During CRTN operations, it serves as the most important medium through which the right to freedom of expression is realized. Even in the most far-flung area, the right of the public to information was being fulfilled. Freedom of expression includes the right not only to seek and impart information and ideas, but also the right to receive them to which CRTN was able to cater to the people in the City of Cadiz.

In this measure, this representation intends to perpetuate the franchise until expressly revoked by the Congress and to broaden the coverage from Cadiz City to the whole Western Visayas. With this bill, not only the City of Cadiz will enjoy the right of the public to information but also the whole Western Visayas especially in terms of political, economic, environment, social, weather, and other current events affecting their daily lives.

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

Leo Rafael M. Cueva
2nd District, Negros Occidental



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS

First Regular Session

House Bill No. **2916**

Introduced by Representative Leo Rafael M. Cueva

AN ACT

RENEWING THE FRANCHISE OF CADIZ RADIO AND TELEVISION NETWORK, INC., TO CONSTRUCT, ESTABLISH, MAINTAIN AND OPERATE RADIO AND TELEVISION BROADCASTING STATION IN THE WESTERN VISAYAS AREA

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 Cadiz Radio and Television Network, Inc., hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in the Western Visayas, with the corresponding technological auxiliaries or facilities, special broadcast and other program and distribution services and relay stations, and to install radio communication facilities for the grantee's private use in its broadcast services.

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 the other existing stations or stations which may be established by law, without in any way diminishing its own right to use its selected wavelengths or frequencies of the other existing stations or 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 the availability thereof.

Sec. 3 Prior Approval of the National Telecommunications Commission.

– The grantee shall secure from the National Telecommunications Commission the appropriate permit and license 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 be 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, 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 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.

Sec. 5. Right of the Government. – A special right is hereby reserved to the President of the Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and operate the station of the grantee, to temporarily suspend the operation of any station 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 during the period when they shall be so operated.

Sec. 6 Term of Franchise. – This franchise shall be continuously granted unless sooner revoked or cancelled by the Congress of the Philippines. In the event the grantee fails to operate continuously for two (2) years, this franchise shall be deemed *ipso facto* revoked.

Sec. 7. Acceptance and Compliance. – This franchise shall become effective upon acceptance in writing by the grantee. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

Sec. 8. Tax Provisions. – The grantee, its successors or assigns shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the radio/television business transacted under this franchise by the grantee, its successors or assigns: *Provided, That* the grantee, its successors or assigns shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

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

Sec. 9. Self-regulation by and Undertaking of the Grantee. – The grantee shall not require any previous censorship of any speech, play, act or scene or other matter to be broadcast and/or telecast from its stations: *Provided*, That the grantee, during any broadcast and telecast 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.

Sec. 10. Warranty in Favor of National and Local Governments. – The grantee shall hold the national, provincial 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 of the grantee.

Sec. 11 Sale, Lease, Transfer, Usufruct, and other Similar Deeds – The grantee shall not lease, transfer, grant the usufruct, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor shall the controlling interest of the grantee be transferred to any such private person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitation of this Act.

Sec. 12. General Broadcast Policy Law. – The grantee shall comply with a general broadcast policy law which Congress may hereafter enact.

Sec. 13. Separability Clause. – If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

Sec. 14. 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. 15. Effectivity. – This Act shall take effect upon its approval.

Approved,