

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



16th CONGRESS
First Regular Session

HOUSE BILL NO. 3462

Introduced by Representative REGINA ONGSIAKO REYES
Lone District, Marinduque

EXPLANATORY NOTE

This bill seeks to renew the franchise granted to Radio Veritas-Global Broadcasting System, Incorporated, under Republic Act No. 7579 entitled: "AN ACT GRANTING THE RADIO VERITAS-GLOBAL BROADCASTING SYSTEM, INCORPORATED, A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR RELIGIOUS, EDUCATIONAL, CULTURAL AND COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES, AND FOR OTHER PURPOSES," enacted into law on June 27, 1992.

RADIO VERITAS-GLOBAL BROADCASTING SYSTEM, INCORPORATED has been a broadcast institution in the annals of Philippine History. It has witnessed great events from the first EDSA Revolution and has informed our people of the most recent disaster known as Typhoon Yolanda. No less than Blessed John Paul the Great, the most-travelled Roman Pontiff in history, blessed the transmitter and offices of Radio Veritas in Quezon City during his first visit to the Philippines in February 1981.

Now, as we grant the renewal of this broadcast franchise, we would like to remind the respective Committee on Legislative Franchise of the meaning of the Latin term "VERITAS" -- TRUTH. As a radio broadcasting network devoted to the Truth about man and God, the truth about the Gospel, we would like to reiterate the historic event we just concluded this month -- the Year of Faith proclaimed by Pope Emeritus Benedict XVI and concluded by his successor, Pope Francis.

Pope Francis wants all of us Christians, and even non-Christians, throughout the world, to continue to work for world peace and harmony among the brotherhood of men. It is a peace which can only be achieved if we live our lives full of faith, hope, and trust in God Almighty. This is the TRUTH, the VERITAS that Radio Veritas wants to proclaim.

The term of the franchise of Radio Veritas-Global Broadcasting System, Incorporated, which is twenty five (25) years, will expire in June 2017. The filing of this bill is very timely considering that it will undergo public hearings and consultations in the committee level and be processed thru the legislative mill. The renewal of its franchise is needed for long-term planning and capital investment due to the emerging technologies that make the broadcasting industry capital intensive.

Communications and media play a vital role in the development and growth of our country. The state policy is laid down in the 1987 Constitution which provides that, "The state recognizes the vital role of communication and information in nation-building." A most effective means of communication and dissemination of information is broadcast media particularly radio in the remote places of the Philippine Archipelago.

It is imperative that the government continue to play an active role in sustaining and encouraging the development of broadcast media.

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



REGINA ONGSIAKO REYES

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AN ACT
RENEWING THE FRANCHISE GRANTED TO
RADIO VERITAS-GLOBAL BROADCASTING SYSTEM, INCORPORATED
TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR
RELIGIOUS, EDUCATIONAL, CULTURAL AND COMMERCIAL
PURPOSES RADIO AND TELEVISION BROADCASTING STATION
IN THE PHILIPPINES, AND FOR OTHER PURPOSES,
UNDER REPUBLIC ACT NUMBERED SEVENTY FIVE HUNDRED
AND SEVENTY NINE TO ANOTHER TWENTY-FIVE YEARS
FROM THE DATE OF APPROVAL OF THIS ACT

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. Renewal of Franchise. - Subject to the provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to Radio Veritas-Global Broadcasting System, Incorporated, its successors and assigns, hereinafter referred to as the grantee, to construct, install, operate and maintain for religious, educational, cultural and commercial purposes radio and television broadcasting station in the Philippines, and for other purposes, under Republic Act numbered Seventy Five Hundred and Seventy Nine, is hereby renewed to another twenty-five years from the effectivity of this Act.

Section 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 station 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.

Section 3. 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 and television spectrum without having been authorized by the (NTC). The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

Section 4. 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, or speech, 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. - The President of the Philippines, in times or rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, may temporarily take over and operate the stations of the grantee, temporarily suspend the operation of any station in the interest of public safety, security and public welfare, or authorize the temporary use and operation thereof by any agency of the Government, upon due compensation to grantee, for the use of said stations during the period when they shall be so operated.

Section 6. Term of Franchise. - This franchise shall be in effect for a period of twenty-five (25) years from the effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be deemed ipso facto revoked in the event the grantee fails to operate continuously for two (2) years.

Section 7. Acceptance and Compliance. Acceptance of this new 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. Non-acceptance shall render the franchise void.

Section 8. Tax Provisions. - The grantee, its successors or assigns, shall be liable to pay the same taxes on its 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 and a half percent (3.5%) of all gross receipts of the radio business transacted under this franchise by the grantee, its successors or assigns and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof. 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 representative in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

Section 9. Public Ownership. In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make public offering through the stock exchanges of at least thirty percent (30%) of its common stock within a period of three (3) years from the date of effectivity of this Act: Provided, That no such single person or entity shall be allowed to own more than five (5%) of the stock offerings.

Section 10. General Broadcast Policy Act. - The grantee shall comply with and be subject to the provisions of a general broadcast policy law that may hereafter be enacted.

Section 11. Self-Regulation by and Undertaking of Grantee.
- The grantee shall not require any previous censorship of any speech, play, act, scene or other matter to be broadcast and/or telecast from its stations; but if any such speech, play, act, scene or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play act, scene or other matter. Provided, That the grantee, during any broadcast and telecast, shall cut-off from the air the speech, play, act, 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 12. 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.

Section 13. Sale, Lease, Transfer, Usufruct of Franchise. - The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in 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. Any person or entity to which this franchise is validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations provided for in this Act.

Section 14. Separability Clause. - If any of the section or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

Section 15. Repealability and Non-Exclusivity 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.

Section 16. 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 17. 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.