

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

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 4074



Introduced by **Representatives Frederick F. Abueg, Franz E. Alvarez and Douglas S. Hagedorn**

EXPLANATORY NOTE

The proposed bill was originally introduced as House Bill No. 4264 by then Representatives Victorino Dennis M. Socrates, Antonio C. Alvarez and Ponciano D. Payuyo all of Palawan, during the 15th Congress where it was referred to the Committee on Legislative Franchises.

This bill seeks to grant the Truth in Governance thru Media (TGM) Broadcasting Network a franchise to construct, install, establish, operate and maintain radio and television broadcasting stations in the city of Puerto Princesa and the province of Palawan.

Through radio and television communications, data are transmitted and disseminated to as wide a national and global audience in a short time possible. The essence of these channels is truly significant in maintaining the citizens abreast with the latest news and vital information happening within and outside the country.

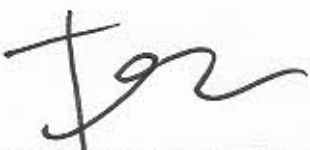
TGM intends to fulfill its responsibility to the public by providing the residents of Palawan with adequate information service. Palawan emerges to be one of the fastest growing provinces in the country today. There is a great need to maintain well-informed constituency on proper conservation while coping with growth and progress

at hand. Through media coverage, TGM Broadcasting Network is significant in meeting the public interest of quality communication development in Palawan.

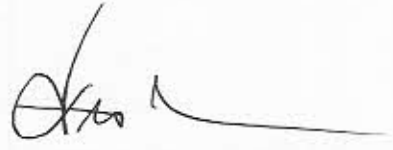
This bill is recommended for approval, consistent with Article II Section 24 of the 1987 Constitution which mandates that, "the State recognizes the vital role of communication and information in nation-building."

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

FRANZ E. ALVAREZ
1st District of Palawan



FREDERICK F. ABUEG
2nd District of Palawan



DOUGLAS S. HAGEDORN
3rd District of Palawan

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AN ACT
GRANTING THE TRUTH IN GOVERNANCE THRU MEDIA (TGM)
BROADCASTING NETWORK A FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION
BROADCASTING STATIONS IN PUERTO PRINCESA CITY, AND IN THE
PROVINCE OF PALAWAN

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

1 **SECTION 1. *Nature and Scope of Franchise.*** – Subject to the provisions of
2 the Constitution and applicable laws, rules and regulations, there is hereby granted to
3 TGM Broadcasting Network, herein referred to as the grantee, its successors or
4 assigns, a franchise to construct, install, establish, operate and maintain for
5 commercial purposes and in the public interest, radio and television broadcasting
6 stations in Puerto Princesa City, Palawan, where frequencies and channels are still
7 available for radio and television broadcasting, with the corresponding technological

1 auxiliaries and facilities, special broadcast and other program and distribution services
2 and relay stations.

3 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or
4 facilities of the grantee shall be constructed and operated in a manner as will, at most,
5 result only in the minimum interference on the wavelengths or frequencies of existing
6 stations or other stations which may be established by law, without in any way
7 diminishing its own right to use its selected wavelengths or frequencies and the
8 quality of transmission or reception thereon as should maximize rendition of the
9 grantee's services and availability thereof.

10 SEC. 3. *Prior Approval of the National Telecommunications Commission*
11 *(NTC).* – The grantee shall secure from the NTC the appropriate permits and licenses
12 for the construction and operation of its stations and facilities and shall not use any
13 frequency in the radio or television spectrum without having been authorized by the
14 NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any
15 such authority.

16 SEC. 4. *Responsibility to the Public.* – The grantee shall provide adequate
17 public service time to enable the government, through the said broadcasting stations or
18 facilities , to reach the population on important public issues; provide at all times
19 sound and balanced programming; assist in the functions of public information and
20 education; conform to the ethics of honest enterprise; and not use its stations and
21 facilities for the broadcasting of obscene and indecent language, speech, act or scene;
22 or for the dissemination of deliberately false information or willful misrepresentation,

1 to the detriment of public interest, or to incite, encourage or assist in subversive or
2 treasonable acts.

3 SEC. 5. *Right of Government.* – A special right is hereby reserved to the
4 President of the Philippines, in times of war, rebellion, public peril, calamity,
5 emergency, disaster or disturbance of peace and order, to temporarily take over and
6 operate the stations or facilities of the grantee, to temporarily suspend the operation of
7 any station or facility in the interest of public safety, security and public welfare, or to
8 authorize the temporary use and operation thereof by any agency of the government,
9 upon due compensation to the grantee, for the use of said stations or facilities during
10 the period when they shall be operated.

11 The radio spectrum is a finite source that is a part of the national patrimony and
12 the use thereof is a privilege conferred upon the grantee by the State and may be
13 withdrawn anytime, after due process.

14 SEC. 6. *Term of Franchise.* – This franchise shall be for a term of twenty-five
15 (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled.
16 This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to
17 comply with any of the following conditions:

18 a.) Commence operations within one (1) year from the approval of its operating
19 permit by the NTC;

20 b.) Operate continuously for two (2) years; and

21 c.) Commence operations within three (3) years from the effectivity of this Act.

1 SEC. 7. *Acceptance and Compliance.* – Acceptance of this franchise shall be
2 given in writing within sixty (60) days from the effectivity of this Act. Upon giving
3 such acceptance, the grantee shall exercise the privileges granted under this Act. Non-
4 acceptance shall render the franchise void.

5 SEC. 8. *Bond.* – The grantee shall file a bond issued in favor of the NTC,
6 which shall determine the amount, to guarantee the compliance with and fulfillment of
7 the conditions under which this franchise is granted. If, after three (3) years from the
8 date of the approval of its permit by the NTC, the grantee shall have fulfilled the
9 same, the bond shall be cancelled by the NTC. Otherwise, the bond shall be forfeited
10 in favor of the government and the franchise *ipso facto* revoked.

11 SEC. 9. *Tax Provisions.* – The grantee, its successors or assigns, shall be liable
12 to pay the same taxes on their real estate, buildings and personal property, as other
13 persons or corporations are now or hereafter may be required by law to pay. In
14 addition thereto, the grantee, its successors or assigns, shall pay, in lieu of the
15 franchise tax, the value-added tax under Section 3 of Republic Act No. 7716 as
16 amended, on all gross receipts of the radio or television business transaction under this
17 franchise: *Provided*, That the grantee, its successors or assigns, shall be liable for
18 income taxes payable under Title II of the National Revenue Code, as amended.

19 The grantee shall file the return with, and pay the taxes due thereon to the
20 Commissioner of Internal Revenue or his duly authorized representative in accordance
21 with the National Internal Revenue Code and the return shall be subject to audit by the
22 Bureau of Internal Revenue.

1 SEC. 10. *Self-regulation by and Undertaking of Grantee.* - The grantee shall
2 not require any previous censorship of any speech, play, act or scene, or other matter
3 to be broadcast from its stations: Provided, That the grantee, during any broadcast,
4 shall cut off from the air the speech, play, act or scene, or other matter being broadcast
5 if the tendency thereof is to propose or incite treason, rebellion or sedition; or the
6 language used therein or the theme thereof is indecent or immoral; and *Provided,*
7 *further,* That willful failure to do so shall constitute a valid cause for the cancellation
8 of this franchise.

9 SEC. 11. *Warranty in Favor of National and Local Governments.* - The
10 grantee shall hold the national, provincial and municipal governments of the
11 Philippines free from all claims, accounts, demands or actions arising out of accidents
12 or injuries, whether to property or to persons, caused by the construction or operation
13 of the stations of the grantee.

14 SEC. 12. *Sale, Lease, Transfer, Usufruct.* - The grantee shall not lease,
15 transfer, grant the usufruct of, sell nor assign this franchise, or the rights and
16 privileges acquired thereunder to any person, firm, company, corporation or other
17 commercial or legal entity, nor merge with any other corporation or entity, nor shall
18 the controlling interest of the grantee be transferred, whether as a whole or in parts
19 and whether simultaneously or contemporaneously, to any such person, firm,
20 company, corporation or entity without the prior approval of the Congress of the
21 Philippines. Any person or entity to which this franchise is sold, transferred or
22 assigned, shall be subject to the same conditions, terms, restrictions and limitations of
23 this Act.

1 SEC. 13. *Dispersal of Ownership.* – In accordance with the constitutional
2 provision to encourage public participation in public utilities, the grantee shall offer at
3 least thirty per centum (30%) of its outstanding capital stock or a higher percentage
4 that may hereafter may be provided by law in any securities exchange in the
5 Philippines within five (5) years from the time it has achieved the status of a national
6 broadcasting network. A “national broadcasting network” is hereby defined as one
7 that operates three (3) or more radio and television stations. Non-compliance
8 therewith shall render the franchise *ipso facto* revoked.

9 SEC. 14. *General Broadcast Policy Law.* – The grantee shall comply with a
10 general broadcast policy law, which Congress may hereafter enact.

11 SEC. 15. *Separability Clause.* – If, for any reason, any provision or part of this
12 Act is declared invalid or unconstitutional, the remaining parts or provisions not
13 affected thereby shall remain full force and effect.

14 SEC. 16. *Repealability and Non-exclusivity Clause.* – This franchise shall be
15 subject to amendment, alteration or repeal by the Congress of the Philippines when the
16 public interest so requires and shall not be interpreted as an exclusive grant of the
17 privileges herein provided for.

18 SEC. 17. *Reportorial Requirement.* – The grantee shall submit an annual
19 report to the Congress of the Philippines on its compliance with the terms and
20 conditions of the franchise and on its operations within sixty (60) days from the end of
21 every year.

1 SEC. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after
2 publication in the Official Gazette or in two (2) national newspapers of general
3 circulation.

4 Approved,