

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

16th Congress
Second Regular Session
House Bill No. **5320**



Introduced by **HON. EDGARDO 'ERM' RAMA MASONGSONG**

EXPLANATORY NOTE

AN ACT GRANTING THE ZAMBOANGA DEL NORTE ELECTRIC COOPERATIVE, INC. (ZANECO) A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS IN MINDANAO

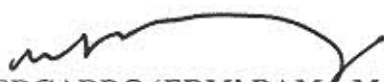
This proposed bill intends to further enhance the information capability of the Electric Cooperatives for the benefit of its thousands of members-owners-consumers.

When the electric cooperatives were formed in the early seventies, gathering of members in a meeting or important occasion were not a problem. The medium in disseminating information has been done through the bayanihan spirit or word of mouth. However, through the years, the members of an electric cooperative grew in thousands fold. Reaching out to the members of cooperatives on important and urgent issues especially during assemblies and gatherings has already become a big problem for both the management and owners-consumers. Thus, to muster a large number of attendees in their annual assemblies has then become a common problem among cooperatives.

The Zamboanga del Norte Electric Cooperative, Inc., (ZANECO) is one of the growing corporate entity among the electric cooperatives in Mindanao that has been experiencing difficulty in reaching-out to its members-consumers. To remedy the situation, ZANECO endeavors to maximize the opportunity of using technology, such as the installation and operation of a radio station, to communicate immediately with the electric consumers in and outside its franchise area. Through the radio station, it will also be able to conveniently promote programs and services that would further improve the social, economic, political and cultural conditions of the people.

Lastly, the installation and operation of the Radio Station that focused on electric consumers' issues not only shall boost ZANECO's service efficiency to its thousands of member-owner-consumers but likewise promote cooperativism in Mindanao.

I therefore urge my colleagues for the early passage of this bill


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**AN ACT GRANTING THE ZAMBOANGA DEL NORTE ELECTRIC
COOPERATIVE, INC. (ZANECO) A FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, OPERATE AND MAINTAIN RADIO BROADCASTING
STATIONS IN MINDANAO**

*Be it enacted by the Senate and 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 the Zamboanga del Norte Electric Cooperative, Inc. (ZANECO), 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 broadcasting stations in the Philippines with the corresponding technological auxiliaries or facilities, special broadcast and other program, distribution services and relay stations, and to install radio communication facilities for the grantee's private use in its broadcast services.

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 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. In no way shall the operator of the grantee nor the radiated power of its stations or facilities exceed that required to cover the area where it is allowed to operate.

Section 3. *Prior Approval of the National Telecommunications Commission (NTC).* – The grantee shall secure from the 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 spectrum without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

Section 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 use its stations and facilities 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.

Section 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 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.

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

Section 6. *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 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 7. *Acceptance and Compliance.* – Acceptance of this franchise shall be given in writing 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.

Section 8. *Bond.* – The grantee shall file a bond issued in favor of the NTC which shall determine the amount, to guarantee the 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.

Section 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 from its stations: *Provided*, That the grantee, during any broadcast, 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.

Section 10. *Obligation of the Grantee.* – Any person aggrieved by any remark, report, statement, commentary or the like by a broadcaster using the same facilities of the grantee shall have the right to reply in the same program or any other program the aggrieved party may choose.

Section 11. *Warranty in Favor of National and Local Governments.* – The grantee shall not hold the national, provincial, city and municipal governments of the Philippines liable 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 12. *Nontransferability of Franchise.* – 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 other commercial or legal entity, nor 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. 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.

Section 13. *Equality Clause.* – Any advantage, favor, privilege, exemption or immunity granted under existing franchise, or which may hereafter be granted for radio and television broadcasting, shall *ipso facto* 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 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.

Section 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.

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

Section 17. *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.

Section 18. *Effectivity Clause.* – This Act shall take effect fifteen (15) days from the date of its publication, upon the initiative of the grantee, in at least two (2) newspapers of general circulation in the Philippines.

Approved,