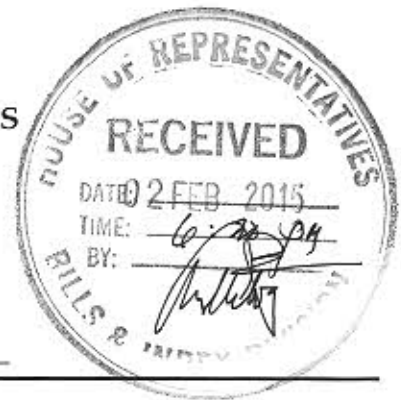


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 5391



Introduced by REP. NEPTALI M. GONZALES II

EXPLANATORY NOTE

This bill seeks to renew for another twenty-five (25) years the franchise of Aliw Broadcasting Corporation, a company with AM and FM stations in the Philippines.

Aliw Broadcasting Corporation is a duly registered company with the Securities and Exchange Commission (SEC), and was granted a legislative franchise under Republic Act No.7399 on April 13, 1992. Through the years, the broadcast company dedicated and committed itself to efficient and effective public service by way of timely, accurate and useful dissemination of information to Filipino listeners.

The company owns and operates radio stations DWIZ 882 khz AM in Manila, DWQJ 95.1 FM in Naga; DWQA 92.3 FM in Legazpi; DYQC 106.7 FM in Cebu; DYQN 89.5 FM in Iloilo; DXQR 93.5 FM in Cagayan de Oro; DXQM 98.7 FM in Davao and DXQS 98.3 FM in General Santos City and DWQT 89.3 FM in Dagupan City.

The annual reports submitted by Aliw Broadcasting show its financial capability for continuous operations and possible expansion for another twenty-five years (25). Since its original franchise is expiring in 2017, another legislative authorization to continue its public service and operation is indispensable.

With the foregoing, the approval of this bill is earnestly and urgently sought.

A handwritten signature in black ink, appearing to read "Neptali M. Gonzales II".

REP. NEPTALI M. GONZALES II
Lone District, Mandaluyong City

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Quezon City

4
5 **SIXTEENTH CONGRESS**
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7

8 **HOUSE BILL NO. 5391**

9

Introduced by REP. NEPTALI M. GONZALES II

10 **AN ACT**

11 **AMENDING THE FRANCHISE OF ALIW BROADCASTING CORPORATION**
12 **GRANTED UNDER REPUBLIC ACT. NO. 7399, AND RENEWING/EXTENDING**
13 **THE TERM THEREOF TO ANOTHER TWENTY-FIVE (25) YEARS FROM THE**
14 **DATE OF EFFECTIVITY OF THIS ACT**
15

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

18
19 SECTION 1. The franchise of Aliw Broadcasting Corporation granted under
20 Republic Act No. 7399, is hereby amended to read as follows:

21 "SECTION 1. NATURE AND SCOPE OF FRANCHISE. - SUBJECT TO THE
22 PROVISIONS OF THE 1987 PHILIPPINE CONSTITUTION AND APPLICABLE
23 LAWS, RULES AND REGULATIONS, THE FRANCHISE GRANTED TO ALIW
24 BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 7399,
25 HEREUNDER REFERRED TO AS THE GRANTEE, ITS SUCCESSORS OR ASSIGNS,
26 TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN FOR
27 COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, THROUGHOUT THE
28 PHILIPPINES, RADIO AND/OR TELEVISION BROADCASTING STATIONS,
29 INCLUDING DIGITAL TELEVISION SYSTEM, INTERNET PROTOCOL (IP) -
30 RELATED SERVICES AND IP-VALUE-ADDED SERVICES, THROUGH
31 MICROWAVE, SATELLITE OR WHATEVER MEANS, INCLUDING THE USE OF
32 ANY NEW TECHNOLOGIES IN TELEVISION AND RADIO SYSTEMS, WITH THE
33 CORRESPONDING TECHNOLOGICAL AUXILIARIES AND FACILITIES,
34 SPECIAL BROADCAST AND OTHER PROGRAM AND DISTRIBUTION SERVICES
35 AND RELAY STATIONS."

1 "SEC. 2. *MANNER OF OPERATION OF STATIONS OR FACILITIES.* - THE
2 STATIONS OR FACILITIES OF THE GRANTEE SHALL BE CONSTRUCTED AND
3 OPERATED IN A MANNER AS WILL, AT MOST, RESULT ONLY IN THE
4 MINIMUM INTERFERENCE ON THE WAVELENGTHS OR FREQUENCIES OF
5 EXISTING STATIONS OR OTHER STATIONS WHICH MAY BE ESTABLISHED BY
6 LAW, WITHOUT IN ANY WAY DIMINISHING ITS OWN RIGHT TO USE ITS
7 SELECTED WAVELENGTHS OR FREQUENCIES AND THE QUALITY OF
8 TRANSMISSION OR RECEPTION THEREON AS SHOULD MAXIMIZE
9 RENDITION OF THE GRANTEE'S SERVICES AND/OR AVAILABILITY THEREOF.
10 "

11 "SEC. 3. *PRIOR APPROVAL OF THE NATIONAL TELECOMMUNICATIONS*
12 *COMMISSION.* - THE GRANTEE SHALL SECURE FROM THE NATIONAL
13 TELECOMMUNICATIONS COMMISSION (NTC), THE APPROPRIATE PERMITS
14 AND LICENSES FOR THE CONSTRUCTION AND OPERATION OF ITS STATIONS
15 AND FACILITIES AND SHALL NOT USE ANY FREQUENCY IN THE
16 RADIO/TELEVISION SPECTRUM WITHOUT AUTHORIZATION FROM THE
17 NTC. THE NTC, HOWEVER, SHALL NOT UNREASONABLY WITHHOLD OR
18 DELAY THE GRANT OF ANY SUCH AUTHORITY. "

19
20 "SEC. 4. *RESPONSIBILITY TO THE PUBLIC.* - THE GRANTEE SHALL
21 PROVIDE ADEQUATE PUBLIC SERVICE TIME TO ENABLE THE GOVERNMENT,
22 THROUGH THE SAID BROADCASTING STATIONS OR FACILITIES, TO REACH
23 THE POPULATION ON IMPORTANT PUBLIC ISSUES; PROVIDE AT ALL TIMES
24 SOUND AND BALANCED PROGRAMMING; PROMOTE PUBLIC
25 PARTICIPATION SUCH AS IN COMMUNITY PROGRAMMING ASSIST IN THE
26 FUNCTIONS OF PUBLIC INFORMATION AND EDUCATION; CONFORM TO THE
27 ETHICS OF HONEST ENTERPRISE; AND NOT USE ITS STATIONS AND
28 FACILITIES FOR THE BROADCASTING OF OBSCENE AND INDECENT
29 LANGUAGE, SPEECH, ACT OR SCENE; OR FOR THE DISSEMINATION OF
30 DELIBERATELY FALSE INFORMATION OR WILLFUL MISREPRESENTATION,

1 TO THE DETRIMENT OF THE PUBLIC INTEREST, OR TO INCITE, ENCOURAGE
2 OR ASSIST IN SUBVERSIVE OR TREASONABLE ACTS.”

3
4 “SEC. 5. *RIGHT OF GOVERNMENT.* - A SPECIAL RIGHT IS HEREBY
5 RESERVED TO THE PRESIDENT OF THE PHILIPPINES, IN TIMES OF WAR,
6 REBELLION, PUBLIC PERIL, CALAMITY, EMERGENCY, DISASTER OR
7 DISTURBANCE OF PEACE AND ORDER, TO TEMPORARILY TAKE OVER AND
8 OPERATE THE STATIONS OR FACILITIES OF THE GRANTEE, TO TEMPORARILY
9 SUSPEND THE OPERATION OF ANY STATION OR FACILITY IN THE INTEREST
10 OF PUBLIC SAFETY, SECURITY AND PUBLIC WELFARE, OR TO AUTHORIZE
11 THE TEMPORARY USE AND OPERATION THEREOF BY ANY AGENCY OF THE
12 GOVERNMENT, UPON DUE COMPENSATION TO THE GRANTEE, FOR THE USE
13 OF SAID STATIONS OR FACILITIES DURING THE PERIOD WHEN THEY SHALL
14 BE SO OPERATED. THE RADIO SPECTRUM IS A FINITE RESOURCE THAT IS
15 PART OF THE NATIONAL PATRIMONY AND THE USE THEREOF IS A
16 PRIVILEGE CONFERRED UPON THE GRANTEE BY THE STATE AND MAY BE
17 WITHDRAWN ANY TIME AFTER DUE PROCESS. “

18
19 “SEC. 6. *SELF-REGULATION BY AND UNDERTAKING OF GRANTEE.* - THE
20 GRANTEE SHALL NOT REQUIRE ANY PREVIOUS CENSORSHIP OF ANY
21 SPEECH, PLAY, ACT OR SCENE, OR OTHER MATTER TO BE BROADCAST FROM
22 ITS STATIONS: PROVIDED, THAT THE GRANTEE, DURING ANY BROADCAST,
23 SHALL CUT OFF FROM THE AIR THE SPEECH, PLAY, ACT OR SCENE, OR
24 OTHER MATTER BEING BROADCAST IF THE TENDENCY THEREOF IS TO
25 PROPOSE AND/OR INCITE TREASON, REBELLION OR SEDITION; OR THE
26 LANGUAGE USED THEREIN OR THE THEME THEREOF IS INDECENT OR
27 IMMORAL: PROVIDED, FURTHER, THAT AND WILLFUL FAILURE TO DO SO
28 SHALL CONSTITUTE A VALID CAUSE FOR THE CANCELLATION OF THIS
29 FRANCHISE. “

1 “SEC. 7. *WARRANTY IN FAVOR OF NATIONAL AND LOCAL*
2 *GOVERNMENTS.* - THE GRANTEE SHALL HOLD THE NATIONAL,
3 PROVINCIAL, CITY AND MUNICIPAL GOVERNMENTS OF THE PHILIPPINES
4 FREE FROM ALL CLAIMS, ACCOUNTS, DEMANDS OR ACTIONS ARISING OUT
5 OF ACCIDENTS OR INJURIES, WHETHER TO PROPERTY OR TO PERSONS,
6 CAUSED BY THE CONSTRUCTION OR OPERATION OF THE STATIONS OF THE
7 GRANTEE.”

8
9 “SEC. 8. *SALE, LEASE, TRANSFER, USUFRUCT, OR ASSIGNMENT OF*
10 *FRANCHISE.* - THE GRANTEE SHALL NOT LEASE, TRANSFER, GRANT THE
11 USUFRUCT OF, SELL NOR ASSIGN THIS FRANCHISE OR THE RIGHTS AND
12 PRIVILEGE ACQUIRED THEREUNDER TO ANY PERSON, FIRM, COMPANY,
13 CORPORATION OR OTHER COMMERCIAL OR LEGAL ENTITY, NOR MERGE
14 WITH ANY OTHER CORPORATION OR ENTITY, NOR SHALL THE
15 CONTROLLING INTEREST OF THE GRANTEE BE TRANSFERRED, WHETHER AS
16 A WHOLE OR IN PARTS, AND WHETHER SIMULTANEOUSLY OR
17 CONTEMPORANEOUSLY, TO ANY SUCH PERSON, FIRM, COMPANY,
18 CORPORATION OR ENTITY WITHOUT THE PRIOR APPROVAL OF THE
19 CONGRESS OF THE PHILIPPINES: PROVIDED, THAT CONGRESS SHALL BE
20 INFORMED OF ANY LEASE, TRANSFER, GRANTING THE USUFRUCT OF, SALE
21 OR ASSIGNMENT OF FRANCHISE OR THE RIGHTS OR PRIVILEGES ACQUIRED
22 WITHIN SIXTY (60) DAYS AFTER THE COMPLETION OF SAID TRANSACTION:
23 PROVIDED, FURTHER, THAT FAILURE TO REPORT TO CONGRESS SUCH
24 CHANGE OF OWNERSHIP SHALL RENDER THE FRANCHISE IPSO FACTO
25 REVOKED: PROVIDED, FINALLY, THAT ANY PERSON OR ENTITY TO WHICH
26 THIS FRANCHISE IS SOLD, TRANSFERRED OR ASSIGNED, SHALL BE SUBJECT
27 TO THE SAME CONDITIONS, TERMS, RESTRICTIONS AND LIMITATIONS OF
28 THIS ACT.”

29
30 “SEC. 9. *DISPERSAL OF OWNERSHIP.* - IN ACCORDANCE WITH THE
31 CONSTITUTIONAL PROVISION TO ENCOURAGE PUBLIC PARTICIPATION IN

1 PUBLIC UTILITIES, THE GRANTEE SHALL OFFER TO FILIPINO CITIZENS AT
2 LEAST THIRTY PER CENTUM (30%) OR A HIGHER PERCENTAGE THAT MAY
3 HEREAFTER BE PROVIDED BY LAW OF ITS OUTSTANDING CAPITAL STOCK IN
4 ANY SECURITIES EXCHANGE IN THE PHILIPPINES WITHIN FIVE (5) YEARS
5 FROM THE COMMENCEMENT OF ITS OPERATIONS: PROVIDED, THAT IN
6 CASES WHERE PUBLIC OFFER OF SHARES IS NOT APPLICABLE,
7 ESTABLISHMENT OF COOPERATIVES AND OTHER METHODS OF
8 ENCOURAGING PUBLIC PARTICIPATION BY CITIZENS AND CORPORATIONS
9 OPERATING PUBLIC UTILITIES MUST BE IMPLEMENTED. NONCOMPLIANCE
10 THEREWITH SHALL RENDER THE FRANCHISE IPSO FACTO REVOKED. "

11

12 "SEC. 10. *EQUALITY CLAUSE.* - ANY ADVANTAGE, FAVOR, PRIVILEGE,
13 EXEMPTION, OR IMMUNITY GRANTED UNDER EXISTING FRANCHISE, OR
14 WHICH MAY HEREAFTER BE GRANTED FOR RADIO AND/OR TELEVISION
15 BROADCASTING, UPON PRIOR REVIEW AND APPROVAL OF CONGRESS,
16 SHALL BECOME PART OF THIS FRANCHISE AND SHALL BE ACCORDED
17 IMMEDIATELY AND UNCONDITIONALLY TO THE HEREIN GRANTEE:
18 PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NEITHER APPLY TO
19 NOR AFFECT PROVISIONS OF BROADCASTING FRANCHISES CONCERNING
20 TERRITORY COVERED BY THE FRANCHISE, THE LIFE SPAN OF THE
21 FRANCHISE OR THE TYPE OF SERVICE AUTHORIZED BY THE FRANCHISE:
22 PROVIDED, FURTHER, THAT THE FOREGOING SHALL NOT APPLY TO SALE,
23 LEASE, TRANSFER OR GRANT OF USUFRUCT OF LEGISLATIVE FRANCHISE
24 WITH PRIOR CONGRESSIONAL APPROVAL. "

25

26 "SEC. 11. *GENERAL BROADCAST POLICY LAW.* - THE GRANTEE SHALL
27 COMPLY WITH AND BE SUBJECT TO THE PROVISIONS OF A GENERAL
28 BROADCAST POLICY LAW, WHICH CONGRESS MAY HEREAFTER ENACT. "

29

30 "SEC. 12. *REPORTORIAL REQUIREMENT.* - THE GRANTEE SHALL
31 SUBMIT AN ANNUAL REPORT TO THE CONGRESS OF THE PHILIPPINES,

1 THROUGH THE COMMITTEE ON LEGISLATIVE FRANCHISES OF THE HOUSE
2 OF REPRESENTATIVES AND THE COMMITTEE ON PUBLIC SERVICES OF THE
3 SENATE, ON ITS COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE
4 FRANCHISE AND ON ITS OPERATIONS ON OR BEFORE APRIL 30 OF THE
5 SUCCEEDING YEAR. "

6
7 "SEC. 13. *PENALTY CLAUSE* - ANY GRANTEE WHO FAILS TO SUBMIT
8 THE ANNUAL REPORT TO CONGRESS WILL BE FINED FIVE HUNDRED PESOS
9 (P500.00) PER WORKING DAY OF NONCOMPLIANCE. SAID FINE WILL BE
10 COLLECTED BY THE NTC FROM SAID DELINQUENT FRANCHISE GRANTEE
11 SEPARATE FROM THE REPORTORIAL PENALTIES IMPOSED BY THE NTC. THE
12 COLLECTED FUNDS SHALL ACCRUE TO THE MONITORING FUND OF THE
13 NTC IN LINE WITH ITS SUPERVISORY AND REGULATORY FUNCTIONS. THE
14 REPORTORIAL COMPLIANCE CERTIFICATE ISSUED BY CONGRESS SHALL BE
15 REQUIRED BEFORE ANY APPLICATION FOR PERMIT OR CERTIFICATE IS
16 ACCEPTED BY THE NTC. "

17
18 "SEC. 14. *SEPARABILITY CLAUSE*. - IF ANY OF THE SECTIONS OR
19 PROVISIONS OF THIS ACT IS HELD INVALID, ALL OTHER PROVISIONS NOT
20 AFFECTED THEREBY SHALL REMAIN VALID. "

21
22 "SEC. 15. *REPEALABILITY AND NON-EXCLUSIVITY CLAUSE*. - THIS
23 FRANCHISE SHALL BE SUBJECT TO AMENDMENT, ALTERATION, OR REPEAL
24 BY THE CONGRESS OF THE PHILIPPINES WHEN THE PUBLIC INTEREST SO
25 REQUIRES AND SHALL NOT BE INTERPRETED AS AN EXCLUSIVE GRANT OF
26 THE PRIVILEGES HEREIN PROVIDED FOR. "

27
28 SEC. 2. *Renewal/Extension of the Term of Franchise*. - The term of franchise
29 granted under Republic Act No. 7399 is hereby renewed/extended for a period of
30 twenty-five (25) years from the date of the effectivity of this Act. This franchise shall

1 be deemed *ipso facto* revoked in the event the grantee fails to operate continuously for
2 two (2) years.

3

4 SEC. 3. *Acceptance and compliance.* - Acceptance of the amendment and
5 extension/renewal of the franchise shall be given in writing to the Congress of the
6 Philippines, through the Committee on Legislative Franchises of the House of
7 Representatives and the Committee on Public Services of the Senate within sixty (60)
8 days from the effectivity of this Act. Upon giving such acceptance, the grantee shall
9 exercise the privileges granted under this Act. Nonacceptance shall render the
10 franchise void.

11

12 SEC. 4. *Publication.* - This Act shall be published, through the initiative of the
13 grantee, fifteen (15) days after this Act is signed by the President of the Philippines or
14 has lapsed into law.

15

16 SEC. 5. *Effectivity Clause.* - This Act shall take effect fifteen (15) days from the
17 date of its publication in at least two (2) newspapers of general circulation in the
18 Philippines.

19

20 Approved,

21

22