

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6011



Introduced by REP. ARTURO B. ROBES

EXPLANATORY NOTE

The Constitution recognizes the vital role of communication in nation-building. It is through the process of communication that the citizens acquire accurate and adequate information to capacitate them to make informed judgments as they participate in the democratic processes in our country. Crucial and so inextricably woven into the right of free speech and free expression is freedom of the press that any attempt to restrict it must be met with an examination so critical that only a danger that is clear and present would be allowed to curtail it.

Mass media play a very crucial role in this communication process since it is through the same that information is shared to a larger number of the population regardless of economic status, sex, religion, political affiliation, and the like. Of all the forms of mass communication, the radio may be considered as the most accessible to a larger number of people aside from the fact that it shares information to the public relatively for free.

In one study about the relevance of a community radio in livelihood improvement, the research concluded that a local radio *"has worked to improve awareness and knowledge of solutions to community development problems ranging from culture, rural development, education, hygiene and sanitation, agriculture to local governance. The station has been an appropriate medium that has facilitated an interface between duty bearers and rights holders. It has prompted small and medium enterprise development by creating market opportunities for Small and*

Medium Enterprise (SME) operators and consequently improved sales and incomes."

Bohol has continued to attract local and foreign tourists every year. Although the tourism industry suffered setbacks after the 7.2 magnitude earthquake that struck the province in October 2013 and after typhoon Yolanda deprived the province of electricity, tourism has quickly made a turnaround and is now back to its normal operations. The boom in the tourism industry in the province is manifested by the opening of big resorts and the commencement of civil works of the New Bohol Airport Project in April 2015. Currently, studies are ongoing with respect to the planned Cebu-Bohol Friendship Bridge that will connect the provinces of Cebu and Bohol.

The aforementioned developments as well as those planned developments are expected to drive the economy of the province towards progress. As this develops, Bohol's population, labor force, business, and others also seem to experience exponential growth. As the Bohol economy develops further, there is a need for more accurate, relevant, and adequate information to be communicated to all stakeholders especially on matters of public policy, disaster risk, business developments, new products, and services.

With the growth in population, economic activities, government transactions, and the need for more relevant, accurate and adequate information, the Boholano community deserves more choices in the terms of medium of communication. In a democracy, as argued by a communication researcher, the people must have access to diverse opinions about public affairs and information that directly affect their communities and families. Concentration of ownership in the hands of a few jeopardizes the entire concept of a diverse and informative media that lies at the foundation of a healthy democracy.

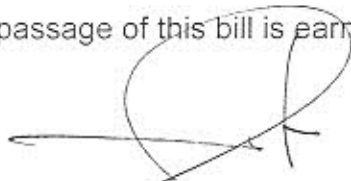
Given the current situation in the province, the Boholanos deserve more choices of radio stations that can provide progressive and development formats of radio programs. Two existing radio stations in the AM band and three under the FM band in the Province of Bohol are clearly inadequate to support the public's need for

varied, informative, relevant, and accurate news and public affairs reporting. Moreover, the flourishing tourism industry and other industries in the province need to be supported by more choices of communication medium to increase public awareness and to help people make informed and better judgments.

Owing to a small number of radio stations in the province, there is a very limited airtime available for advertisements and public announcements from businesses, government entities, and other organizations. There are also few programs which are catering to the specific needs of the population such as those dealing with law, business, agriculture, science and technology, and the like. This explains the need for more information from the listening public.

Moreover, the emergence of new and innovative technologies in the field of television and cable TV has ushered in a new medium of communication. The Province of Bohol also deserves to have another dynamic and forward-thinking company that will lead innovations in the convergence of radio, local TV, and cable TV channel production and broadcasting.

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

A handwritten signature in black ink, appearing to be 'ARTURO B. ROBES', written over a horizontal line.

ARTURO B. ROBES
Representative
Lone District, San Jose Del Monte City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6011

Introduced by REP. ARTURO B. ROBES

AN ACT

GRANTING VERITAS MEDIA ARTS INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PROVINCE OF BOHOL

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 the 1987
2 Philippine Constitution and applicable laws, rules and regulations, there is hereby granted to
3 Veritas Media Arts Inc., hereunder referred to as the grantee, its successors or assignees, a
4 franchise to construct, install, establish, operate and maintain for commercial purposes and
5 in the public interest, radio and/or television broadcasting stations in the Province of Bohol,
6 where frequencies and/or channels are still available for radio and/or television broadcasting,
7 including digital television system, through microwave, satellite or whatever means, including
8 the use of any new technology in television and radio systems, with the corresponding
9 technological auxiliaries and facilities, special broadcast and other program and distribution
10 services and relay stations.

11 SEC. 2. *Manner of Operation of Stations or Facilities.* - The stations or facilities of
12 the grantee shall be constructed and operated in a manner as will, at most, result only in the
13 minimum interference on the wavelengths or frequencies of existing stations or other
14 stations which may be established by law, without in any way diminishing its own right to use
15 its assigned wavelengths or frequencies and the quality of transmission or reception thereon
16 as should maximize rendition of the grantee's services and/or the availability thereof.

17 SEC. 3. *Prior Approval of the National Telecommunications Commission.* - The
18 grantee shall secure from the National Telecommunications Commission (NTC), the
19 appropriate permits and licenses for the construction and operation of its stations and
20 facilities and shall not use any frequency in the radio/television spectrum without

1 authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the
2 grant of any such authority.

3 SEC. 4. *Responsibility to the Public.* - The grantee shall provide adequate public
4 service time to enable the government, through the said broadcasting stations or facilities, to
5 reach the population on important public issues; provide at all times sound and balanced
6 programming; assist in the functions of public information and education; conform to the
7 ethics of honest enterprise; and not use its stations and facilities for the broadcasting of
8 obscene and indecent language, speech, act or scene, or for the dissemination of
9 deliberately false information or willful misrepresentation, to the detriment of the public
10 interest, or to incite, encourage, or assist in subversive or treasonable acts.

11 SEC. 5. *Right of Government.* - A special right is hereby reserved to the President of
12 the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or
13 disturbance of peace and order: to temporarily take over and operate the stations or facilities
14 of the grantee; to temporarily suspend the operation of any station or facility in the interest of
15 public safety, security and public welfare; or to authorize the temporary use and operation
16 thereof by any agency of the government, upon due compensation to the grantee, for the
17 use of said stations or facilities during the period when they shall be so operated.

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

21 SEC. 6. *Term of Franchise.* - This franchise shall be in effect for a period of twenty-five
22 (25) years , unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto*
23 revoked in the event the grantee fails to comply with any of the following conditions:

- 24 (a) Commence operations within one (1) year from the approval of its operating permit
25 by the NTC;
26 (b) Commence operations within three (3) years from the effectivity of this Act; and
27 (c) Operate continuously for two (2) years.

28 SEC. 7. *Acceptance and Compliance.* - Acceptance of this franchise shall be given in
29 writing to the Congress of the Philippines, through the Committee on Legislative Franchises
30 of the House of Representatives and the Committee on Public Services of the Senate, within
31 sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee

1 shall exercise the privileges granted under this Act. Nonacceptance shall render the
2 franchise void.

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

9 SEC. 9. *Self-Regulation by and Undertaking of Grantee.* - The grantee shall not
10 require any previous censorship of any speech, play, act or scene, or other matter to be
11 broadcast from its stations: *Provided*, That the grantee, during any broadcast, shall cut off
12 from the air the speech, play, act or scene, or other matter being broadcast if the tendency
13 thereof is to propose and/or incite treason, rebellion or sedition; or the language used therein
14 or the theme thereof is indecent or immoral: *Provided, further*, That willful failure to do so
15 shall constitute a valid cause for the cancellation of this franchise.

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

21 SEC. 11. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* - The grantee
22 shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and
23 privileges acquired thereunder to any person, firm, company, corporation or other
24 commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer
25 the controlling interest of the grantee, whether as a whole or in parts, and whether
26 simultaneously or contemporaneously, to any such person, firm, company, corporation or
27 entity without the prior approval of the Congress of the Philippines: *Provided*, That Congress
28 shall be informed of any sale, lease, transfer, grant of usufruct of, or assignment of franchise
29 or the rights or privileges acquired thereunder, or the merger, or transfer of the controlling
30 interest of the grantee, within sixty (60) days after the completion of said transaction:
31 *Provided, further*, That failure to report to Congress such change of ownership shall render
32 the franchise *ipso facto* revoked: *Provided, finally*, That 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.

SEC. 12. *Dispersal of Ownership.* - In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty per cent (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital stock in any securities exchange in the Philippines within five (5) years from the commencement of its operations: *Provided, That* in cases where public offer of shares is not applicable, establishment of cooperatives and other methods of encouraging public participation by citizens and corporations operating public utilities must be implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.

SEC. 13. *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.

SEC. 14. *Reportorial Requirement.* - The grantee shall submit an annual report 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, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of every year during the term of its franchise. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

SEC. 15. *Penalty Clause.* - Failure of the grantee to submit the requisite annual report to Congress will be penalized by a fine in the amount of Five hundred pesos (P500.00) per working day of noncompliance. The fine will be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.

SEC. 16. *Equality Clause.* - Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio and/or television broadcasting, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: *Provided, That* the foregoing shall neither apply to nor affect the 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.

1 SEC. 17. *Separability Clause.* – If any of the sections or provisions of this Act is held
2 invalid, all other provisions not affected thereby shall remain valid.

3 SEC. 18. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject
4 to amendment, alteration, or repeal by the Congress of the Philippines when the public
5 interest so requires and shall not be interpreted as an exclusive grant of the privileges herein
6 provided for.

7 SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
8 in the *Official Gazette* or in a newspaper of general circulation.

Approved,