

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL 4906



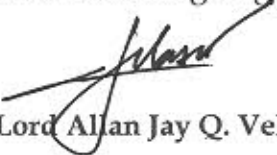
Introduced by Representative Lord Allan Jay Q. Velasco

EXPLANATORY NOTE

The Delta Broadcasting System, Inc. is a company that engages in commercial radio programming and broadcasting on a nationwide coverage. It was granted a legislative franchise to establish, maintain and operate radio and television broadcasting stations by virtue of Republic Act No. 7723 on May 19, 1994 for a period of twenty five (25) years.

Delta Broadcasting would like to continue to provide truthful, accurate information to its daily listeners. Its legislative franchise is about to expire on 2019, thus there is an urgent need to seek a legislative approval for it to continue to provide service.

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


Hon. Lord Allan Jay Q. Velasco

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL 4906

Introduced by Representative Lord Allan Jay Q. Velasco

**AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE
FRANCHISE GRANTED TO THE DELTA BROADCASTING
SYSTEM, INC. TO ESTABLISH, MAINTAIN AND OPERATE RADIO
AND TELEVISION BROADCASTING STATIONS WITHIN THE
PHILIPPINES UNDER REPUBLIC ACT NO. 7723**

*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 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to the Delta Broadcasting System, Inc., its successors or assigns under Republic Act No. 7723 and hereunder referred to as the grantee, to construct, establish, maintain and operate, for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines with the corresponding technological auxiliary equipment, special broadcast, internet streaming podcast, future discoverable broadcast/communication technology, and other broadcast distribution services and relay stations is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

SEC. 2. *Right of the Government.* – The President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order, may temporarily take over and operate the said stations of the grantee, temporarily suspend the operations of any station 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 during the period when they shall be so operated.

SEC. 3. *Term of Franchise.* – This franchise shall be in effect for a term of twenty-five (25) years from the date of effectivity of this Act, unless sooner cancelled. This franchise shall be deemed ipso facto revoked in the event the grantee fails to operate continuously for two (2) years.

SEC. 4. *Authority of the National Telecommunications Commission.* – The grantee shall secure from the National

Telecommunications Commission the appropriate permits and licenses for its station and shall not use any frequency in the radio/television spectrum without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority, permit or license.

SEC. 5. *Manner of Operation of Stations or Facilities.* – The stations or facilities of the grantee shall be so constructed and operated in a manner as will avoid interference on the wavelengths or frequencies of authorized users, whether for broadcasting or telecommunications purposes, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception of signals.

SEC. 6. *Warranty in Favor of the National and Local Governments.* – The grantee shall hold the national, provincial, city 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 grantee.

SEC. 7. *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; conform to the ethics of honest enterprise; and not use its stations 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 public interest; or to incite, encourage or assist in subversive or treasonable acts.

SEC. 8. *Acceptance and Compliance.* – Acceptance of this 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, with a copy furnished to the Chairman of the National Telecommunications Commission, within sixty (60) days from the effectivity of this Act. Upon giving of such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

SEC. 9. *Sale, Lease, Transfer, Usufruct, etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, nor the rights or privileges acquired thereunder to any person, firm, company, partnership, corporation or other commercial or legal entity, nor merge with any other person, firm, company, partnership or corporation not otherwise enfranchised for broadcasting services without the prior approval of the Congress of the Philippines. The controlling interest in the grantee shall not be transferred, assigned nor sold whether as a whole or in parts and whether simultaneously or contemporaneously within five (5) years from the date of the effectivity of this Act. Any corporation to which this franchise may be sold, transferred or assigned shall be subject to the corporation laws of the

Philippines now existing or hereafter enacted, and any person, firm, company, partnership, corporation or other commercial or legal entity to which this franchise is sold, transferred or assigned shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, partnership, corporation or other legal entity.

SEC. 10. Tax Provisions. – The grantee, its successors or assigns shall be liable to pay the same taxes on their 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 assign shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the radio/television business transacted under this franchise. The grantee, its successors or assign, 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.

SEC. 11. Self-regulation by and Undertaking of the Grantee. – The grantee shall not require any prior censorship in any speech, play, act or scene or other matter to be broadcast or telecast from its stations: *Provided*, That the grantee during any broadcast or telecast may cut off from their speech, play, act, scene or other matter being broadcast or telecast if the tendency thereof is to propose and/or incite treason, rebellion or sedition or the language used therein is indecent or immoral and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 12. Equality Clause. If any franchise for radio and television broadcast distribution services and relay stations is awarded or granted by the Congress of the Philippines, or any amendment or revision to any franchise for radio and television broadcast distribution services, subsequent to the approval of this Act, with terms, privileges, exemptions, exceptions and conditions that are more favorable and beneficial than those contained in or otherwise granted under this Act, then the same terms, privileges, exemptions, exceptions or conditions shall *ipso facto*, accrue to the herein grantee and be deemed part of this Act.

SEC. 13. Separability Clause. – If any section or provision of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SEC. 14. Repealability and Non-exclusivity Clauses. – This franchise shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so requires. This franchise shall

not be interpreted to mean as exclusive grant of the privileges herein provided for.

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

Approved,