



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

5030

House Bill No. _____



Introduced by **HON. EDWARD VERA PEREZ MACEDA** and **HON. JOHN MARVIN "YUL SERVO" NIETO**

EXPLANATORY NOTE

Mass-media is public utility protected and reserved by the Constitution to the Filipino people. Broadcasting, as a form of mass-media, has been and continues to be instrumental in the exercise of the guaranteed right of freedom of expression under Section 4, Article III of the 1987 Philippine Constitution. Broadcasting is also instrumental in the exercise of the right to information under Section 7, Article III of the 1987 Philippine Constitution. Through broadcasting, news and information reaches a wider population than printed media.

This bill seeks to renew the legislative franchise granted to Audiovisual Communicators, Inc. under Republic Act No. 8124 entitled "A Franchise to Construct, Install, Operate and Maintain for Commercial Purposes Radio and Television Stations in the Philippines and for Other Purposes", enacted into law on 16 July 1995, for another twenty-five (25) years.

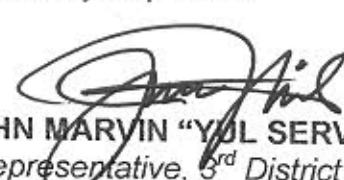
The Audiovisual Communicators, Inc. (ACI) is an entity that has been granted authority by the State to operate for the last four decades. It has begun its broadcasting services in 1983 through its stations DWRX (93.1), DYBT (105.9), and DXBT (99.5) serving Metro Manila, Metro Cebu, and Metro Davao, respectively, serving the public not only through airing of opinions and freedom of expression through music, but also through its Monster Scholarship Program that help college students in dire need of assistance.

The Audiovisual Communicators, Inc. has been serving the Filipino public in the exercise of its right to freedom of expression and giving assistance to college students in pursuit of the State's constitutional recognition of the vital role of communication and information in nation building.

The term of the franchise of Audiovisual Communicators, Inc., which is twenty-five (25) years, will expire on July 2020.

In view of foregoing, approval of this bill is earnestly requested.


EDWARD VERA PEREZ MACEDA
Representative, 4th District of Manila


JOHN MARVIN "YUL SERVO" NIETO
Representative, 3rd District of Manila



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AN ACT
RENEWING THE FRANCHISE GRANTED TO AUDIOVISUAL COMMUNICATORS, INC. UNDER REPUBLIC ACT NO. 8124 TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION STATIONS IN THE PHILIPPINES

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

1 **SECTION 1. *Nature and Scope of Franchise.*** – Subject to the provisions of the
2 constitution and applicable laws, rules and regulations, there is hereby granted to
3 Audiovisual Communicators, Inc., hereunder referred to as the Grantee, its
4 successors or assigns, a franchise to construct, install, establish, operate and
5 maintain for commercial purposes and in the public interest, radio and/or
6 television broadcasting stations in the Philippines, where frequencies and/or
7 channels are still available for radio and/or television broadcasting, including
8 digital television system through microwave, satellite or whatever means,
9 including the use of any new technologies in television and radio systems, with
10 the corresponding technological auxiliaries and facilities, special broadcast and
11 other program and distribution services and relay stations for another twenty-five
12 (25) years.

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

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24 **SECTION 3. *Prior Approval of the National Telecommunications Commission.*** –
25 The Grantee shall secure from the National Telecommunications Commission
26 (NTC) the appropriate permits and licenses for the construction and operation of
27 its stations and facilities and shall not use any frequency in the radio/television
28 without authorization from the NTC. The NTC, however, shall not unreasonably
29 withhold or delay the grant of any such authority.
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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.

The Grantee shall operate and maintain all its stations, lines, cables, systems and equipment for the transmission and reception of messages, signals and pulses in a satisfactory manner at all times, and as far as economical and practicable, modify, improve or change such stations, lines, cables, systems and equipment to keep abreast with the advances in science and technology.

SECTION 5. Right of the 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 any time after due process.

SECTION 6. Term of Renewal Franchise. – The renewal of this franchise shall be in effect for a period of twenty-five (25) years from the effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the event the Grantee fails to operate continuously for two (2) years.

SECTION 7. 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, within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the Grantee shall exercise the privileges granted under this Act. Non- acceptance shall render the franchise void.

SECTION 8. 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; *Provided, further*, that willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

1 **SECTION 9. *Warranty in Favor of National and Local Governments.*** – The
2 Grantee shall hold the national, provincial, city and municipal governments of the
3 Philippines free from all claims, accounts, demands or actions arising out of
4 accidents or injuries, whether to property or to persons, caused by the
5 construction or operation of the stations of the Grantee.
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8 **SECTION 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of***
9 ***Franchise.*** – The Grantee shall not lease, transfer, grant the usufruct of, sell or
10 assign this franchise or the rights and privileges acquired thereunder to any
11 person, firm, company, corporation or other commercial or legal entity, nor merge
12 with any other corporation or entity, nor shall the controlling interest of the
13 Grantee be transferred, whether as a whole or in parts and whether
14 simultaneously or contemporaneously, to any such person, firm, company,
15 corporation or entity without the prior approval of the Congress of the Philippines;
16 *Provided, That* Congress shall be informed of any sale, lease, transfer, grant of
17 usufruct or, or assignment of franchise or the rights or privileges acquired
18 thereunder, or the merger or transfer of the controlling interest of the Grantee,
19 within sixty (60) days after the completion of said transaction; *Provided, further,*
20 *That* failure to report to Congress any such change of ownership shall render the
21 franchise *ipso facto* revoked; *Provided, finally,* *That* any person or entity to which
22 this franchise is sold, transferred or assigned shall be subject to all the same
23 conditions, terms, restrictions and limitations of this Act.
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26 **SECTION 11. *Dispersal of Ownership.*** – In accordance with the constitutional
27 provision to encourage public participation in public utilities, the Grantee shall
28 offer at least, thirty *per centum* (30%) or a higher percentage that may hereafter
29 be provided by law of its outstanding capital stock in any securities exchange in
30 the Philippines within five (5) years from the commencement of its operations;
31 *Provided, That* in cases where public offer of shares is not applicable,
32 establishment of cooperatives and other methods of encouraging public
33 participation by citizens and corporations operating public utilities must be
34 implemented. Non-acceptance/compliance therewith shall render the franchise
35 *ipso facto* revoked.
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38 **SECTION 12. *General Broadcast Policy Law.*** – The Grantee shall comply with a
39 general broadcast policy law which Congress may hereafter enact.
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42 **SECTION 13. *Reportorial Requirement.*** – The Grantee shall submit an annual
43 report to the Congress of the Philippines, through the Committee on Legislative
44 Franchises of the House of Representatives and the Committee on Public
45 Services of the Senate, on its compliance with the terms and conditions of the
46 franchise and on its operations on or before April 30 of every year during the
47 term of its franchise. The reportorial compliance certificate issued by Congress
48 shall be required before any application for permit or certificate is accepted by
49 the NTC.
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52 **SECTION 14. *Penalty Clause.*** – Failure of the Grantee to submit the requisite
53 annual report to Congress will be penalized by a fine in the amount of Five
54 Hundred Pesos (P500.00) per working day of noncompliance. The fine will be
55 collected by the NTC from the delinquent franchise grantee separate from the
56 reportorial penalties imposed by the NTC.
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2 **SECTION 15. *Equality Clause.*** – Any advantage, favor, privilege, exemption, or
3 immunity, granted under existing franchises, or which may hereafter be granted
4 for radio and/or television broadcasting, upon prior review and approval of
5 Congress, shall become part of this franchise and shall be accorded immediately
6 and unconditionally to the herein Grantee; *Provided,* That the foregoing shall
7 neither apply to nor affect the provisions of broadcasting franchises concerning
8 territory covered by such franchise, the life span of the franchise or the type of
9 service authorized by the franchise.

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

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

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22 **SECTION 18. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days
23 after its publication in the Official Gazette or in at least two (2) newspapers of
24 general circulation in the Philippines.

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27 *Approved,*