

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 5602



Introduced by TUCP Party-List
Rep. RAYMOND DEMOCRITO C. MENDOZA

EXPLANATORY NOTE

The Visayas Mindanao Confederation of Trade Union (VIMCONTU) is the only broadcasting company in the country that is owned and managed by workers and workers-union under the Associated Labor Unions - Trade Union Congress of the Philippines. (ALU-TUCP). Its main function is to give voice to the Filipino workers and establish communication avenue for issues affecting labor, workers' rights and other significant events that directly affect the lives of ordinary workers and their families.

VIMCONTU operated its first radio station on September 21, 1967 by virtue of its first franchise under Republic Act (R.A.) No. 4198. In 1995, VIMCONTU was again granted a new and expanded franchise under RA 8116 to construct, install, operate and maintain radio and television broadcasting stations within the Philippines.

VIMCONTU's track record of being committed to national development is unquestionable. It has since established developmental communications in the country. Its flagship station, DYLA, has been regarded as one of the most influential media outlets and has won numerous news and public affairs awards including the prestigious Cebu Archdiocesan Mass Media Award. In living its thrust as a news and public affairs radio station, it has consistently provided reliable news and other information to its listeners, especially in the Visayas and Mindanao. It likewise operates a broadcast production training center that serves as a non-profit training institution for mass communications and developmental communications interns.

The renewal of the franchise of VIMCONTU for another twenty-five (25) years will ensure not only the continuation of the excellent news and public service it provides but also the sustained empowerment of the workers.

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



RAYMOND DEMOCRITO C. MENDOZA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 5602

Introduced by TUCP Party-List
Rep. RAYMOND DEMOCRITO C. MENDOZA

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO VIMCONTU BROADCASTING CORPORATION UNDER
REPUBLIC ACT NO. 8116, ENTITLED "AN ACT GRANTING THE VIMCONTU
BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL,
OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING
STATIONS WITHIN THE PHILIPPINES, AND FOR OTHER PURPOSES"

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

29 **SECTION 1. *Nature and Scope of Franchise.*** – Subject to the provisions of the
30 Constitution and applicable laws, rules and regulations, the franchise granted to
31 VIMCONTU Broadcasting Corporation, hereunder referred to as the grantee, its
32 successors or assignees, under Republic Act No. 8116, entitled "*An Act Granting the*
33 *VIMCONTU Broadcasting Corporation a Franchise to Construct, Install, Operate and*
34 *Maintain Radio and Television Broadcasting Stations Within the Philippines, and For*
35 *Other Purposes*" to construct, install, establish, operate and maintain for commercial
36 purposes and in the public interest, radio and television broadcasting stations,
37 including digital television system, through microwave, satellite or whatever means,
38 including the use of any new technology in television and radio systems, with the
39 corresponding technological auxiliaries and facilities, special broadcast and other
40 program and distribution services and relay stations in the Philippines is hereby
41 renewed for another twenty-five (25) years from the effectivity of this Act.
42

1 **SEC. 2. *Manner of Operation of Stations or Facilities.*** – The existing and future
2 stations or facilities of the grantee shall be constructed and operated in a manner
3 that will result only in the minimum interference on the wavelengths or frequencies of
4 existing stations or other stations which may be established by law, without in any
5 way diminishing its own privilege to use its assigned wavelengths or frequencies and
6 the quality of transmission or reception thereon as should maximize rendition of the
7 grantee's services and availability thereof.

8
9 **SEC. 3. *Prior Approval of the National Telecommunications Commission.*** –
10 The grantee shall secure from the National Telecommunications Commission (NTC)
11 the appropriate permits and licenses for the construction and operation of its stations
12 and facilities and shall not use any frequency in the radio and television spectrum
13 without authorization from the NTC. The NTC, however, shall not unreasonably
14 withhold or delay the grant of any such authority.

15
16 **SEC. 4. *Responsibility to the Public.*** – The grantee shall provide adequate public
17 service time to enable the government, through the said broadcasting stations or
18 facilities, to reach the population on important public issues; provide at all times
19 sound and balanced programming; assist in the functions of public information and
20 education; conform to the ethics of honest enterprise; and not use its stations and
21 facilities for the broadcasting of obscene and indecent language, speech, act or
22 scene; or for the dissemination of deliberately false information or willful
23 misrepresentation, to the detriment of the public interest; or to incite, encourage, or
24 assist in subversive or treasonable acts.

25
26 **SEC. 5. *Right of Government.*** – The radio spectrum is a finite resource that is part
27 of the national patrimony and the use thereof is a privilege conferred upon the
28 grantee by the State and may be withdrawn anytime after due process. A special
29 right is hereby reserved to the President of the Philippines, in times of war, rebellion,
30 public peril, calamity, emergency, disaster, or disturbance of peace and order: to
31 temporarily take over and operate the stations or facilities of the grantee; to
32 temporarily suspend the operation of any station or facility in the interest of national
33 security, public safety, and public welfare; or to authorize the temporary use and
34 operation thereof by any agency of the government, upon due compensation to the

1 grantee, for the use of said stations or facilities during the period when they shall be
2 so operated.

3
4 **SEC. 6. *Term of Franchise.*** – This franchise shall be in effect for a period of
5 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
6 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the
7 grantee fails to operate continuously for two (2) years.

8
9 **SEC. 7. *Acceptance and Compliance.*** – Acceptance of this new franchise shall be
10 given in writing to the Congress of the Philippines, through the Committee on
11 Legislative Franchises of the House of Representatives and the Committee on Public
12 Services of the Senate, within sixty (60) days from the effectivity of this Act. Upon
13 giving such acceptance, the grantee shall exercise the privileges granted under this
14 Act. Non-acceptance shall render the franchise void.

15
16 **SEC. 8. *Self-Regulation by and Undertaking of Grantee.*** – The grantee shall not
17 require any previous censorship of any speech, play, act or scene, or other matter to
18 be broadcast from its stations: *Provided*, That the grantee, during any broadcast,
19 shall cut off from the air the speech, play, act or scene, or other matter being
20 broadcast if the tendency thereof is to propose and incite treason, rebellion or
21 sedition; or the language used therein or the theme thereof is indecent or immoral:
22 *Provided, further*, That willful failure to do so shall constitute a valid cause for the
23 cancellation of this franchise.

24
25 **SEC. 9. *Warranty in Favor of National and Local Governments.*** – The grantee
26 shall hold the national, provincial, city, and municipal governments of the Philippines
27 free from all claims, accounts, demands, or actions arising out of accidents or
28 injuries, whether to property or to persons, caused by the construction or operation
29 of the stations of the grantee.

30
31 **SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*** – The
32 grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise
33 or the rights and privileges acquired thereunder to any person, firm, company,
34 corporation, or other commercial or legal entity, nor merge with any other corporation

1 or entity, nor the controlling interest of the grantee be transferred, whether as a
2 whole or in part, and whether simultaneously or contemporaneously, to any such
3 person, firm, company, corporation or entity without the prior approval of the
4 Congress of the Philippines. In case of sale, lease, transfer, grant of usufruct of, or
5 assignment of franchise or the rights or privileges acquired thereunder, or of the
6 merger or transfer of the controlling interest of the grantee, the Congress shall be
7 informed thereof within sixty (60) days after the completion of said transaction.
8 Failure to report to Congress such change of ownership shall render the franchise
9 *ipso facto* revoked. Any person or entity to which this franchise is sold, transferred
10 or assigned, shall be subject to the same conditions, terms, restrictions, and
11 limitations of this Act.

12
13 **SEC. 11. *Dispersal of Ownership.*** – In accordance with the constitutional provision
14 to encourage public participation in public utilities, the grantee shall offer to Filipino
15 citizens at least thirty per cent (30%) or a higher percentage that may hereafter be
16 provided by law of its outstanding capital stock in any securities exchange in the
17 Philippines within five (5) years from the commencement of its operations: *Provided,*
18 That in cases where public offer of shares is not applicable, establishment of
19 cooperatives and other methods of encouraging public participation by citizens and
20 corporations operating public utilities must be implemented.

21
22 Noncompliance with this section shall render the franchise *ipso facto* revoked.

23
24 **SEC. 12. *Reportorial Requirement.*** – The grantee shall submit an annual report to
25 the Congress of the Philippines, through the Committee on Legislative Franchises of
26 the House of Representatives and the Committee on Public Services of the Senate,
27 on its compliance with the terms and conditions of the franchise and on its
28 operations on or before April 30 of every year during the term of its franchise. The
29 reportorial compliance certificate issued by Congress shall be required before any
30 application for permit or certificate is accepted by the NTC.

31
32 **SEC. 13. *Fine.*** – Failure of the grantee to submit the requisite annual report to
33 Congress will be penalized by a fine in the amount of Five hundred pesos (P500.00)
34 per working day of noncompliance. The fine will be collected by the NTC from the

1 delinquent franchise grantee separate from the reportorial penalties imposed by the
2 NTC.

3
4 **SEC. 14. *Equality Clause.*** – Any advantage, favor, privilege, exemption, or
5 immunity which may hereafter be granted for radio and television broadcasting shall
6 become part of this franchise and shall be accorded immediately and unconditionally
7 to the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect
8 the provisions of broadcasting franchises concerning territory covered by the
9 franchise, the life span of the franchise, or the type of service authorized by the
10 franchise.

11
12 **SEC. 15. *Separability Clause.*** – If any of the sections or provisions of this Act is
13 held invalid, all other provisions not affected thereby shall remain valid.

14
15 **SEC. 16. *Repealability and Nonexclusivity Clause.*** – This franchise shall be
16 subject to amendment, alteration, or repeal by the Congress of the Philippines when
17 the public interest so requires and shall not be interpreted as an exclusive grant of
18 the privileges herein provided for.

19
20 **SEC. 17. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
21 publication in the *Official Gazette* or in a newspaper of general circulation.

22
23 ***Approved,***