

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **5632**



Introduced by **REPS. KARLO A. B. NOGRALES** and **JERICHO JONAS B. NOGRALES**

EXPLANATORY NOTE

The University of Mindanao, formerly the Mindanao Colleges, was established on July 26, 1946, by a group of businessmen led by the late Atty Guillermo E. Torres. It was authorized by the Secretary of Education to offer courses in Commerce, Liberal Arts, Education, Radio, Law, Engineering, High School and complete primary grades. The Mindanao Colleges attained its University status on December 21, 1965 where it was renamed the University of Mindanao.

The University of Mindanao is a non-sectarian, private stock corporation operating in Davao City, with eight (8) branches and campuses in Davao City and the provinces of Davao del Sur and Davao del Norte. The University corporation is divided into two (2) divisions, the *Education Division* covering the academic programs and activities of the University and the *Broadcasting Division* which operates its radio network.

The University of Mindanao is one of the leading private Higher Education Institution (HEI) in Mindanao. It has one of the largest student population for a private HEI in the country. It is recognized by the Commission on Higher Education (CHED) as an Autonomous institution and was awarded three (3) Centers of Excellence (COE) and Seven (7) Centers of Development (COD). UM is committed to Quality Assurance achieving the most number of Academic Programs accredited by the PACU-COA, next to the University of Santo Tomas. It was also granted an ISO 9001:2015 certification by the SGS.

The University's radio network operates using its trade name the University of Mindanao Broadcasting Network (UMBN). It is one of the pioneering radio companies in Mindanao and in the country, starting radio broadcasting with DXMC-AM in 1950 by virtue of RA 514 dated June 10, 1950.

It presently operates twelve (12) AM and FM radio stations in the Visayas and Mindanao:

Stations	Location	Frequency
FM Stations:		
DXBB-FM	Butuan City	98.5 MHz.
DYCD-FM	Cebu City	103.5 MHz.
DXWT-FM	Davao City	92.3 MHz.

DXWZ-FM	Cagayan de Oro City	94.3 MHz.
DXRT-FM	Gen. Santos City	99.1 MHz.
DYWT-FM	Iloilo City	105.9 MHz..
DXIL-FM	Iligan City	103.1 MHz.
DXWB-FM	Valencia, Bukidnon	92.9 MHz.

AM Stations:

DXDS-AM	Digos, Davao el Sur	1161 khz.
DXCM-AM	Kidapawan City	1089 khz.
DXDN-AM	Tagum, Davao del Norte	801 khz.
DXMV-AM	Valencia, Bukidnon	1134 khz.

UMBN pioneered and commenced radio operation in 1950 after it was granted a Congressional Franchise under Republic Act 514 dated June 10, 1950 authorizing the establishment of DXMC-AM radio station in Davao for commercial and educational purposes. It was the first radio station in Davao City.

R.A. 514 was amended by R.A. 1832 on June 22, 1957 authorizing the establishment of radio broadcasting stations in the Philippines for commercial and educational purposes. R.A. 1832 established UMBN as a radio network and expanded its radio stations in various key cities in the island of Mindanao in the 1950s and 60s..

In 1987, under the new Philippine Constitution, UMBN applied for a new franchise filed by Hon. Jesus G. Dureza. Said bill became a law September 25, 1995 as R.A. 8170 to expire twenty five (25) years later.

Under R.A. 514, 1832 and 8170, UMBN established the following radio broadcasting stations:

Radio Station	Year Started	Location	Status
DXMC	1950	Davao City	Converted into FM station DXWT-FM. In Operation.
DXUM	1957	Davao City	Closed during Martial Law. Sold to MASFI in 1975
DXCM	1959	Cotabato City	Transferred to Kidapawan City in 2009. In Operation.
DXMV	1960	Cotabato City	Transferred to Valencia, Bukidnon in 1987. In Operation.
DXMM	1963	Davao City	Closed during Martial Law. Never reopened.
DXMZ	1964	Gen. Santos City	Converted into FM station DXRT-FM In 1992. In Operation
DXRZ	1964	Zamboanga City	Sold to Radio Mindanao Network in 1992

DXMO	1965	Cagayan de Oro	Converted into FM station DXWZ-FM In 1991. In Operation.
DXRC	1965	Malaybalay, Bukidnon	Closed during Martial Law. Equipment were donated to AFP Southern Command in 1973 as DXSC, Zamboanga City
DXMI	1966	Iligan City	Converted into FM station DXIL-FM In 1992. In Operation
DXDS	1967	Digos, Davao del Sur	In Operation
DXDN	1967	Tagum, Davao del Norte	In Operation
DYCD-FM	2000	Cebu City	In Operation
DYWT-FM	2001	Iloilo City	In Operation

Presently, UMBN owns and operates the following radio stations:

Stations	Location	Frequency
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FM Stations:

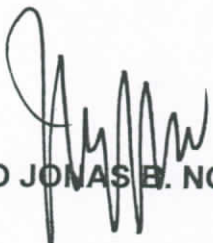
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In order to retain the broadcasting privileges of the University of Mindanao, the approval of this bill is earnestly sought.


KARLO A. B. NOGRALES


JERICHO JONASE B. NOGRALES

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HOUSE BILL NO. **5632**

Introduced by REPS. KARLO A. B. NOGRALES and JERICHO JONAS B. NOGRALES

AN ACT

RENEWING THE FRANCHISE GRANTED TO UNIVERSITY OF MINDANAO UNDER REPUBLIC ACT NO. 8170 ENTITLED "AN ACT GRANTING THE UNIVERSITY OF MINDANAO A FRANCHISE TO CONSTRUCT, ESTABLISH, MAINTAIN AND OPERATE RADIO BROADCASTING STATIONS IN THE PHILIPPINES AND FOR OTHER PURPOSES" FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT

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
2 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise
3 granted to University of Mindanao, hereunder referred to as the grantee, its successors
4 or assignees, under Republic Act No. 8170 entitled "**AN ACT GRANTING THE**
5 **UNIVERSITY OF MINDANAO A FRANCHISE TO CONSTRUCT, ESTABLISH,**
6 **MAINTAIN AND OPERATE RADIO BROADCASTING STATIONS IN THE**
7 **PHILIPPINES AND FOR OTHER PURPOSES**", to construct, install, establish, operate,
8 and maintain for commercial purposes and in the public interest, radio and/or television
9 broadcasting stations, where frequencies and/or channels are still available for radio
10 and/or television broadcasting, including digital television system through microwave
11 satellite or whatever means, including the use of any technologies in television and
12 radio systems with the corresponding technological auxiliaries and facilities special
13 broadcast and other program and distribution services and relay stations in the
14 PHILIPPINES, is hereby renewed for another twenty-five (25) years from the effectivity
15 of this Act.

16 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or facilities
17 of the grantee shall be constructed or operated in a manner as will, at most, result only

1 in the minimum interference on the wavelengths or frequencies of existing stations or
2 other
3 stations which maybe established by law, without in any way diminishing its on privilege
4 to use its assigned wavelengths or frequencies and the quality of transmission or
5 reception thereon should maximize rendition of the grantee's services and/or the
6 availability thereof.

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

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

22 SEC. 5. *Right of Government.* – A special right is hereby reserved to the
23 President of the Philippines, in times of war, rebellion, public peril, calamity, emergency,
24 disaster or disturbance of peace and order, to temporarily take over and operate the
25 stations and facilities of the grantee; to temporarily suspend the operation of any station
26 or facility in the interest of public safety, security and public welfare; or to authorize the
27 temporary use and operation thereof by any agency of the government, upon due
28 compensation to the grantee, for the use of its stations or facilities during the period
29 when they shall be so operated.

30 The radio spectrum is a finite resource that is part of the national patrimony and
31 the use thereof is a privilege conferred upon the grantee by the State and maybe
32 withdrawn anytime after due process.

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

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

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

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

24 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.*
25 – The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this
26 franchise or the rights and privileges acquired thereunder to any person, firm, company,
27 corporation or other commercial or legal entity, nor merge with any other corporation or
28 entity, nor shall transfer the controlling of the grantee, whether as a whole or parts,
29 whether simultaneously or contemporaneously, to any such person, firm, company,
30 corporation or entity, without the prior approval of the Congress of the Philippines:
31 *Provided*, That Congress shall be informed of any sale, lease, transfer, grant the
32 usufruct of, or assignment of franchise or the rights or privileges acquired under, or the
33 merger, or the transfer of the controlling interest of the grantee, within sixty (60) days

1 after the completion of said transaction: *Provided, further,* That failure to report
2 Congress such change of ownership shall render the franchise *ipso facto* revoked:
3 *Provided, finally,* That any person or entity to which this franchise is sold, transferred or
4 assigned, shall be subject to the same conditions, terms, restrictions, and limitations of
5 this Act.

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

15 SEC. 12. *General Broadcast Policy Law.* – The grantee shall comply with and
16 this subject to the provisions of a general broadcast policy law, which Congress may
17 hereafter enact.

18 SEC. 13. *Reportorial Requirement.* – The grantee shall submit an annual report
19 to the Congress of the Philippines, through the Committee on Legislative Franchise of
20 the House of Representative and the Committee on Public Services of the Senate, on
21 its compliance with the terms and conditions of the franchise and on its operations on or
22 before April 30 of every year during the term of its franchise. The reportorial compliance
23 certificate issued by Congress shall be required before any application for permit or
24 certificate is accepted by the NTC.

25 SEC. 14. *Penalty Clause.* – Failure of the grantee to submit the requisite annual
26 report to Congress will be penalized by a fine in the amount of Five hundred pesos
27 (P500.00) per working day of noncompliance. The fine will be collected by the NTC from
28 the delinquent franchise grantee separate from the reportorial penalties imposed by the
29 NTC.

30 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege, exemption, or
31 immunity granted under existing franchises, or which may hereafter be granted for radio
32 and/or television broadcasting, upon prior review and approval of Congress, shall

1 become part of this franchise and shall be accorded immediately and unconditionally to
2 the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect the
3 provisions of broadcasting franchises concerning territory covered by the franchise, the
4 life span of the franchise or the type of service authorized by the franchise.

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

7 SEC. 17. *Repealability and Nonexclusivity Clause*. – This franchise shall be
8 subject to amendment, alteration, or repeal by the Congress of the Philippines when the
9 Public interest so requires and shall not be interpreted as an exclusive grant of the
10 privileges herein provided for.

11 SEC. 18. *Effectivity*. – This Act shall take effect fifteen (15) days after its
12 publication in the *Official Gazette* or in a newspaper of general circulation.

13 Approved,
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