

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6334



Introduced by **Representative Manuel Jose M. Dalipe**

EXPLANATORY NOTE

The DXZB-TV 13 Cooperative for Service of Zamboanga, is a service cooperative officially sanctioned by the Cooperative Development Authority (CDA) Region IX, and presently engaged in the business of radio and television broadcasting on commercial purposes with operational authority issued by the National Telecommunication Commission (NTC). Its members are all Filipino citizens of proven experience, competence and integrity in the field of radio and television broadcasting.

The Cooperative's development program advances the principle of service to the people. Consequently, its vision and program basically seeks to be informative, strengthening positive Filipino values, and supportive of national programs in the homes of Zamboanguenos and Basileños thereby gaining a strong foothold with the listening and viewing public.

The public good and development of the Philippines broadcasting industry will be better served by the approval of this measure granting DXZB-TV 13 Cooperative for Service of Zamboanga a legislative franchise to establish, maintain and operate radio and TV station.

This bill is a refiled bill under House **Bill Nos. 6106** and **5664** of the Fifteenth and Eleventh Congress, respectively.


MANUEL JOSE M. DALIPE
2nd District, Zamboanga City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL No. 6334

Introduced by: **Representative Manuel Jose M. Dalipe**

AN ACT

GRANTING THE DXZB-TV 13 COOPERATIVE FOR SERVICE OF ZAMBOANGA A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, MAINTAIN AND OPERATE RADIO AND TELEVISION STATIONS IN WESTERN MINDANAO, REGION IX, AND FOR OTHER PURPOSES

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

SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to the DXZB-TV 13 Cooperative for Service of Zamboanga, its successors, or assignees, a franchise to construct, install, establish, operate and maintain for commercial purposes and in the public interest, radio and television broadcasting stations in Western Mindanao, Region IX including digital television system through microwave, satellite or whatever means, or the use of any new technologies in television and radio system, with the corresponding auxiliary, special broadcast and other program and distribution services and relay stations, and to install radio communication facilities for the grantee's private use in its broadcast services for a period of twenty-five (25) years from the approval of this Act.

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

SEC. 3. *Prior Approval of the National Telecommunications Commission.* - The grantee shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses, for the construction and operation of its stations and facilities and shall not use any frequency in the radio and/or television spectrum

without authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

The grantee shall not dispose nor lease its facilities except to entities with radio or television franchise: *Provided*, That the grantee shall inform and secure written authorization to proceed from the NTC, and report the transaction to the NTC within sixty (60) days after its completion: *Provided*, further, That the NTC shall determine the corresponding sanction for any violation of this provision.

SEC. 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; promote public participation such as in community programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations or facilities for the broadcasting of obscene and indecent language, speech, act or scene or for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of the public interest, or to incite, encourage, or assist in subversive or treasonable acts.

SEC. 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 serious 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 the stations or facilities during the period when these shall be so operated.

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

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

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

SEC. 8. *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, its successors or assigns shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the radio/television business transacted under this franchise by the grantee, its successors or assignees and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *Provided*, That the grantee, its successors or assignees 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. 9. *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 and/or telecast from its stations; but if any speech, play, act or scene or other matter should constitute a violation of the law, or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play act or scene or other matter from its stations: *Provided*, That the grantee during any broadcast and/or telecast, shall cut off the airing of speech, play, act or scene or other matter being broadcast and/or telecast 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.

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

SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct or Assignment of Franchise.* - The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights and privileges acquired thereunder to or any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in part, and whether simultaneously or contemporaneously, to any such private person, firm, company, corporation or entity without the approval of the Congress of the Philippines: *Provided*, That any person or entity to which this franchise is sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions, and limitations of this Act.

SEC. 12. *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 operation on or before April 30 of every year during the term of the franchise.

SEC. 13. *Fine.* - 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 separately by the NTC distinct from the penalties it imposes for non-compliance of its reportorial requirements.

SEC. 14. *Equality Clause.* - Except for taxes and customs duties, any advantage, favor, privilege, exemption, or immunity granted under existing franchise, 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 not apply to nor affect provisions of broadcasting franchises concerning territory covered by the franchise or the type of service authorized by the franchise.

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

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

SEC. 17. *Repealing Clause.* - All laws, decrees, orders, resolutions, instructions, rules and regulations, and other issuances, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

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

Approved.