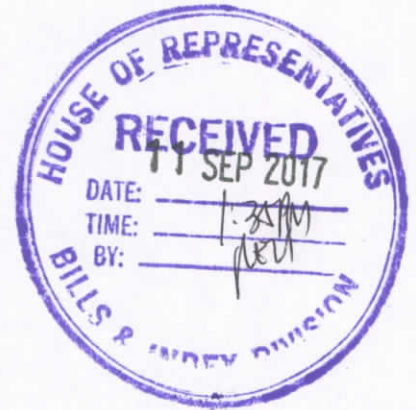




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session
HOUSE BILL NO. 6375



Introduced by: HON ROGELIO NEIL P. ROQUE

EXPLANATORY NOTE

Modern technology like the internet or television cannot surpass the information dissemination problem. However, a radio can minimize this problem, especially in Bukidnon's hinterlands. Up to now, agricultural workers bring portable radio while at work in farm to keep track of the latest news or for their entertainment.

MT. Sage Broadcasting Services, Inc. serves as an important instrument in information dissemination that will redound to increase public awareness. It also helps to educate the public especially in the far flung areas of the province.

Presently, Mt. Sage operates and maintains an FM Radio Station powered with 1 kilowatt broadcast transmitter effectively reaching Bukidnon's remote areas.

In view of the importance of strengthening the Congressional mandate with regards to franchises amidst the new trends in broadcasting, approval of this bill is earnestly requested.


ROGELIO NEIL P. ROQUE
Fourth District - Bukidnon



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HOUSE BILL NO. **6375**

Introduced by: HON ROGELIO NEIL P. ROQUE

**AN ACT GRANTING MT. SAGE BROADCASTING NETWORK INCORPORATED A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN
RADIO BROADCASTING STATIONS IN THE PROVINCE OF BUKIDNON AND IN
REGION TEN**

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

SECTION 1. Nature and Scope of Franchise – Subject to the provisions of the Philippine Constitution and applicable laws, rules and regulations, there is hereby granted to Mt. Sage Broadcasting Network, Incorporated hereunder referred to as the grantee, its successors or assignees, a franchise to conduct, install, establish, operate and maintain for commercial purposes and in the public interest, radio broadcasting stations in the Province of Bukidnon and in Region Ten, where frequencies and/ or channels are still available for radio broadcasting, including digital television system, through microwave, satellite or whatever means, including the use of any technology in radio system, with the corresponding technological auxiliaries and facilities, special broadcast, and other program and distribution services and relay stations.

SEC. 2. Manner of Operation of Stations and 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 wavelength or frequencies of existing stations or other stations which may be established by law, without in any way diminishing its own right



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 the availability thereof.

SEC. 3. Prior Approval of the National Telecommunications Commission (NTC). The grantee shall secure from the 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/television spectrum without authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

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 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 wilful misrepresentation to the detriment of the public interest, or to incite, encourage, or assist in subversive or treasonable acts.

SEC. 5. Right of Government. - A special right is hereby reserve to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order: 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.

SEC. 6. Term of Franchise. - This franchise shall be in effect of 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 with one (1) year from the approval of its operating permit by the NTC;
- (b) Commence operation within three (3) years from the effectivity of this Act; and
- (c) Operate continuously for two (2) years.

SEC.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. Non-acceptance shall render the franchise void.

SEC. 8. Bond. – The grantee shall file a cash bond with the NTC, in the amount that the NTC shall determine, to guarantee compliance with the fulfilment 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 favour of the government and the franchise ipso facto revoked.

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 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 of the theme thereof is indecent or immoral: Provided, further, That wilful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 10. Warranty in favour of National and Local Governments. – 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 accidents causing injuring person or damage to property during 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 there under to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in part, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: Provided, That Congress shall be informed of any sale, lease, transfer, grant or usufruct or assignment of franchise or the rights or privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of said transaction: Provided, further, That failure to report to Congress such change of ownership shall render the franchise is sold, transferred or assigned shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

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



must be implemented. Noncompliance therewith shall render the franchise ipso facto revoked.

SEC 13. 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 operations on or before April 30 of every year during the term of its franchise. The reportorial compliance certificate issued by congress shall be required before any application for permit or certificate is accepted by the NTC.

SEC. 14. Penalty Clause. - 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 by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.

SEC. 15. Equality Clause.- Except for taxes and customs duties, any advantage, favour, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio 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 neither apply to nor affect the provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise for the type of service authorized by the franchise.

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

SEC. 17. Repealability and Non-exclusivity 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. 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,