



Seventeenth Congress
Second Regular Session
HOUSE BILL NO. **7515**

Introduced by Honorable Henry S. Oaminal

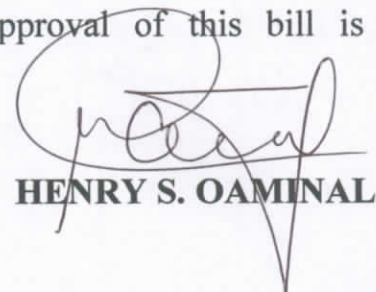
EXPLANATORY NOTE

This bill seeks to grant the Dan-ag sa Dakbayan Broadcasting Corporation (DDBC) a franchise to construct, install, establish, maintain and operate a radio broadcasting and television stations in the island of Mindanao.

Telecommunications play a significant role in the socio-economic development of the country as well as in the political and religious life of the people. And no less than the 1987 Constitution mandates that "the State recognizes the vital role of communication and information in nation building." Also, the Constitution emphasizes the "right of the people to information on matters of public concern xx." Thus, in order to establish and maintain an easy and fast means of communication throughout the country, it is of utmost importance to have a reliable and existing radio and television communication system in the far-flung areas, particularly in the island of Mindanao.

The Dan-ag sa Dakbayan Broadcasting Corporation, a Catholic radio station and a corporation duly organized with financial capabilities and expertise in the field of communication, intends to fulfill its responsibility by providing the residents of Mindanao, particularly Ozamiz City and the Province of Misamis Occidental with adequate information service. The grant of legislative franchise is needed for its continuing operation to fully assist the government in disseminating information to the people, and to enrich and improve the information technology system in the country.

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


HENRY S. OAMINAL

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AN ACT

**GRANTING THE DAN-AG SA DAKBAYAN BROADCASTING CORPORATION
A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH , MAINTAIN AND
OPERATE RADIO BROADCASTING AND TELEVISION STATIONS IN THE
ISLAND OF MINDANAO**

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

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the
1987 Philippine Constitution and applicable laws, rules and regulations, there is hereby
granted to Dan-ag sa Dakbayan Broadcasting System Corporation, hereunder referred to
as the grantee, its successors or assigns, a franchise to construct, install, establish,
maintain and operate for commercial purposes and in the public interest, throughout the
Philippines and between the Philippines and other countries and territories, wire or
wireless telecommunications systems including, but not limited to, mobile, cellular,
paging, fiber optics, multi-channel multi-point distribution system (MMDS), local multi-
point distribution system (LMDS), satellite transmit and receive systems, switches and
their value-added services such as, but not limited to, transmission of voice, data,

1 facsimile, control signs, audio and video, information services bureau and all other
2 telecommunications systems technologies as are at present available or will be made
3 available through technological advances or innovations in the future; or construct,
4 acquire, lease and operate or manage transmitting and receiving stations, lines, cables or
5 systems as are convenient or essential to efficiently carry out the purpose of this
6 franchise.

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

14 SEC. 3. *Authority of the National Telecommunications Commission (NTC).* –
15 The grantee shall secure from the NTC, hereinafter referred to as the Commission, a
16 certificate of public convenience and necessity or the appropriate permits and licenses for
17 the construction, installation and operation of its telecommunications systems or
18 facilities. In issuing the certificate, the Commission shall have the power to impose such
19 conditions relative to the construction, operation, maintenance or service level of the
20 telecommunications systems. The Commission shall have the authority to regulate the

1 construction and operation of its telecommunications systems. The grantee shall not use
2 any frequency in the radio spectrum without having been authorized by the Commission.
3 Such certificate shall state the areas covered and date the grantee shall commence the
4 service. The Commission, however, shall not unreasonably withhold or delay the grant
5 of any such authority, permits or licenses.

6 SEC. 4. ***Responsibility to the Public.*** – The grantee shall provide reasonable
7 public service time to enable the government, through the said broadcasting stations, to
8 reach the population on important public issues; provide at all times sound and balanced
9 programming; promote public participation such as in community programming; assist in
10 the functions of public information and education; conform to the ethics of honest
11 enterprise; and not use its stations and facilities for the broadcasting of obscene and
12 indecent language, speech, act or scene, or for the dissemination of deliberately false
13 information or willful misrepresentation, to the detriment of the public interest, or to
14 incite, encourage or assist in subversive or treasonable acts.

15 SEC. 5. ***Right of Government.*** – A special right is hereby reserved to the
16 President of the Philippines, in times of war, rebellion, public peril, calamity, emergency,
17 disaster or disturbance of peace and order, to temporarily take over and operate the
18 stations or facilities of the grantee, to temporarily suspend the operation of any station or
19 facility in the interest of public safety, security and public welfare, or to authorize the
20 temporary use and operation thereof by any agency of the government, upon due

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

3 The radio spectrum is a finite resource that is part of the national patrimony and the
4 use thereof is a privilege conferred upon the grantee by the State and may be withdrawn
5 anytime after due process.

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

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

16 SEC. 8. ***Bond.*** – The grantee shall file a bond with the NTC in the amount that it
17 shall determine to guarantee the compliance with and fulfillment of the conditions under
18 which this franchise is granted. If, after three (3) years from the date of the approval of
19 its permit by the Commission, the grantee shall have fulfilled the conditions, the bond
20 shall be cancelled by the Commission. Otherwise, the bond shall be forfeited in favor of

1 the government and the franchise shall be deemed *ifso facto* revoked.

2 SEC. 9. ***Right of Interconnection.*** – The grantee is hereby authorized to connect
3 or demand connection of its telecommunications systems to other telecommunications
4 systems installed, operated and maintained by any other duly authorized person or entity
5 in the Philippines for the purpose of providing extended and improved
6 telecommunications services to the public, under such terms and conditions mutually
7 agreed upon by the parties concerned and the same shall be subject to the review and
8 modification of the Commission.

9 SEC. 10. ***Gross Receipts.*** – The grantee, its successors or assigns, shall keep a
10 separate account of the gross receipts of the business transacted by it and shall furnish the
11 Commission on Audit (COA) and the National Treasury a copy of such account not later
12 than the thirty-first (31st) day of January of each year for the preceding twelve (12)
13 months.

14 SEC. 11. ***Books and Accounts.*** – The books and accounts of the grantee, its
15 successors or assigns, shall always be open to inspection of the COA and its duly-
16 authorized representatives. It shall be the duty of the grantee to submit to the COA two
17 (2) copies of the quarterly reports on the gross receipts, the net profits and the general
18 condition of the business.

19 SEC. 12. ***Warranty in Favor of the National and Local Governments.*** – The
20 grantee shall hold the national, provincial, city and municipal governments of the

1 Philippines free from all claims, accounts, demands or actions arising out of accidents or
2 injuries, whether to property or to persons, caused by the construction or operation of the
3 stations, transmitters, facilities and equipment of the grantee.

4 SEC. 13. ***Non-transferability of Franchise.*** – The grantee shall not lease, transfer,
5 grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired
6 thereunder to any person, firm, company, corporation or other commercial or legal entity,
7 nor merge with any other corporation or entity, nor shall the controlling interest of the
8 grantee be transferred, whether as a whole or in parts and whether simultaneously or
9 contemporaneously, to any such person, firm, company, corporation or entity without the
10 prior approval of the Congress of the Philippines. The condition, terms, restrictions and
11 limitations set by this Act shall be imposed on any person or entity to which this
12 franchise is sold, transferred or assigned.

13 SEC. 14. ***Dispersal of Ownership.*** – In accordance with the conditional provision
14 to encourage public participation in public utilities, the grantee shall offer to Filipino
15 citizens at least thirty (30) percent or a higher percentage that may hereafter be provided
16 by law of its outstanding capital stock in any securities exchange in the Philippines within
17 five (5) years from the commencement of its operations. Noncompliance therewith shall
18 render the franchise *ipso facto* revoked.

19 SEC. 15. ***Reportorial Requirement.*** – The grantee shall submit an annual report to
20 the Congress of the Philippines through the Committee on Legislative Franchises of the

1 House of Representatives and the Committee on Public Services of the Senate on its
2 compliance with the terms and conditions of the franchise and on its operations on or
3 before April 30 of the succeeding year.

4 SEC. 16. ***Penalty Clause.*** – Any grantee who fails to submit the annual report to
5 the Congress of the Philippines shall be fined by Five hundred (P500.00) pesos per
6 working day of noncompliance. The fine shall be collected by the NTC from said
7 delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.
8 The collected funds shall accrue to the monitoring fund of the NTC in line with its
9 supervisory and regulatory functions. The reportorial compliance certificate issued by
10 the Congress of the Philippines shall be required before any application for permit or
11 certificate is accepted by the NTC.

12 SEC. 17. ***Equality Clause.*** – Any advantage, favor, privilege, exemption, or
13 immunity granted under existing franchise, or which may hereafter be granted, upon prior
14 review and approval of Congress, shall become part of this franchise and shall be
15 accorded immediately and unconditionally to the herein grantee: *Provided, however,* That
16 the foregoing shall neither apply to nor affect provisions of telecommunications
17 franchises concerning territory covered by the franchise, the life span of the franchise or
18 the type of service authorized by the franchise.

19 SEC. 18. ***Repealability and Nonexclusivity Clause.*** – This franchise shall be
20 subject to amendment, alteration, or repeal by the Congress of the Philippines when the

1 public interest so requires and shall not be interpreted as an exclusive grant of the
2 privileges provided for in this Act.

3 SEC. 19. ***Publication.*** – This Act shall be published through the initiative of the
4 grantee, fifteen (15) days after this Act is signed by the President of the Philippines or has
5 lapsed into law.

6 SEC. 20. ***Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
7 publication in the Official Gazette or in two (2) newspapers of general circulation.

8 Approved,