

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Seventeenth Congress
Third Regular Session

HOUSE BILL NO. 7980

**Introduced by Representatives Karlo Alexei B. Nograles and
Jericho Jonas B. Nograles**

EXPLANATORY NOTE

This bill seeks to renew and expand the franchise granted to R. T. Broadcast Specialist Phil. Inc for another twenty-five years.

Section 24, Article II (Declaration of Principles and State Policies) of the Constitution states:

“SEC. 24. The State recognizes the vital role of communication and information in nation-building.”

Radio and television are effective tools in delivering information despite the advancement of the internet. Broadcast media is important especially in areas where internet connection is not readily available.

Republic Act No. 8126 entitled, *“An Act Granting the R.T. Broadcast Specialist Philippines a Franchise to Construct, Establish, Operate and Maintain Radio and Television Broadcasting Stations in Mindanao”* was approved in 1995. Under this law, R.T. Broadcast Specialist Phil. Inc. is given a legislative franchise for a period of twenty-five years. Thus, the franchise is set to expire in 2020.

R.T. Broadcast Specialist Phil. Inc. is a major facility which provides frequency to several stations in Mindanao. Renewing its franchise for another twenty-five years will provide continuous broadcast services to these stations.

Moreover, it will have an opportunity to expand its coverage throughout the country which will enhance competition, create opportunities that would generate additional jobs, and provide a steady tool for information amid the country's technological programs.

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



KARLO ALEXEI B. NOGRALES



JERICO JONAS B. NOGRALES

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HOUSE BILL NO. 7380

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**AN ACT RENEWING FOR ANOTHER TWENTY FIVE (25) YEARS AND
EXPANDING THE FRANCHISE GRANTED TO RT BROADCAST SPECIALIST
PHIL. INC. UNDER REPUBLIC ACT NO. 8126**

*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 provision of the Constitution and applicable laws, rules and regulations, the franchise granted to RT Broadcast Specialist Phil. Inc. hereunder referred to as the grantee, its successors or assigns, under Republic Act No. 8126 entitled "An Act Granting the RT Broadcast Specialist Philippines a franchise to construct, establish, operate and maintain radio and television broadcasting stations in Mindanao", to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations, including digital television system, through microwave satellite or whatever means, including the use of any technology in television and radio system, with the corresponding technological auxiliaries and facilities special broadcast and other programs and distribution services and relay stations is hereby renewed for another twenty five (25) years from the effectivity of this Act.

SECTION 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 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 service and/or availability thereof.

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

SECTION 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 sound and balanced programming; assist in the functions of public information dissemination 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 willful misrepresentation, to the detriment of the public interest; or to incite, encourage, or assist in subversive or treasonable acts.

SECTION 5. **Right of Government**- A special right is hereby reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order, to temporarily take over and operate the 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 anytime with due process.

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

SECTION 7. ***Self-regulation by and undertaking of 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 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 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.

SECTION 8. ***Warranty in favor of National and Local Government-*** The grantee shall hold national, provincial, city and municipal government of the Philippines free from all claims, accounts, demands, or action arising out of accident or injuries, whether to property or to persons caused by the construction or operation of the stations of the grantee.

SECTION 9. ***Sales, lease, transfer, usufruct, or assignment of franchise-*** The grantee shall not lease, transfer, grant the usufruct or sell or assign this franchise or rights and privileges acquired thereunder to any person, firm, company, corporation, or other commercial or legal entity, nor the controlling interest of the grantee to be transferred, whether as a whole or in part and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without prior 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 the same conditions, term restrictions, and limitations of this Act.

SECTION 10. ***Dispersal of ownership-*** In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty (30%) percent or a higher percentage that may hereafter be provided by law of its outstanding capital stocks in any securities exchange in the Philippines within five (5) years from the commencement of its operations: *Provided*, that in case where public offer of shares is not applicable, establishment of cooperatives and 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*.

SECTION 11. ***Reportorial Requirement-*** The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchise of the House of Representatives and the Committee on Public Service of the Senate, on its compliance with the terms and conditions of the franchise and 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 certification is accepted by the NTC.

SECTION 12. **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.

SECTION 13. **Equality Clause-** 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 neither apply to nor affect the provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise, or the type of service authorized by the franchise.

SECTION 14. **Separability Clause-** If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 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.

SECTION 16. **Effectivity-** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.