

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 8825



Introduced by Hon. Manuel "Chiquiting" T. Sagarbarria

EXPLANATORY NOTE

This bill seeks the renewal of the Legislative Franchise granted to Gold Label Broadcasting System, Inc. Under RA 8087 which passed into law on July 6, 1995.

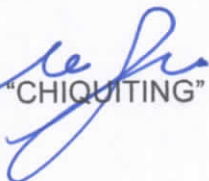
Gold Label Broadcasting System, Inc., also known as Power FM DYGB 91.7MHz, is a Filipino owned and managed media broadcasting company. From its humble beginnings, it was able to secure numerous exclusive "on-air block time" business affiliations with the city and provincial government projects and nationally renowned private companies and advertising firms.

One of the biggest achievements of the company, is the successful FM on-air programming modification, such as DYGB's 6 a.m. to 9 a.m. News and Public Affairs show which merged AM and FM programming styles. This is embodied by the "Operation Tabang" (Help Operations), a public affairs program, and its longest running show "Hoy Buntag na Bai" (Wake up brothers, it's morning already). The said programming format was loved by DYGB target crowd and received various recognitions.

Through the years, Power FM DYGB 91.7MHz airwave supremacy became a household mindset in the whole Dumaguete and Negros Oriental. Its weaponry consists of accumulated radio broadcast armament, such as (1) Strongest transmission power; (2) Dynamic administration team working as an oversight committee supervising on-air and off-air operations; (3) Highest compensation based on local rates compared to competitors; (4) Highest demand for airtime for sale (block-time programs) from product companies, as well as with private and public institutions; and (5) Long staying rank and file, and most popular radio personalities.

Power FM DYGB 91.7MHz is resolved to continuously improve its programs to better its service to the public and uphold its battle cry "ANG SIBYAANANG BALANSE, PATAS UG KADANGPAN SA TANAN!" (the radio station that is balanced, fair, the asylum of the needy).

From the foregoing, it is earnestly sought that this bill be immediately approved.


MANUEL "CHIQUITING" T. SAGARBARRIA

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AN ACT

RENEWING THE FRANCHISE GRANTED TO GOLD LABEL BROADCASTING SYSTEM, INC. UNDER REPUBLIC ACT NO. 8087 ENTITLED "AN ACT GRANTING TO THE GOLD LABEL BROADCASTING SYSTEM, INC. A FRANCHISE TO ESTABLISH, MAINTAIN AND OPERATE RADIO AND TELEVISION BROADCASTING STATIONS IN DUMAGUETE AND OTHER AREAS IN THE VISAYAS AND MINDANAO WHERE FREQUENCIES AND/OR CHANNELS ARE STILL AVAILABLE FOR RADIO AND TELEVISION BROADCASTING" 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
2 the Constitution and applicable laws, rules and regulations, the franchise granted to
3 Gold Label Broadcasting System, Inc., its successors or assignees under Republic
4 Act No. 8087 to construct, install, establish, operate, and maintain for commercial
5 purposes and in the public interest, radio broadcasting stations where frequencies
6 and/or channels are still available for radio broadcasting, through microwave,
7 satellite or whatever means, including the use of any new technology in radio
8 systems, with the corresponding technological auxiliaries and facilities, special
9 broadcast and other program and distribution services and relay stations in
10 Dumaguete and other areas in the Visayas and Mindanao, is hereby renewed for
11 another twenty-five (25) years from the effectivity of this Act.

12
13 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or
14 facilities of the grantee shall be constructed and operated in a manner as will, at
15 most, result only in the minimum interference on the wavelengths or frequencies of

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

5
6 SEC. 3. *Prior Approval of the National Telecommunications Commission.* –
7 The grantee shall secure from the National Telecommunications Commission (NTC)
8 the appropriate permits and licenses for the construction and operation of its stations
9 or facilities and shall not use any frequency in the radio spectrum without
10 authorization from the NTC. The NTC, however, shall not unreasonably withhold or
11 delay the grant of any such authority.

12
13 SEC. 4. *Responsibility to the Public.* –The grantee shall provide, free of
14 charge, adequate public service time which is reasonable and sufficient to enable the
15 government, through the broadcasting stations or facilities of the grantee, to reach
16 the pertinent populations or portions thereof, on important public issues and relay
17 important public announcements and warnings concerning public emergencies and
18 calamities, as necessity, urgency or law may require; provide at all times sound and
19 balanced programming; promote public participation; assist in the functions of public
20 information and education; conform to the ethics of honest enterprise; promote
21 audience sensibility and empowerment including closed captioning; and not use its
22 stations or facilities for the broadcasting of obscene or indecent language, speech,
23 act, or scene; or for the dissemination of deliberately false information or willful
24 misrepresentation, to the detriment of the public interest; or to incite, encourage, or
25 assist in subversive or treasonable acts.

26
27 Public service time referred herein shall be equivalent to a maximum
28 aggregate of ten (10%) percent of the paid commercials or advertisements which
29 shall be allocated based on need of the Executive and Legislative branches, the
30 Judiciary, Constitutional Commissions and international humanitarian organizations
31 duly recognized by statutes: *Provided*, That the NTC shall increase the public service
32 time in case of extreme emergency or calamity. The NTC shall issue rules and
33 regulations for this purpose, the effectivity of which shall commence upon
34 applicability with other similarly situated broadcast network franchise holders.

1
2 SEC. 5. *Right of the Government.* – The radio spectrum is a finite resource
3 that is part of the national patrimony and the use thereof is a privilege conferred
4 upon the grantee by the State and may be withdrawn any time after due process.
5

6 A special right is hereby reserved to the President of the Philippines, in times
7 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace
8 and order, to temporarily take over and operate the stations or facilities of the
9 grantee, to temporarily suspend the operation of any station or facility in the interest
10 of public safety, security and public welfare; or to authorize the temporary use and
11 operation thereof by any agency of the government, upon due compensation to the
12 grantee, for the use of said stations or facilities during the period when these shall be
13 so operated.
14

15 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a period of
16 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
17 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the
18 grantee fails to operate continuously for two (2) years.
19

20 SEC. 7. *Self-regulation by and Undertaking of the Grantee.* – The grantee
21 shall not require any previous censorship of any speech, play, act or scene, or other
22 matter to be broadcast from its stations: *Provided*, That the grantee, during any
23 broadcast, shall cut off from the air the speech, play, act or scene, or other matter
24 being broadcast if the tendency thereof is to propose or incite treason, rebellion or
25 sedition; or the language used therein or the theme thereof is indecent or immoral:
26 *Provided, further*, That willful failure to do so shall constitute a valid cause for the
27 cancellation of this franchise.
28

29 SEC. 8. *Warranty in Favor of the National and Local Governments.* – The
30 grantee shall hold the national, provincial, city, and municipal governments of the
31 Philippines free from all claims, liabilities, demands, or actions arising out of
32 accidents causing injury to persons or damage to properties, during the construction
33 or operation of the stations of the grantee.
34

1 SEC. 9. *Commitment to Provide and Promote the Creation of Employment*
2 *Opportunities.* – The grantee shall create employment opportunities and shall allow
3 on-the-job trainings in their franchise operation: *Provided*, That priority shall be
4 accorded to the residents in areas where any of its offices is located: *Provided*
5 *further*, That the grantee shall comply with the applicable labor standards and
6 allowance entitlement under existing labor laws, rules and regulations and similar
7 issuances: *Provided, finally*, That the employment opportunities or jobs created shall
8 be reflected in the General Information Sheet to be submitted to the Securities and
9 Exchange Commission (SEC) annually.

10
11 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of*
12 *Franchise.* – The grantee shall not sell, lease, transfer, grant the usufruct of, nor
13 assign this franchise or the rights and privileges acquired thereunder to any person,
14 firm, company, corporation or other commercial or legal entity, nor merge with any
15 other corporation or entity, nor shall transfer the controlling interest of the grantee,
16 whether as a whole or in part, and whether simultaneously or contemporaneously, to
17 any person, firm, company, corporation, or entity without the prior approval of the
18 Congress of the Philippines and compliance with legal requirements stipulated in
19 other statutes: *Provided*, That any person or entity to which this franchise is sold,
20 transferred, or assigned shall be subject to the same conditions, terms, restrictions,
21 and limitations of this Act.

22
23 SEC. 11. *Dispersal of Ownership.* – In accordance with the Constitutional
24 provision to encourage public participation in public utilities, the grantee shall offer to
25 Filipino citizens at least thirty percent (30%) or a higher percentage that may
26 hereafter be provided by law of its outstanding capital stock in any securities
27 exchange in the Philippines within five (5) years from the commencement of its
28 operations: *Provided*, That in cases where public offer of shares is not applicable,
29 the grantee shall apply other methods of encouraging public participation by citizens
30 and corporations operating public utilities as allowed by law. Noncompliance
31 therewith shall render the franchise *ipso facto* revoked.

32
33 SEC. 12. *Reportorial Requirement.* – During the term of its franchise, the
34 grantee shall submit an annual report to the Congress of the Philippines, through the

1 Committee on Legislative Franchises of the House of Representatives and the
2 Committee on Public Services of the Senate, on its compliance with the terms and
3 conditions of the franchise and on its operations on or before April 30 of every year.
4

5 The annual report shall include an update on the roll-out, development,
6 operation, or expansion of business; audited financial statements; latest General
7 Information Sheet officially submitted to SEC (if applicable); certification of the NTC
8 on the status of its permits and operations; and an update on the dispersal of
9 ownership undertaking, if applicable.
10

11 The reportorial compliance certificate issued by Congress shall be required
12 before an application for permit, certificate, or any equivalent thereof, is accepted by
13 the NTC.
14

15 SEC. 13. *Fine.* – Failure of the grantee to submit the requisite annual report
16 to Congress shall be penalized by a fine of Five hundred pesos (P500.00) per
17 working day of noncompliance. The fine shall be collected by the NTC from the
18 delinquent franchise grantee separate from the reportorial penalties imposed by the
19 NTC and the same shall be remitted to the National Treasury.
20

21 SEC. 14. *Equality Clause.* – Any advantage, favor, privilege, exemption, or
22 immunity granted under existing franchises, or which may hereafter be granted for
23 radio broadcasting, upon prior review and approval of Congress, shall become part
24 of this franchise and shall be accorded immediately and unconditionally to the herein
25 grantee: *Provided,* That the foregoing shall neither apply to nor affect provisions of
26 broadcasting franchises concerning territorial coverage, the term, or the type of
27 service authorized by the franchise.
28

29 SEC. 15. *Repealability and Nonexclusivity Clause.* – This franchise shall be
30 subject to amendment, alteration, or repeal by the Congress of the Philippines when
31 the public interest so requires and shall not be interpreted as an exclusive grant of
32 the privileges herein provided.
33

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

3
4 SEC. 17. *Repealing Clause.* – All laws, decrees, orders, resolutions,
5 instructions, rules and regulations, and other issuances or parts thereof which are
6 inconsistent with the provisions of this Act are hereby repealed, amended, or
7 modified accordingly.

8
9 SEC. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its
10 publication in the *Official Gazette* or in a newspaper of general circulation.

11 Approved,