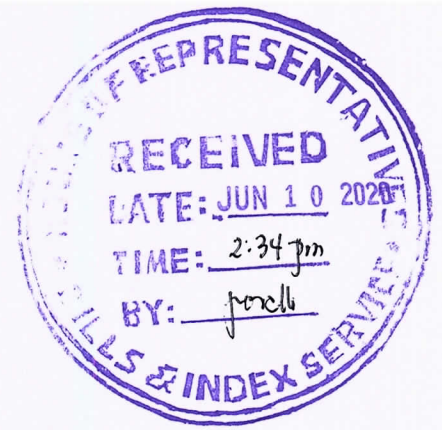


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6991



Introduced by **HONORABLE PETER JOHN D. CALDERON**
7th District of Cebu

EXPLANATORY NOTE

This bill seeks to extend the franchise granted to GVM Radio/TV Corporation under Republic Act 8129, which allows it to construct, operate, and maintain radio and television stations in Cebu City and other areas in the Philippines where frequencies and/or channels still available for religious, educational, cultural and commercial purposes.

GVM Radio/TV Corporation operates and maintains DYIO-FM in Cebu City, broadcasting quality contemporary radio hits, news and information, as well as emergency and traffic updates at a frequency of 101.1 Mhz; reaching listeners in Cebu, Dumaguete, Ormoc, Tagbilaran, Dipolog and even parts of Northern Mindanao.

Radio broadcasting, as an essential part of mass media, plays a vital role in nation-building. GVM Radio/TV Corporation provides this public service and contributes to the development of the region by providing relevant and timely headline news and information in the world of sports, technology, business and entertainment, both here and abroad. The shareholders and managers of the company are well aware of their responsibility of using broadcasting as a tool of social change and development. Even in this advanced age of technology and communications, radio broadcasting remains a relevant medium because of its ability to reach audiences belonging to different social classes and demographics.

The original franchise granted to GVM Radio/TV Corporation lapsed into law on 16 July 1995 and its term will expire on July 2020. It is therefore requested that the renewal of this Congressional Franchise be granted so that applicant-corporation can continue the operation and maintenance of the subject broadcast station.


PETER JOHN D. CALDERON

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HOUSE BILL NO. 6991

Introduced by **HONORABLE PETER JOHN D. CALDERON**
7th District of Cebu

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO GVM RADIO/TV CORPORATION, UNDER REPUBLIC ACT NO. 8129, ENTITLED "A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE A STATION FOR RADIO AND TELEVISION IN CEBU CITY AND OTHER AREAS IN THE PHILIPPINES".

Be it enacted by the Senate and House of Representative of the Philippines in 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 GVM Radio/TV Corporation, its successors or assigns and hereunder referred to as the grantee, a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in Cebu City and other areas in the Philippines, where frequencies and/or channels are still available for radio and television broadcasting, with the corresponding technological auxiliaries or facilities, 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.

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 the minimum interference on the wavelengths or frequencies of the other existing station or stations which may be established by law, without in any way diminishing its own right to use its selected 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.

SECTION 3. *Prior Approval of the National Telecommunications Commission.* — The grantee shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses for its stations and shall not use any frequency in the radio/television spectrum without having been authorized by the Commission. The Commission, 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.

SECTION 4. *Responsibility to the Public.*— The grantee shall provide, free of charge, adequate public service time which is reasonable and sufficient to enable the government, through said broadcasting stations or facilities of the grantee, to reach the population on important public issues and relay important public announcements and warnings concerning public emergencies; provide at all times sound and balanced programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations 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.

Public service time referred herein shall be equivalent to a maximum aggregate of ten percent (10%) of paid commercials or advertisements which shall be allocated based on need to the executive, legislative, judiciary, constitutional commissions and international humanitarian organizations duly recognized by statutes; *Provided*, That the NTC shall increase the public service time in case of extreme emergency or calamity. The NTC shall issue rules and regulations for this purpose, the effectivity of which shall commence upon applicability with other similarly situated broadcast network franchise holders.

SECTION 5. *Right of the Government.* — 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.

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 stations of the grantee, to temporarily suspend the operation of any station 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 during the period when they shall be so operated.

SECTION 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 operate continuously for two (2) years.

SECTION 7. *Self-Regulation and Undertaking of Grantee.* — The grantee shall not require any previous censorship of any speech, play or scene or other matter to be broadcast from its stations, but if such 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 of any liability, civil or criminal, for such speech, play, act or scene, or other matter: *Provided*, That the grantee,



during any broadcast shall cut off the airing of 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 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 or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

SECTION 9. *Commitment to Provide and Promote the Creation of Employment Opportunities.* — The grantee shall create employment opportunities and shall allow on-the-job training in their franchise operation: *Provided*, That priority shall be accorded to the residents where their principal office is located: *Provided, further*, That the grantee shall follow the applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances: *Provided, finally*, That the employment opportunities or jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to the Securities and Exchange Commission annually.

SECTION 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* — The grantee shall not sell, lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor the controlling interest of the grantee be transferred simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without prior approval of the Congress of the Philippines. Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of the franchise or the rights and privileges acquired thereunder, or the merger or transfer of the controlling interest of the grantee, within sixty (60) days after the completion of said transaction. Failure to report to Congress such change of ownership shall render the franchise *ipso facto revoked*. 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.

SECTION 11. *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 percent (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 operation: *Provided*, That in cases where public offer of shares is not applicable, the grantee shall apply other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law. Non-compliance therewith shall render the franchise *ipso facto revoked*.

SECTION 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 Philippine Senate, on

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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.

SECTION 13. *Fine.* — Failure of the grantee to submit the requisite annual report to Congress shall be penalized by a fine 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 and the same shall be remitted to the National Treasury.

SECTION 14. *Equality Clause.* — Except for taxes and customs duties, any advantage, favor, privilege, exemption, or immunity granted under existing franchises, 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 pertaining to the term, type of service, or territorial coverage authorized by the franchise.

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

SECTION 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.

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

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

