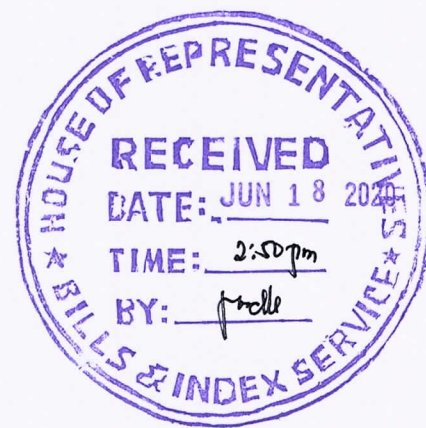




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7016

Introduced by Hon. Manuel "Chiquiting" T. Sagarbarria

EXPLANATORY NOTE

The National Council of Churches in the Philippines (NCCP), a non-profit, non-stock religious corporation, was granted a franchise to construct, install, operate and maintain radio broadcasting stations in the Philippines effective July 09, 1995 under Republic Act. 8110. The same law has given the grantee the rights, privileges, and authority to function for a period of twenty-five (25) years.

For 60 years now, the National Council of Churches in the Philippines through its Broadcast Ministry continues to serve as an important instrument in information dissemination that bridges communication gaps among the populace of the country. It was able to provide sound and balance programming through its broadcasting stations, making information easily accessible to the communities it serves. It has also frequently communicated with the people on important issues that concern the public interest.

Its first station established in Dumaguete City at the campus of Silliman University on August, 1948. DYSR 891 AM was a pioneer in Central Visayas and its signal reached Northern Mindanao. Later DYSR 95.1 FM was added on May 25, 1999. It expanded further in Luzon when two stations, an AM and FM, were added in Metro Manila but were closed when Martial Law was declared in 1972. In February 2011, DWSW 104.7 FM was established in Sagada. Mt. Province.

Presently, the Broadcast Ministry of the NCCP not only serves the communications need of the communities where they are located, but also serves as the voice of the ecumenical movement, proclaiming a message that unites through

the Gospel and empowering the marginalized towards abundant life through peace, justice and love.

On July 09, 2020, the law that has given life and mandate to the National Council of Churches in the Philippines to engage in a ministry of communication through broadcasting will expire. Therefore this bill seeks to extend the term of the franchise of the National Council of Churches in the Philippines for another twenty-five (25) years from, its original expiration date, for radio and television broadcast in Luzon, Visayas and Mindanao.

At this time when the COVID 19 has limited the movement of people, the use of the airwaves has become more crucial. Broadcast services, especially radio, becomes an important instrument to reach students in the far flung areas where travel has become limited.

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


MANUEL "CHIKUITING" T. SAGARBARRIA
Representative, Second District, Negros Oriental



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AN ACT

RENEWING THE FRANCHISE GRANTED TO THE NATIONAL COUNCIL OF CHURCHES IN THE PHILIPPINES UNDER REPUBLIC ACT NO. 8110 ENTITLED "AN ACT GRANTING THE NATIONAL COUNCIL OF CHURCHES IN THE PHILIPPINES TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES AND FOR OTHER PURPOSES" 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 assembled:

SECTION 1. *Nature and scope of Franchise.* Subject to the provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to the National Council of Churches in the Philippines, hereafter referred to as "grantee," its successors or assignees, under Republic Act No. 8110 entitled "An Act Granting the National Council of Churches in the Philippines a Franchise to Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations in the Philippines and for Other Purposes" to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and/or

television broadcasting, including digital system, through microwave, satellite or whatever means, including the use of any new technologies in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in the Philippines 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 that will, at most, result only in the minimum interference on the wavelengths or frequencies of existing stations or other 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 to 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 Telecommunications 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 proper authorization from the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

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 the broadcasting stations or facilities of the grantee, to reach the pertinent populations or portions thereof, on important public issues; provide at all times sound and balanced programming; and relay important public announcements and warnings concerning public emergencies and calamities, as necessity, urgency or law may require; provide at all times sound and balanced programming; promote public participation; assist in the functions of public information and education; conform to the ethics of honest enterprise; promote audience sensibility and empowerment including closed captioning; and not use its stations or facilities for the broadcasting of obscene or indecent language, speech, act or scene; or for the dissemination of deliberately false information or wilful misrepresentation, to the

detriment to 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 (10%) percent of the paid commercials or advertisements which shall be allocated based on need of the Executive and Legislative branches, the Judiciary, Constitutional Commissions and International humanitarian organization duly recognized by statutes: *Provided*, That the NTC shall issue 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 similarity situated broadcast network franchise holders.

SECTION 5. *Right of 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 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 operated.

SECTION 6. *Term of Franchise.* – The franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled. In the event that the grantee fails to continuously operate for two (2) years, this franchise shall be deemed *ipso facto* revoked. Furthermore, this franchise is subject to amendment, alteration, or repeal by the Congress when the common good so requires.

SECTION 7. *Self-Regulation by and Undertaking of the Grantee.* – The grantee shall not require any previous censorship of any speech, play, act, scene, or other matter to be broadcast from its stations; *Provided*, that the grantee, during any

broadcast, shall cut off from the air any speech, play, act, or other matter being broadcast if the tendency thereof is to propose and/or incite treason, rebellion or sedition, or the theme thereof or the language used there in is indecent or immoral. The grantee's refusal to comply with the foregoing conditions 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 government 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 trainings in their franchise operation: *Provided*, That the priority shall be accorded to the residents in areas where any of its offices is located: *Provided further*, That the grantee shall comply with 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 to be submitted to the Securities and Exchange Commission (SEC) annually.

SECTION 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – The grantee shall not sell, assign, lease, transfer, or grant the usufruct of this franchise or the rights and privileges acquired thereunder, to any person, firm, company, corporation, or other commercial or legal entity. The grantee shall not merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in parts, and whether simultaneously or contemporaneously, or to any such person, firm, company corporation or entity without the prior approval of the Congress of the Philippines: *Provided* that the Congress of the Philippines shall be informed of any lease, transfer, granting the usufruct thereof, sale or assignment of franchise or rights and privileges acquired hereunder, or the merger, or transfer of the controlling interest, within sixty (60) days after the completion of said transaction: *Provided, further*, that the grantee's failure to

report to the Congress of the Philippines such change of ownership shall render the franchise *ipso facto* revoked: Provided, finally that any person or entity to which this franchise is sold, transferred nor assigned shall be subject to the same conditions, terms, restrictions and limitations of this Act.

SECTION 11. *Dispersal of Ownership.* Pursuant to the constitutional provision encouraging 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 operations: Provided that cases 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. Non-compliance therewith shall render the franchise *ipso facto* revoked.

SECTION 12. *Reportorial Requirement.* – The grantee shall, during the term of its franchise, shall submit 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.

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

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

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 shall 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.* – Any advantage, favor, 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 provisions of broadcasting franchises concerning territorial coverage, the term, or the type of service authorized by the franchise.

SEC. 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.

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

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

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,