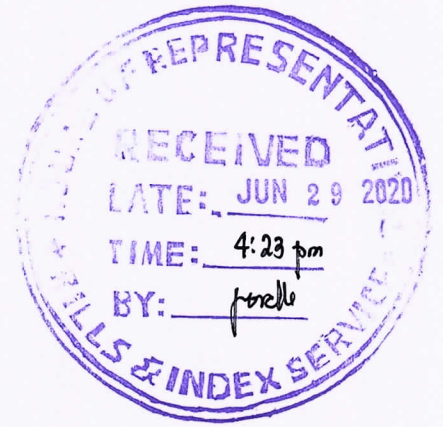


Republic of the Philippines
House of Representatives
Quezon City

Eighteenth Congress
____ Regular Session

House Bill No. 7041



Introduced by Honorable Deogracias Victor 'DV' B. Savellano

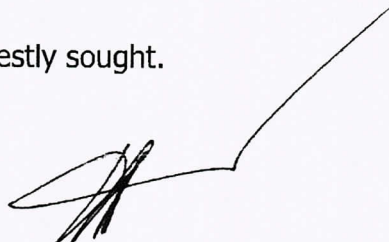
EXPLANATORY NOTE

Broadcasting, whose signals surpass geographical and even national boundaries, enjoy the highest patronage among the electronic media forms, with every Filipino home having either a radio or a television or both appliances. It is a powerful medium in shaping our people's cultural, social, economic growth and development as broadcasting has the ability to send vital information to any destination in real time during fast developing situations. In the regional areas, broadcast networks cater to the local needs of the people in that area communicating via the local dialect or language that they are comfortable with.

The extension of the franchise of Fairwaves Broadcasting Network or FBN will allow it to continue providing various telecommunications services throughout the region at rates affordable to the consuming public. Although the media landscape is rapidly changing and media outlets are multiplying, the folks from the different regions of our country such as those in the Ilocano speaking provinces, are still heavily reliant on mass media for news, for public information, for learning and for entertainment. While some communities find it easier to acquire internet access, not everyone does, because several areas in the Philippines are still rural and not as developed as the metropolitan cities with more access to the internet. FBN for several years for the most part has aired news and current affairs of the region as well as to the whole nation and will continue to do so in its commitment to serve the people.

Broadcast media is still the biggest source of information for most Filipinos and Fairwaves Broadcasting Network has become an integral part of the lives of the residents in that region.

Hence, the immediate passage of this bill is earnestly sought.

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a long horizontal stroke extending to the right.

HON. DEOGRACIAS VICTOR 'DV' B. SAVELLANO
Representative, 1st District Ilocos Sur

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Eighteenth Congress
_____ Regular Session

House Bill No. 7041

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AN ACT

**GRANTING FAIRWAVES BROADCASTING NETWORK FRANCHISE TO
CONSTRUCT, MAINTAIN, ESTABLISH AND OPERATE RADIO AND TELEVISION
STATIONS IN VIGAN, ILOCOS SUR, AND OTHER AREAS IN THE PHILIPPINES
WHERE FREQUENCIES AND / OR CHANNELS ARE AVAILABLE FOR RADIO
AND TELEVISION BROADCASTING**

*Be it enacted by the Senate and the House of Representatives 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 Fairwaves Broadcasting Network, hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, operate and maintain, for commercial purposes and in the public interest, radio and/or television broadcasting stations in Vigan, Ilocos Sur, and other areas in the Philippines where frequencies and/or channels are available for radio and television broadcasting, with the corresponding technological auxiliaries or facilities, special broadcast and other program distribution services and relay stations and to install radio communication facilities for the grantee's private use in its broadcasting 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 in 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 Telecommunication Commission 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.

Section 4. Responsibility to the Public. - The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations, to reach the population on important public issues; 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, or 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 reserved to the President of the Philippines, in times of rebellion, public peril or calamity, emergency, disaster or disturbance of peace and order, to temporarily suspend the operations 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 for a term of twenty-five (25) years from the date of approval of this Act, unless sooner revoked or cancelled. In the event that the grantee fails to operate continuously for a period of two (2) years, this franchise shall be deemed ipso facto revoked.

Section 7. Acceptance and Compliance. -This franchise shall become effective upon acceptance in writing by the grantee. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non acceptance shall render the franchise void.

Section 8. Tax Provisions. - The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of

this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition, thereto, the grantee, its successors or assigns, shall pay a franchise tax equivalent to 3% of all gross receipts of the radio/television business transacted under this franchise by the grantee, its successors or assigns; Provided, That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

The grantee shall file the return with, and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representatives in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

Section 9. Self-Regulation by and Undertaking of Grantee. - The grantee shall not require any provisions censorship of speech, play, act or scene or other matter to be broadcast and/or telecast from its stations: Provided, That the grantee during any broadcast and telecast shall cut off from air any speech, play or act or scene, or any 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; and willful failure to do so shall constitute a valid cause for cancellation of this franchise.

Section 10. Warranty in Favor of National and Local Governments. - The grantee shall hold the national, provincial and municipal governments of the Philippines harmless 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 11. Sale, Lease, Transfer, Usufruct, etc. - The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, or legal entity, nor shall the controlling interest of the grantee be transferred to any such private person, firm, company, corporation or entity without prior approval of the Congress of the Philippines. 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 12. Equality Clause. - 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 concerning territory covered by the franchise, the life span of the franchise or the type of service authorized by the franchise: Provided, further, That the foregoing shall not apply to sale, lease, transfer or grant of usufruct of legislative franchise with prior congressional approval.

Section 13. **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 14. **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 15. **Effectivity Clause.** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,