

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7087

Introduced by HONORABLE NARCISO BRAVO JR.

EXPLANATORY NOTE

This bill seeks to renew the franchise granted to Makati Broadcasting Company, Inc., under Republic Act No. 8125, entitled, "AN ACT GRANTING THE MAKATI BROADCASTING COMPANY, INC., A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS WITHIN THE PHILIPPINES", enacted into law on July 16, 1995.

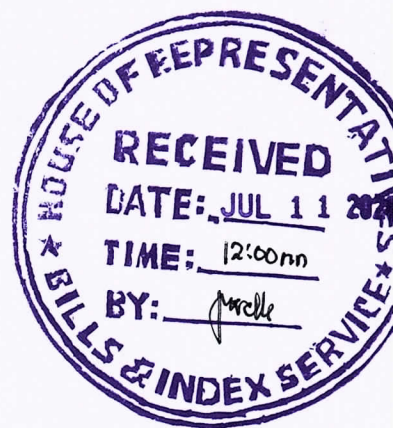
Media plays a crucial role in the development and growth of our country. Through the years, Makati Broadcasting Company, Inc., broadcasting as radio station DYCM, has exemplified this role, serving the people of Cebu and neighboring provinces through its sound and balanced programming, making information accessible to the general public. DYCM has regularly communicated with the people on vital and relevant issues that concern them.

DYCM first aired as "Kaabag sa Banikanhon Kaugmaran", then "Kaabag sa Serbisyo" and "Bag-ong Adlaw – Cebu Del Norte". Since its inception, it has been located at Brgy. Taytayan, Bogo City. In early 2014, it went off air as its studios were transferred to Cebu City. Followed by its relaunch on July 8, 2014, it launched its relay station in its old location.

The renewal of its franchise would allow Makati Broadcasting Company, Inc., to continue providing public service while taking into account the latest technologies in the broadcasting industry to improve the quality of its service.

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


NARCISO BRAVO JR.



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AN ACT RENEWING THE FRANCHISE GRANTED TO **MAKATI BROADCASTING COMPANY, INC.**, TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS WITHIN THE PHILIPPINES, AND FOR OTHER PURPOSES, UNDER REPUBLIC ACT NUMBER EIGHTY-ONE HUNDRED AND TWENTY-FIVE TO ANOTHER TWENTY-FIVE (25) YEARS

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 provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to **Makati Broadcasting Company, Inc.**, under **Republic Act No. 8125**, entitled "**An Act Granting the Makati Broadcasting Company, Inc., a Franchise To Construct, Install, Operate and Maintain Radio Broadcasting Stations Within The Philippines**", and hereunder referred to as the grantee, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

Sec. 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 or other 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.

Sec. 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 authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

Sec. 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 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 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.

Sec. 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 stations or facilities of the grantee; to temporarily suspend the operation of any 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 these 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 any time after due process.

Sec. 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.

Sec. 7. *Acceptance and Compliance.* - Acceptance of this franchise shall be given in writing 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 within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

Sec. 8. *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 the 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.

Sec. 9. *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.

Sec. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* - 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, company, corporation or other commercial or legal entity, nor 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, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: Provided, That Congress shall be informed of any lease, transfer, granting the usufruct of, sale or assignment of franchise or the rights and privileges acquired thereunder, or of the merger, or transfer of controlling interest, within sixty (60) days after the completion of said transaction: Provided, further, That failure to report to Congress 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 or assigned, shall be subject to the same conditions, terms, restrictions and limitations of this Act.

Sec. 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 operations: Provided, That in 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. Noncompliance therewith shall render the franchise ipso facto revoked.

Sec. 12. *General Broadcast Policy Law.* - The grantee shall comply with and be subject to the provisions of a general broadcast policy law, which Congress may hereafter enact.

Sec. 13. *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 Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of every year during the effectivity of this Act. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

Sec. 14. *Penalty Clause.* - Failure of the grantee to submit the requisite annual report to Congress shall be penalized by a fine in the amount 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. The collected funds shall accrue to the monitoring fund of the NTC in line with its supervisory and regulatory functions.

Sec. 15. *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, however, That the foregoing shall neither apply to nor affect 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.

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

Sec. 17. *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. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.