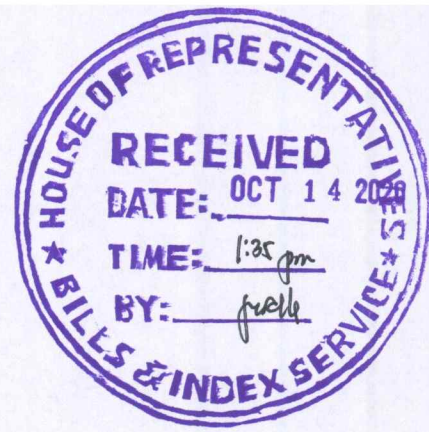


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
18TH CONGRESS
First Regular Session



House Bill No. 7877

Introduced by Representative EVELINA G. ESCUDERO

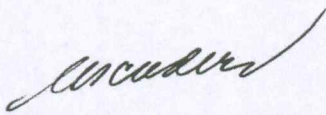
EXPLANATORY NOTE

This bill seeks to renew the franchise granted to Good News Sorsogon Foundation Inc., under Republic Act No. 8119 entitled, "An Act Granting the Good News Sorsogon Foundation Inc., a Franchise to Construct, Install, Operate and Maintain for Religious, Educational and Commercial Purposes, Radio and Television Broadcasting Stations Within the Bicol Region and for Other Purposes", for another 25 years.

Good News Sorsogon (DZGN-FM) provides balanced broadcasting and presently operates in the Province of Sorsogon. DZGN-FM has committed itself in providing educational, and technological programs which uplift the various socio-economic sectors in the Province of Sorsogon.

They are also in the active pursuit of diverse livelihood programs available and applicable in the said province. It sponsors various cooperative groups, farmers, fishermen, vendors, and farmers associations in Sorsogon.

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


EVELINA G. ESCUDERO

Republic of the Philippines
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House Bill No. 7877

Introduced by Representative EVELINA G. ESCUDERO

AN ACT
RENEWING THE FRANCHISE GRANTED TO GOOD NEWS SORSOGON
FOUNDATION, INC., UNDER REPUBLIC ACT NO. 8119, ENTITLED, "AN ACT
GRANTING THE GOOD NEWS SORSOGON FOUNDATION INC., A FRANCHISE TO
CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR RELIGIOUS,
EDUCATIONAL AND COMMERCIAL PURPOSES, RADIO AND TELEVISION
BROADCASTING STATIONS WITHIN THE BICOL REGION 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 in Congress assembled:

SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the Constitution and applicable laws, rules and regulations, the franchise granted to Good News Sorsogon Foundation, Inc., hereunder referred to as the grantee, its successors or assignees, under Republic Act No. 8119, to construct, install, operate and maintain for religious, educational and commercial purposes and in the public interest, radio and television broadcasting stations within the Bicol Region with the corresponding technological auxiliaries or facilities, special broadcast and other program distribution services and relay stations, is hereby renewed for another twenty-five (25) years.

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 the other existing stations or 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 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 permit and licenses for the construction and operation of its stations or 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.

The grantee shall not dispose of or lease its facilities except to entities with radio or television broadcasting 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.

SEC.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 and relay important public service 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 and indecent language, speech, 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.

Public service time referred herein shall be equivalent to a maximum aggregate of ten percent (10%) of the paid commercials or advertisements which shall be allocated based on need to the Executive and Legislative branches, the 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 its purpose, the effectivity of which shall commence upon applicability with other similarly situated broadcast network franchise holders.

SEC. 5. Right of the Government. – The radio spectrum is a finite source 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 and 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 the stations or facilities during the period when these shall be so operated.

SEC. 6. *Term of Franchise.* – This franchise shall be for a term of twenty-five (25) years from the date of 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. *Renewal or Extension of Franchise.* – The grantee shall apply for the renewal or extension of its franchise five (5) years before its expiration, reckoned from fifteen (15) days after the publication of the franchise in the *Official Gazette* or in a newspaper of general circulation.

SEC. 8. *Acceptance and Compliance.* – Acceptance of this franchise shall be given in writing within sixty (60) days after approval of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

SEC. 9. *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, but if any speech, play, act or scene, or other matter constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such 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 incident or immoral. *Provided, further,* that willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 10. *Warranty in Favor of National and Local Governments.* – The grantee shall hold the national, provincial and municipal governments of the Philippines free from all claims, liability, demands or actions arising out of accidents, causing injury to persons or damage to properties, during the construction or operation of the stations of the grantee.

SEC. 11. *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 priority shall be accorded to the residents of the place 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 (SEC) annually.

SEC. 12. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial entity, nor the controlling interest of the grantee be transferred, simultaneously or contemporaneously, to any person, firm, company, corporation, or entity without the prior

approval of the Congress of the Philippines. Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the controlling interest of the grantee, within sixty (60) days under the completion of the 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.

SEC. 13. *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, 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.

SEC. 14. *Reportorial Requirement.* – During the term of its franchise, 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 term of its franchise.

The annual report shall include an updated on the roll-out, development, operation, and/or expansion of the grantee's business; audited financial statements; latest GIS officially submitted to the SEC, if applicable; certification from the NTC on the status of its permits and operations; and an 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, of the grantee is accepted by the NTC.

SEC. 15. *Fine.* – Failure of the grantee to submit the requisite annual report to Congress shall be penalized with a fine of Five Hundred Pesos (P500.00) per working day of non-compliance. 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.

SEC. 16. *Equality Clause.* – Any advantage, favor, privilege, exemption, or immunity granted under existing franchise, or which may hereafter be granted to 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 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. 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. *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.

SEC. 19. *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. 20. *Effectivity Clause.* – This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines

Approved,