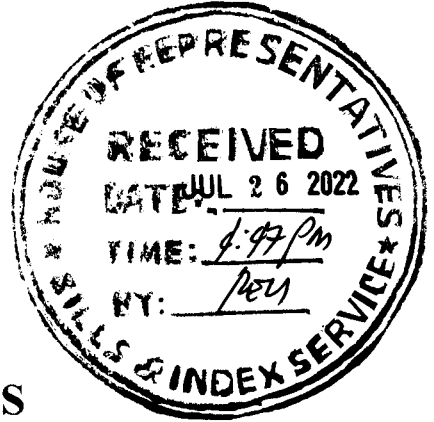




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 2379

Introduced by Honorable Luz V. Mercado

EXPLANATORY NOTE

Section 24, Article II of the Constitution recognizes the vital role of communication and information in nation building. For this reason, it is important that the state shall provide an environment for the communication and information enterprises to flourish.

Maasin Cable Television is an enterprise that provides information and communications to the Province of Southern Leyte.

Therefore, passage of this bill is hereby being earnestly sought.

LUZ VERANO MERCADO



Republic of the Philippines

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HOUSE BILL NO. 2379

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**AN ACT
GRANTING MAASIN CABLE TELEVISION A FRANCHISE TO
CONSTRUCT, ESTABLISH, MAINTAIN AND OPERATE CABLE
TELEVISION SYSTEM IN THE PROVINCE OF SOUTHERN LEYTE**

*Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:*

1 SECTION 1. *Nature and Scope of Franchise.* — Subject to the
2 provisions of the Constitution and applicable laws, rules and regulations, there
3 is hereby granted to the Maasin Cable Television, hereunder referred to as
4 the grantee, its successors or assigns, a franchise to construct, install,
5 operate and maintain for commercial purposes and in the public interest cable
6 television system in the Province of Southern Leyte with the corresponding
7 technological auxiliaries or facilities, special broadcast and other program and
8 distribution services and relay stations, and to install radio communication
9 facilities for the grantee's private use in its broadcast services.

10 SEC. 2. *Manner of Operation of Stations of Facilities.* — The stations of
11 facilities of the grantee shall be constructed and operated in a manner as will

1 at most result only in the minimum interference on the wavelengths or
2 frequencies of the other existing station or stations which may be established
3 by law, without in any way diminishing its own right to use its selected
4 wavelengths frequencies and the quality of transmission or reception thereon
5 as would maximize rendition of the grantee's services and/or the availability
6 thereof.

7 SEC. 3. *Prior Approval of the National Telecommunications*
8 *Commission.* — The grantee shall secure from the National
9 Telecommunications Commission the appropriate permit and licenses for its
10 stations and shall not use any frequency in the radio/television spectrum
11 without having been authorized by the Commission. The Commission,
12 however, shall not unreasonably withhold or delay the grant of any such
13 authority.

14 SEC. 4. *Responsibility to the Public.* — The grantee shall provide
15 adequate public service time to enable the government, through the said
16 cable television stations, to reach the population on important public issues;
17 provide at all times sound and balanced programming; assist in the functions
18 of public information and education; conform to the ethics of honest
19 enterprise, and not to use its stations for the broadcasting of obscene and
20 indecent language, speech, act or scene, or for the dissemination of
21 deliberately false information or willfull misrepresentation or to the detriment of
22 the public interest or to incite, encourage, or assist in subversive or
23 treasonable acts.

24 SEC. 5. *Right of Government.* — A special right is reserved to the
25 President of the Philippines, in times of war, rebellion, public peril, calamity,
26 emergency, disaster or disturbance of peace and order, to temporarily take
27 over and operate the station of the grantee, temporarily suspend the operation
28 of any station in the interest of public safety, security and public welfare, or
29 authorize the temporary use and operation thereof by any agency of the
30 government, upon due compensation to the grantee for the use of the said
31 stations during the period when they shall be so operated.

1 SEC. 6. *Term of Franchise.*- This franchise shall be for a term of
2 twenty-five (25) years from the date of approval of this Act, unless sooner
3 revoked or cancelled. In the event the grantee fails to operate continuously for
4 two (2) years, this franchise shall be deemed ipso facto revoked.

5 SEC. 7. *Acceptance and Compliance.*- This franchise shall become
6 effective upon a acceptance in writing by the grantee. Upon giving such
7 acceptance, the grantee shall exercise the privileges granted under this Act.
8 Nonacceptance shall render the franchise void.

9 SEC. 8. *Tax Provisions.* — The grantee, its successors or assigns shall
10 be liable to pay the same taxes on their real estate, buildings and personal
11 property, exclusive of this franchise, as other persons or corporations are now
12 or hereafter may be required by law to pay. In addition thereto, the grantee, its
13 successors or assigns shall pay a franchise tax at such percentage as may be
14 prescribed by law on all gross receipts of the radio/television business
15 transacted under this franchise by the grantee, its successors or assigns:
16 Provided, That the grantee, its successors or assigns shall continue to be
17 liable for income taxes payable under Title II of the National Internal Revenue
18 Code pursuant to Section 2 of Executive Order No. 72, unless the latter
19 enactment is amended or repealed, in which case the amendment of repeal
20 shall be applicable thereto. The grantee shall file the return with, and pay the
21 tax due thereon to the Commissioner of Internal Revenue of his duly
22 authorized representatives in accordance with the National Internal Revenue
23 Code and the return shall be subject to audit by the Bureau of Internal
24 Revenue.

25 SEC. 9. *Self-regulation by and Undertaking of Grantee.* — The grantee
26 shall not require any previous censorship of any speech, play, act, or scene or
27 other matter to be telecast from its stations: Provided, That the grantee during
28 any broadcast and telecast shall cut off from the air the speech, play, act or
29 scene or other matter being broadcast if the tendency thereof is to propose
30 and/or incite treason, rebellion or sedition or the language used therein or

1 theme thereof is indecent or immoral; and willfull failure to do shall constitute
2 a valid cause for the cancellation of this franchise.

3 SEC. 10. *Warranty in Favor of National and Local Governments.* — The
4 grantee shall hold the national, provincial and municipal governments of the
5 Philippines harmless from all claims, accounts, demands or actions arising out
6 of accidents or injuries, whether to property of to persons, caused by the
7 construction or operation of the stations of the grantee.

8 SEC. 11. *Sale, Lease Transfer, Usufruct, etc.* — The grantee shall not
9 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights
10 and privileges acquired thereunder to any person, firm, company, corporation
11 or entity without the prior approval of the Congress of the Philippines. Any
12 person or entity to which this franchise is sold, transferred or assigned, shall
13 be subject to all the same conditions, terms, restrictions and limitations of this
14 Act.

15 SEC. 12. *General Broadcast Policy Law.* — The grantee shall comply
16 with a general broadcast policy law which Congress may hereafter enact.

17 SEC. 13. *Separability Clause.* — If any of the sections or provisions of
18 this Act is held invalid, all the other provisions not affected thereby shall
19 remain valid.

20 SEC. 14. *Repealability and Nonexclusivity Clause.* - This franchise shall
21 be subject to amendment, alterations, or repeal by the Congress of the
22 Philippines when the public interest so requires and shall not be interpreted as
23 an exclusive grant of the privileges herein provided for.

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

27 Approved,