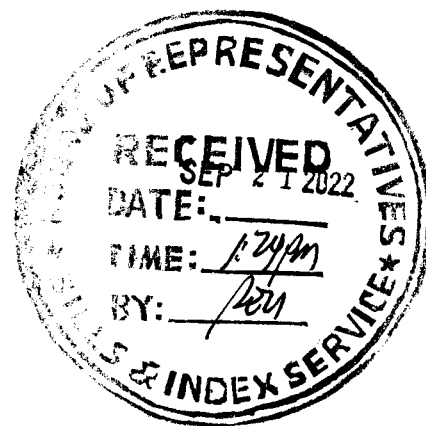


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 5053



Introduced by Representatives **MANUEL JOSE M. DALIPE** and
MARCELINO C. LIBANAN

EXPLANATORY NOTE

DZME started its broadcast on June 15, 1968 when Congress authorized Capitol Broadcasting Center of Jose M. Luison and Sons, Inc. to operate an AM radio station nationwide.

In July 16, 1995, Republic Act No. 8132 entitled: "**An Act Granting Jose M. Luison and Sons, Inc., a Franchise to construct, install, operate and maintain for commercial purposes radio and television broadcasting stations in the Philippines.**" was enacted thereby creating numerous possibilities for DZME's growth and expansion.

DZME transferred to its new home at the Victory Central Mall in Monumento, Caloocan City in 2009 from its long-time former studios in Roosevelt Avenue, Quezon City as part of its plan to expand operations. Regional affiliates are likewise being developed to bolster its nationwide presence.

Last November 14, 2013 to January 2014, some of the programs of DZME with the exemption of its news casts were temporarily postponed and replaced by music fillers due to technical maintenance/upgrades of the station and the transfer of the studios from Victory Central Mall to OMM-Citra Building in Ortigas Center, Pasig City, in preparation of the station's major relaunch as well as launching of new programs. After Holy Week of 2015, the **Radyo Uno** brand (which was in use since 2004) was phased out and rebranded as **DZME Kinse Trenta (1530 AM)**. During the last quarter of 2016, DZME reverted to its all news and commentary station with the launch of new programming.

For almost four decades now, DZME has made account of events happening in and around the country. It has recorded the successes and accomplishments as well as the adversities of known personalities, groups and the government. From the calamities and the coups and the financial crisis of the country to fiesta celebrations, DZME never abandoned this role of bringing news and current events to the people.

DZME continues to chronicle our passion for better life and our desire for good governance by offering balanced programming that targets all ages and society groups. DZME likewise provides sufficient public service time for the government and the population to communicate. More than enlightenment to issues and current events, DZME also entertains with its steamy showbiz tidbits and sing along portion featuring timeless classic hits and music billboard topnotchers.


DZME now sports a state- of- the- art, fully- digital Harris stereo transmitter. Twenty-five thousand watts of crystal-clear signal booms 20 hours a day from its newly-constructed tower in Obando, Bulacan. The station's high-fidelity broadcast can be heard from up north in Batanes to down south in Tawi-Tawi. An OFW in Hong Kong, an oil rig worker in Brunei, or a professional in Jakarta, based on listener feedback, can catch DZME broadcasts on their radio.

And with its roster of top caliber broadcast professionals in the industry today, DZME promises to remain a station that can entertain as well as enlighten.

Thus, the passage of this bill is fervently sought.



MANUEL JOSE M. DALIPE
Representative
2nd District, Zamboanga City



MARCELINO C. LIBANAN
Representative
4PS Partylist

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HOUSE BILL NO. 5053

Introduced by Representatives **MANUEL JOSE M. DALIPE** and
MARCELINO C. LIBANAN

AN ACT
RENEWING THE FRANCHISE GRANTED TO JOSE M. LUISON AND SONS, INC.
TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL
PURPOSES RADIO AND TELEVISION BROADCAST STATIONS IN THE
PHILIPPINES UNDER R.A. 8132 FOR ANOTHER TWENTY-FIVE (25) YEARS
FROM THE DATE OF APPROVAL OF THIS ACT

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

SECTION 1. *Renewal of Franchise* – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to Jose M. Luison and Sons, Inc., hereinafter referred to as the Grantee, its successors and assignees, a franchise to construct, install, establish, operate and maintain for commercial purposes and in the public interest, radio and/or television broadcasting stations in the Philippines, where frequencies and/or channels are still available for radio and television broadcasting, including digital television system, through microwave, satellite or whatever means, as well as the use of any new technology in television and radio systems, with the corresponding technological auxiliaries or facilities, special broadcast and other program and distribution services and relay stations, is hereby renewed for another twenty five (25) years from the date of approval 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 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 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 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.

In case of any violation of the provisions of this franchise, the NTC shall have the authority to revoke or suspend, after due process, the permits or licenses it issued pursuant to the franchise. The NTC may recommend to Congress of the Philippines the revocation of the franchise for any violation of the provisions of this franchise.

SEC. 4. *Responsibility to the Public* – The Grantee shall provide, adequate public service time 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 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 caption; and not use its stations or facilities for the broadcasting of obscene or indecent language, speech, act or scene, 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.

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

Pursuant to Republic Act No. 8370, otherwise known as the “Children’s Television Act of 1997”, the Grantee shall allot a minimum of fifteen percent (15%) of the daily total air time of each broadcasting network or station to child-friendly shows within its regular programming.

SEC. 5. *Right of the 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 that 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 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 during the period when these shall be so operated.

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 new 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. Non-acceptance shall render the franchise void.

SEC. 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 three percent (3%) of all gross receipts of the radio and/or television business transacted under this franchise by the Grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *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.

SEC. 9. *Public Ownership* – In compliance with the constitutional mandate to democratize ownership of public utilities, the herein Grantee, its successors or assigns, shall continue to maintain its status as a publicly-held corporation.

SEC. 10. *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 should 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: *Provided*, that the Grantee, during any broadcast, shall cut off the airing speech, play, act or scene, or other matter being broadcast if the tendency thereof is to propose 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. 11. *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, liabilities, 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. 12. *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. 13. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise* –

The Grantee shall not sell, lease, transfer, grant the usufruct of, 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, simultaneously or contemporaneously, to any person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. The Grantee shall inform Congress, through the Office of the Speaker of the House of Representatives and Office of the Senate President, 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 after 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 the same conditions, terms, restrictions, and limitations of this Act.

SEC. 14. *Reportorial Requirement* – The Grantee shall submit an annual report on its compliance with the terms and conditions of the franchise and on its operations 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 or before April 30 of every year during the term of its franchise.

The annual report shall include an update on the commencement of activities, development, operation, and expansion of business; audited financial statements; latest GIS officially submitted to the SEC, if applicable; certification of 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 any application for permit or certificate is accepted by the NTC.

SEC. 15. *Fine* – The failure of the Grantee to submit the requisite annual report to Congress shall be penalized by a fine of Five Hundred Pesos (Php500.00) per working day of noncompliance to the NTC. The fine shall be collected separately from the reportorial penalties imposed by the NTC, and its shall be remitted to the Bureau of Treasury.

SEC. 16. *Equality Clause* – Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio and television broadcasting, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to herein Grantee: *Provided*, That the foregoing shall neither apply to nor affect the provisions of broadcasting franchises concerning territorial coverage, the term, or the type of service authorized by the franchise.

SEC. 17. *General Broadcast Policy Law* – The Grantee shall comply and be subject to the provisions of a general broadcast policy law which Congress may hereinafter enact.

SEC. 18. **Repealability and Non-Exclusivity Clauses** – 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.

SEC. 19. **Effectivity** - This Act shall take effect fifteen days following its complete publication in at least two (2) newspapers of general circulation.

Approved,