



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 7703

Introduced by **REPRESENTATIVE NELSON L. DAYANGHIRANG**

EXPLANATORY NOTE

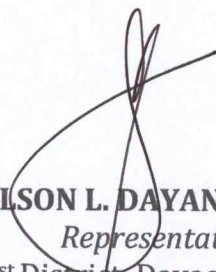
The 1987 Constitution explicitly recognizes the vital role of communication and information in nation-building. Reliable and continuous access to information, in turn, is one of the fundamental pillars that guarantee the protection of the broader rights to freedom of speech, expression, and of the press – all of which are likewise enshrined in and protected by the 1987 Constitution.

In the Philippines, radio and television broadcasting are two of the most accessible sources of information for Filipinos, especially those that reside in rural areas. The advent of radio and television broadcasting has not only given Filipinos a source of entertainment and leisure, but has also provided them with access to crucial and timely information, especially information they need to urgently respond to emergencies and calamities. Due to the role that this medium of communication plays in almost every facet of Filipino life and culture, several broadcasting stations have now emerged, each one possessed with a unique style and method of presentation. For this reason, Filipinos today can readily choose which broadcasting station to view or listen to based on the type of information they want to access.

This remains true even with the advent of the internet and social media. Radio and television broadcasting remain to be among the most prominent and trusted media when it comes to news, current events, and other types of information that translate to social and political awareness. This is especially true with respect to Filipinos who reside in remote areas or Geographically Isolated and Disadvantaged Areas (GIDA) who may not have reliable access to the internet.

It is on the foregoing premises that this bill seeks to grant ATU Broadcast Advertising Corporation a franchise to construct, install, establish, operate and maintain radio and television broadcasting stations anywhere in the Philippines. The passage of this bill is a step toward the further realization of the constitutional policy that recognizes the significance of information in nation-building as it will give a greater number of Filipinos access to timely and relevant data, information, and facts, thereby enabling them to become more informed and responsive members of civil society.

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



NELSON L. DAYANGHIRANG
Representative
1st District, Davao Oriental



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HOUSE BILL NO. **7703**

Introduced by **REPRESENTATIVE NELSON L. DAYANGHIRANG**

1 **AN ACT GRANTING ATU BROADCAST ADVERTISING CORPORATION A**
2 **FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN**
3 **RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES**
4

5 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
6 *assembled:*
7

8 **Section 1. Nature and Scope of Franchise.** - Subject to the provisions of the
9 Constitution and applicable laws, rules and regulations, there is hereby granted to Atu
10 Broadcast Advertising Corporation, hereunder referred to as the Grantee, its
11 successors or assignees, a franchise to construct, install, establish, operate and
12 maintain for commercial purposes and in the public interest, radio and television
13 broadcasting stations in the Philippines, where frequencies and channels are still
14 available for radio and television broadcasting, including digital television system,
15 through microwave, satellite or whatever means, as well as the use of any technology
16 in radio and television systems, with the corresponding technological auxiliaries or
17 facilities, special broadcast and other program and distribution services and relay
18 stations.
19

20 **Section 2. Manner of Operation of Stations or Facilities.** - The stations or
21 facilities of the Grantee shall be constructed and operated in a manner as will, at most,
22 result only in the minimum interference on the wavelengths or frequencies of existing
23 stations or other stations which may be established by law, without in any way

1 diminishing its own privilege to use its assigned wavelengths or frequencies and the
2 quality of transmission or reception thereon should maximize the rendition of the
3 Grantee's services and the availability thereof.

4
5 **Section 3. *Prior Approval of the National Telecommunications Commission.*** -

6 The Grantee shall secure from the National Telecommunications Commission (NTC)
7 the appropriate permits and licenses for the construction and operation of its stations
8 or facilities and shall not use any frequency in the radio spectrum without
9 authorization from the NTC. The NTC, however, shall not unreasonably withhold or
10 delay the grant of any such authority.

11
12 In case of any violation of the provisions of this franchise, the NTC shall have
13 the authority to revoke or suspend, after due process, the permits or licenses it issued
14 pursuant to the franchise. The NTC may recommend to Congress of the Philippines
15 the revocation of the franchise for any violation of the provisions of this franchise.

16
17 **Section 4. *Responsibility to the Public.*** - The Grantee shall provide, free of
18 charge, adequate public service time which is reasonable and sufficient to enable the
19 government, through the broadcasting stations or facilities of the Grantee, to reach
20 the pertinent populations or portions thereof, on important public issues and relay
21 important public announcements and warnings concerning public emergencies and
22 calamities, as necessity, urgency, or law may require; provide at all times sound and
23 balanced programming; promote public participation; assist in the functions of public
24 information and education; conform to the ethics of honest enterprise; promote
25 audience sensibility and empowerment including closed captioning and not use its
26 stations or facilities for the broadcasting of obscene or indecent language, speech, act
27 or scene, the dissemination of deliberately false information or willful
28 misrepresentation, to the detriment of public interest, or to incite, encourage, or
29 assist in subversive or treasonable acts.

30
31 Public service time referred herein shall be equivalent to a maximum
32 aggregate of ten percent (10%) of paid commercials or advertisements which shall be
33 allocated based on need to the Executive and Legislative branches, the Judiciary,
34 Constitutional Commissions, and international humanitarian organizations duly
35 recognized by statutes: *Provided*, That the NTC shall increase the public service time
36 in case of extreme emergency or calamity. The NTC shall issue rules and regulations

1 for this purpose, the effectivity of which shall commence upon applicability with other
2 similarly situated broadcast network franchise holders.

3
4 Pursuant to Republic Act No. 8370, otherwise known as the "Children's
5 Television Act of 1997", the Grantee shall allot a minimum of fifteen percent (15%) of
6 the daily total air time of each broadcasting network or station to child-friendly shows
7 within its regular programming.

8
9 **Section 5. *Right of the Government.*** - The radio spectrum is a finite resource
10 that is part of the national patrimony, and the use thereof is a privilege conferred
11 upon the Grantee by the State that may be withdrawn anytime after due process.

12
13 A special right is hereby reserved to the President of the Philippines, in times
14 of war, rebellion, public peril, calamity, emergency, disaster, or disturbance of peace
15 and order: to temporarily take over and operate the stations or facilities of the
16 Grantee; to temporarily suspend the operation of any station or facility in the interest
17 of public safety, security, and public welfare; or to authorize the temporary use and
18 operation thereof by any agency of the government, upon due compensation to the
19 Grantee, for the use of said stations or facilities during the period when these shall be
20 so operated.

21
22 **Section 6. *Term of Franchise.*** - This franchise shall be in effect for a period of
23 twenty-five (25) years from the effectivity of this Act, unless sooner revoked or
24 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the Grantee
25 fails to operate continuously for two (2) years.

26
27 **Section 7. *Self-regulation by and Undertaking of Grantee.*** - The Grantee shall
28 not require any previous censorship of any speech, play, act or scene, or other matter
29 to be broadcast from its stations, but if any such speech, play, act or scene, or other
30 matter should constitute a violation of the law or infringement of a private right, the
31 Grantee shall be free from any liability, civil or criminal, for such speech, play, act or
32 scene, or other matter: *Provided*, That the Grantee, during any broadcast, shall cut off
33 the airing of speech, play, act or scene, or other matter being broadcast if the tendency
34 thereof is to propose or incite treason, rebellion, or sedition; or the language used
35 therein or the theme thereof is indecent or immoral: *Provided, further*, That willful
36 failure to do so shall constitute a valid cause for the cancellation of this franchise.

1
2 **Section 8. Warranty in Favor of the National and Local Governments.** - The
3 Grantee shall hold the national, provincial, city, and municipal governments of the
4 Philippines free from all claims, liabilities, demands, or actions arising out of accidents
5 causing injury to persons or damage to properties, during the construction or
6 operation of the stations of the Grantee.
7

8 **Section 9. Commitment to Provide and Promote the Creation of Employment**
9 *Opportunities.* - The Grantee shall create employment opportunities and accept on-
10 the-job trainees in the franchise operations: *Provided*, That priority shall be accorded
11 to the residents of the place where the principal office of the Grantee is located:
12 *Provided, further*, That the Grantee shall comply with the applicable labor standards
13 and allowance entitlement under existing labor laws, rules and regulations and
14 similar issuances.
15

16 The employment opportunities or jobs created shall be reflected in the General
17 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
18 (SEC) annually.
19

20 **Section 10. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.**
21 - The Grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this
22 franchise or the rights and privileges acquired thereunder to any person, firm,
23 company, corporation or other commercial or legal entity, nor merge with any other
24 corporation or entity, nor shall the controlling interest of the Grantee be transferred,
25 simultaneously or contemporaneously, to any person, firm, company, corporation or
26 entity without the prior approval of Congress. The Grantee shall inform Congress,
27 through the Office of the Speaker of the House of Representatives and Office of the
28 Senate President, of any sale, lease, transfer, grant of usufruct, or assignment of
29 franchise or the rights and privileges acquired thereunder, or of the merger or
30 transfer of the controlling interest of the Grantee, within sixty (60) days after the
31 completion of the said transaction. Failure to report to Congress such change of
32 ownership shall render the franchise *ipso facto* revoked. Any person or entity to
33 which this franchise is sold, transferred, or assigned shall be subject to the same
34 conditions, terms, restrictions, and limitations of this Act.
35

1 **Section 11. Dispersal of Ownership.** - In accordance with the constitutional
2 provision to encourage public participation in public utilities, the Grantee shall offer
3 to Filipino citizens at least thirty percent (30%) of its outstanding capital stock, or a
4 higher percentage that may hereafter be provided by law, in any securities exchange
5 in the Philippines within five (5) years from the effectivity of this Act: *Provided, That*
6 in cases where public offer of shares is not applicable, other methods of encouraging
7 public participation by citizens and corporations operating public utilities must be
8 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
9

10 **Section 12. Reportorial Requirement.** - The Grantee shall submit an annual
11 report on its compliance with the terms and conditions of the franchise and on its
12 operations to the Congress of the Philippines, through the Committee on Legislative
13 Franchises of the House of Representatives and the Committee on Public Services of
14 the Senate, on or before April 30 of every year during the term of its franchise.
15

16 The annual report shall include an update on the commencement of activities,
17 development, operation or expansion of business; audited financial statements; latest
18 GIS officially submitted to the SEC, if applicable; certification of the NTC on the status
19 of its permits and operations; and an update on the dispersal of ownership
20 undertaking, if applicable.
21

22 The reportorial compliance certificate issued by Congress shall be required
23 before any application for permit or certificate is accepted by the NTC.
24

25 **Section 13. Fine.** - Failure of the Grantee to submit the requisite annual report
26 to Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working
27 day of noncompliance to the NTC. The fine shall be collected separately from the
28 reportorial penalties imposed by the NTC and it shall be remitted to the Bureau of the
29 Treasury.
30

31 **Section 14. Equality Clause.** - Any advantage, favor, privilege, exemption or
32 immunity granted under existing franchises, or which may hereafter be granted for
33 radio broadcasting, upon prior review and approval of Congress, shall become part of
34 this franchise and shall be accorded immediately and unconditionally to the herein
35 Grantee: *Provided, That* the foregoing shall neither apply to nor affect the provisions

1 of broadcasting franchises concerning territorial coverage, the term, or the type of
2 service authorized by the franchise.

3
4 **Section 15. *Repealability and Nonexclusivity Clause.*** - This franchise shall be
5 subject to amendment, alteration, or repeal by Congress when the public interest so
6 requires and shall not be interpreted as an exclusive grant of the privileges herein
7 provided for.

8
9 **Section 16. *Separability Clause.*** - If any of the sections or provisions of this Act
10 is held invalid, all other provisions not affected thereby shall remain valid.

11
12 **Section 17. *Repealing Clause.*** - All laws, decrees, orders, resolutions,
13 instructions, rules and regulations, and other issuances or parts thereof which are
14 inconsistent with the provisions of this Act are hereby repealed, amended, or
15 modified accordingly.

16
17 **Section 18. *Effectivity.*** - This Act shall take effect fifteen (15) days after its
18 publication in the Official Gazette or in a newspaper of general circulation.