

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
NINETEENTH CONGRESS

House Bill No. 7955



Introduced by Rep. Maria Carmen S. Zamora

EXPLANATORY NOTE

This bill seeks to grant Y2H Broadcasting Network, Inc. a legislative franchise to construct, install, establish, operate and maintain a frequency modulation (FM) radio station in Dumaguete City, Negros Oriental with national coverage.

Section 24, Article II of the 1987 Constitution recognizes the State's vital role in communication and information in nation-building, while Section 7, Article III declares the recognition of the right of the people to information on matters of public concern.

Radio stations play an indispensable role in ensuring the right to information on matters of public concern, freedom of expression and of the press, as mandated by our Basic Law. Pursuant to this, the Proponent seeks to operate a 10 KW FM radio broadcast station to provide real-time information on important events, dispense entertainment, and serve as a connection to potential listeners in addressing community problems and concerns. The same can provide signal coverage to the whole of the country.

The passage of this timely measure is most respectfully sought.


MARIA CARMEN S. ZAMORA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

First Regular Session
NINETEENTH CONGRESS

House Bill No. 7955

Introduced by Rep. Maria Carmen S. Zamora

AN ACT
GRANTING Y2H BROADCASTING NETWORK, INC. A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN A
FREQUENCY MODULATION (FM) RADIO BROADCASTING STATION IN
DUMAGUETE CITY, NEGROS ORIENTAL WITH SIGNAL COVERAGE TO
THE WHOLE COUNTRY

Be it enacted by the Senate and the 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, there is hereby granted to Y2H Broadcasting Network, Inc., hereinafter referred to as the *Grantee*, its successors or assignees, a franchise to construct, install, establish, operate and maintain for commercial and non-commercial purposes and in the public interest, a frequency modulation (FM) radio broadcasting station in Dumaguete City, Negros Oriental with signal coverage to the whole country, where frequencies or channels are still available for radio broadcasting, utilizing the latest technological advances or innovations, with corresponding technological auxiliaries or facilities, special broadcast and other programs, and distribution services and relay stations. The franchise includes the operation of a multi-hazard early warning system to provide accurate and timely advice to national or local emergency response organization and the general public.

SEC. 2. *Manner of Operation of Stations or Facilities.* – The Grantee shall construct and operate the stations or facilities with minimum interference on the wavelengths or frequencies of existing stations or other stations, which may be established by law, without in any way diminishing the privilege to use the assigned wavelengths or frequencies and the quality of transmission or reception to maximize the availability and rendition of the Grantee's services.

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 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:

- a. Provide, free of charge, adequate public service time, which is reasonable and sufficient, to enable the government, through the broadcasting stations or facilities, 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;
- b. Provide at all times, sound and balanced programming;
- c. Promote public participation;
- d. Assist in the functions of public information and education;
- e. Conform to the ethics of honest enterprise;
- f. Promote audience sensibility and empowerment through closed captioning; and
- g. Avoid the broadcasting of obscene or indecent language, speech, act or scene, or deliberately disseminate false information or willful misinterpretation, to the detriment of the public interest, or to incite, encourage or assist in subversive or treasonable acts.

For purposes of this section, public service time is equivalent to a maximum aggregate of ten percent (10%) of the paid commercials or advertisements, which shall be allocated based on need of the executive, legislative, 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.

SEC. 5. *Right of 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 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 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.

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 is deemed *ipso facto* revoked in the event the Grantee fails to comply with any of the following conditions:

- a. Commence operations within one (1) year from the approval of its operating permit by the NTC;
- b. Commence operations within three (3) years from the effectivity of this Act; and
- c. 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 three (3) years before its expiration which shall be reckoned from fifteen (15) days after publication of the franchise in the *Official Gazette* or in a newspaper of general circulation.

SEC. 8. *Acceptance.* – Acceptance of the terms 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 Philippine 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. 9. *Bond.* – The Grantee shall file a bond with the NTC, in the amount that the NTC shall determine, to guarantee compliance with and fulfillment of the conditions under which this franchise is granted. If after three (3) years from the date of the approval of its permit by the NTC, the Grantee shall have fulfilled the same, the bond shall be released by the NTC. Otherwise, the bond shall be forfeited in favor of the government and the franchise *ipso facto* revoked.

SEC. 10. *Payment of Taxes and Other Fees.* – The Grantee, its successors or assignees, shall continue to be subject to all applicable taxes, duties, fees, or charges and other impositions under the National Internal Revenue Code, as amended, Republic Act No. 7160, otherwise known as the “Local Government Code of 1991,” as amended, and other applicable laws.

SEC. 11. *Self-regulation by and Undertaking of the 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 such 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: *Provided*, That the Grantee, during any broadcast, shall cut off the airing of the

speech, play, act or scene, or other matter that tends 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 cut off the airing shall constitute a valid cause for the revocation and cancellation of this franchise.

SEC. 12. *Warranty in Favor of the 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 causing injury to persons or damage to properties, during the construction or operation of the stations of the Grantee.

SEC. 13. *Creation of Employment Opportunities.* – The Grantee shall create employment opportunities and accept on the job trainees in the franchise operations: *Provided*, That priority shall be accorded to the residents of the place where the principal office of the Grantee is located: *Provided, further*, That the Grantee shall ensure that at least sixty percent (60%) of its employees are regular employees and in no case shall the percentage of contractual employees and independent contractors combined exceed forty percent (40%) of its total workforce: *Provided, finally*, That the Grantee shall follow the applicable labor standards and allowance entitlement under existing labor laws, rules, regulations and similar issuances: *Provided, finally*, That the Grantee shall follow applicable civil service rules and regulations and other similar issuances.

SEC. 14. *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 the controlling interest of the grantee be transferred, whether as a whole or in part, 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 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 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. 15. *Reportorial Requirement.* – The Grantee shall submit an annual report to Congress, 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 update on the commencement of activities, development, operation, and expansion of business, audited financial statements, and certification of the NTC on the status of its permits and operations.

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

SEC. 16. *Fine.* – Failure of the Grantee to submit the requisite annual report to Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day of noncompliance. The fine shall be collected separately by the NTC distinct from the penalties it imposes for noncompliance of its own reportorial requirements.

SEC. 17. *Equality Clause.* – Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for radio 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 the provisions of broadcasting franchises pertaining to the term, type of service or territorial coverage of the franchise.

SEC. 18. *Repealability and Nonexclusivity Clause.* – This franchise is subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires and is not interpreted as an exclusive grant of the privileges herein provided for.

SEC. 19. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in force and effect.

SEC. 20. *Repealing Clause.* – All laws, executive orders, issuances, rules and regulations inconsistent with or contrary to the provisions of this Act are repealed, amended or modified accordingly.

SEC. 21. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,