

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 8418



Introduced by **REPRESENTATIVE DIVINA GRACE C. YU** and
REPRESENTATIVE JEYZEL VICTORIA C. YU

EXPLANATORY NOTE

This bill seeks the renewal of the franchise granted to Digital Broadcasting Corporation under Republic Act No. 8689, entitled "An Act Granting Digital Broadcasting Corporation a Franchise to Construct, Install, Establish, Operate and Maintain Radio and Television Stations in the Philippines".

The Digital Broadcasting Corporation was incorporated in the year 1997. However, it was on the year 2009, that the Seventh-day Adventist Church, through the South Philippine Union Conference ("SPUC") started to take active participation in its operations that the Digital Broadcasting Corporation applied for and was granted Provisional Authorities by the National Telecommunications Commission ("NTC") to operate FM, AM and Television Broadcasting Stations.


At present, the Digital Broadcasting Corporation is operating FM stations in the cities of Iligan, Matanao, Tangub, Tagum, Toledo and Butuan. It is also operating an AM radio station in Butuan City. At present, plans are already underway for the operation of its Marbel, Malaybalay, Baler, Puerto Princesa and Daet TV stations.

All the programs being broadcasted by the Digital Broadcasting Corporation are all geared towards spreading the mission of the Seventh-day Adventist Church of sharing God's good news for a better life. Its focus on faith, health, family, relationships and community based teachings of the Seventh-day Adventist Church enabled the Digital Broadcasting Corporation to provide quality public service with no distinction as to religious or political affiliations.

It is therefore imperative that the continuation of this kind of public service be given the State's imprimatur and support.

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


REP. DIVINA GRACE C. YU
1st District, Zamboanga del Sur


REP. JEYZEL VICTORIA C. YU
2nd District, Zamboanga del Sur

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Introduced by **REPRESENTATIVE DIVINA GRACE C. YU** and
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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO DIGITAL BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8689, ENTITLED "AN ACT GRANTING DIGITAL BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION STATIONS IN THE PHILIPPINES"

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the Constitution and applicable laws, rules and regulations, the franchise granted under Republic Act No. 8689 to the Digital Broadcasting Corporation, hereunder referred to as the grantee, its successors and assignees, to construct, install, 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/or television broadcasting, and other technology that may hereafter or in the future be developed in the field of broadcasting, and such other systems, facilities or structures for the origination, reception, processing, transmission, broadcast, rebroadcast or distribution of audio, video information, and other electronic signals, for the provision of services such as direct to home/user broadcast via satellite, pay and cable television, multimedia, and value-added services and other similar services, through electromagnetic waves, fiber optics, satellite and whatever means now available or which in the future may be developed for telecasting and broadcasting of news, documentaries, entertainment, informational and educational, interactive and various television programs with the corresponding technological auxiliaries or facilities, special broadcast, other program and distribution services and relay stations, and to install radio communication facilities, transmit and receive satellite systems, content production and distribution facilities and other systems as are essential or convenient to carry out the purposes of this Act, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

SECTION 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 the availability thereof.

SECTION 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.

SECTION 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 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 or indecent language, speech, act, or scene; or for 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 need to 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.

SECTION 5. *Right of the Government.* – The radio spectrum is a finite resource that is part of the national patrimony. 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.

SECTION 6. *Term of Franchise.* – This franchise shall be for a term of twenty-five (25) years from the date of 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.

SECTION 7. *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: *Provided*, That the grantee, during any

broadcast, shall cut off from the air the 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 indecent or immoral: *Provided, further*, That willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SECTION 8. *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.

SECTION 9. *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 in areas where any of its offices 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 to be submitted to the Securities and Exchange Commission annually.

SECTION 10. *Sale, Lease, Transfer, Grant of 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 transfer the controlling interest of the grantee, 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 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.

SECTION 11. *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. Noncompliance therewith shall render the franchise *ipso facto* revoked.

SECTION 12. *Reportorial Requirement.* – 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 Philippine 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 reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

SECTION 13. *Fine.* – Failure of the grantee to submit the requisite annual report to Congress shall be penalized by a fine of Five hundred pesos (₱500.00) per working day of noncompliance. 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.

SECTION 14. *Equality Clause.* – Except for taxes and customs duties, any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted for 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 herein 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.

SECTION 15. *Repealability and Non-exclusivity 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.

SECTION 16. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SECTION 17. *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.

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