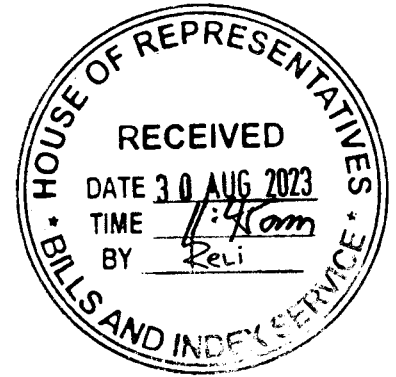


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9002



Introduced by: **REP. RACHEL MARGUERITE "CUTIE" DEL MAR**

EXPLANATORY NOTE

Exodus Broadcasting Company, Inc. ("Exodus") is a 100% Filipino-owned multi-generational family corporation registered with the Securities and Exchange Commission on 11 October 1993 with the primary purpose of engaging in the business of radio broadcasting on a commercial basis and to act as an advertising agent. It was granted a nationwide legislative franchise under Republic Act No. 8603,¹ which lapsed into law on March 26, 1998, became effective on April 17, 1998, and expired on April 17, 2023.

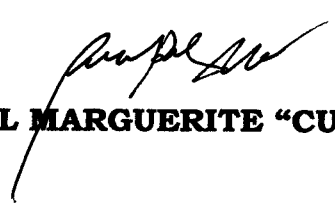
Exodus is the sole and current owner of the WRock brand of radio stations and its corresponding *LiteRock* music programming, which was conceptualized in the late 1980's and first hit the airwaves in 1988. The brand has not reformatted since then, enabling Exodus to build a loyal base of audiences all throughout the country and even to listeners abroad; but it remains ever-relevant to the masses by injecting new music and tapering off old music as the new decade approaches. Exodus also promotes responsible citizenry through its time-tested award-winning WRock brand and *LiteRock* programming as it is designed to primarily inform, educate, and entertain the public through a healthy balance of music, news snippets, and informative segments which promote good and timeless Filipino values.

With the advent of online technology, the company has been able to digitally expand the geographical reach of its radio station DYRK-FM 96.3 WRock Cebu beyond its area of FM coverage via WRock Online – an online livestreaming simulcast listened to by millions of local Filipinos nationwide whilst also delivering a slice of home to migrant Filipinos worldwide.

¹ AN ACT GRANTING THE EXODUS BROADCASTING CO., INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO AND TELEVISION STATIONS IN THE PHILIPPINES.

Exodus is seeking the grant of a new legislative franchise for another 25 years in order to support its plans to expand its WRocK brand by establishing stations in key cities nationwide and delivering integrated online and on-ground activities to its local areas of operation. Exodus aims to deliver the same quality of programming which Filipinos have come to love in the past two decades all while advocating and promoting good Filipino values on a more-scaled national level.

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



RACHEL MARGUERITE "CUTIE" DEL MAR

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14

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16
17 **AN ACT**
18 **GRANTING EXODUS BROADCASTING COMPANY, INC. A FRANCHISE**
19 **TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN**
20 **RADIO AND TELEVISION BROADCASTING STATIONS IN THE**
21 **PHILIPPINES FOR A TERM OF TWENTY-FIVE (25) YEARS**
22

23 *Be it enacted by the Senate and House of Representatives of the Philippines in*
24 *Congress assembled:*
25

26 **Section 1. Nature and Scope of Franchise.** - Subject to the
27 provisions of the Constitution and applicable laws, rules and regulations,
28 there is hereby granted to Exodus Broadcasting Company, Inc., hereunder
29 referred to as the grantee, its successors or assigns, a franchise to construct,
30 install, establish, operate and maintain for commercial purposes and in the
31 public interest, radio and television broadcasting stations in the Philippines,
32 where frequencies and channels are still available for radio and television
33 broadcasting, including digital television system, through microwave,
34 satellite or whatever means, as well as the use of any technology in radio
35 and television systems, with the corresponding technological auxiliaries or
36 facilities, special broadcast and other program and distribution services and
37 relay stations.
38

39 **Section 2. Manner of Operation of Stations or Facilities.** - The
40 stations or facilities of the grantee shall be constructed and operated in a
41 manner as will, at most, result only in the minimum interference on the

1 wavelengths or frequencies of existing stations or other stations which may
2 be established by law, without in any way diminishing its own privilege to
3 use its assigned wavelengths or frequencies and the quality of transmission
4 or reception thereon should maximize rendition of the grantee's services
5 and/or availability thereof.

6
7 **Section 3. Prior Approval of the National Telecommunications**

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

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

20
21 **Section 4. Responsibility to the Public.** - The grantee shall provide,
22 free of charge, adequate public service time, through the said broadcasting
23 stations or facilities, to reach the population on important public issues;
24 provide at all times sound and balanced programming; assist in the
25 functions of public information and education; conform to the ethics of
26 honest enterprise; and not use its stations and facilities for the broadcasting
27 of obscene and indecent language, speech, act, or scene, or for the
28 dissemination of deliberately false information or willful misrepresentation,
29 to the detriment of the public interest, or to incite, encourage or assist in
30 subversive or treasonable acts.

31
32 Public service time referred herein shall be equivalent to a maximum
33 aggregate of ten percent (10%) of paid commercials or advertisements which

1 shall be allocated based on need to the Executive and Legislative branches,
2 the Judiciary, Constitutional Commissions, and international humanitarian
3 organizations duly recognized by statutes: *Provided*, That the NTC shall
4 increase the public service time in case of extreme emergency or calamity.
5 The NTC shall issue rules and regulations for this purpose, the effectivity of
6 which shall commence upon applicability with other similarly situated
7 broadcast network franchise holders.

8
9 Pursuant to Republic Act No. 8370, otherwise known as the
10 “Children’s Television Act of 1997,” the Grantee shall allot a minimum of
11 fifteen percent (15%) of the daily programs and other materials broadcast on
12 television of each broadcasting network or station to child-friendly shows
13 within its regular programming.

14
15 **Section 5. Right of the Government.** - A special right is hereby
16 reserved to the President of the Philippines, in times of war, rebellion, public
17 peril, calamity, emergency, disaster, or disturbance of peace and order: to
18 temporarily take over and operate the stations, transmitters, facilities or
19 equipment of the grantee; to temporarily suspend the operation of any
20 station, transmitter, facility, or equipment in the interest of public safety,
21 security, and public welfare; or to authorize the temporary use and
22 operation thereof by any agency of the government, upon due compensation
23 to the grantee for the use of said stations, transmitters, facilities, or
24 equipment during the period when these shall be so operated.

25
26 The radio spectrum is a finite resource that is part of the national
27 patrimony, and the use thereof is a privilege conferred upon the grantee by
28 the State that may be withdrawn any time after due process.

29
30 **Section 6. Term of Franchise.** - This franchise shall be in effect for a
31 period of twenty-five (25) years from the effectivity of this Act, unless sooner
32 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in
33 the event the grantee fails to operate continuously for two (2) years.

1 **Section 7. Acceptance and Compliance.** - Acceptance of this new
2 franchise shall be given in writing to the Congress of the Philippines,
3 through the Committee on Legislative Franchises of the House of
4 Representatives and the Committee on Public Services of the Senate, within
5 sixty (60) days from the effectivity of this Act. Upon giving such acceptance,
6 the grantee shall exercise the privileges granted under this Act.
7 Nonacceptance shall render the franchise void.

8
9 **Section 8. Self-regulation by and Undertaking of the grantee.** -
10 The grantee shall not require any previous censorship of any speech, play,
11 act or scene, or other matter to be broadcast from its
12 stations, *Provided*, That the grantee, during any broadcast, shall cut from
13 the air the speech, play, act or scene, or other matter being broadcast if the
14 tendency thereof is to propose and/or incite treason, rebellion, or sedition;
15 or the language used therein or the theme thereof is indecent or
16 immoral: *Provided*, further, That willful failure to do so shall constitute a
17 valid cause for the cancellation of this franchise.

18
19 **Section 9. Warranty in Favor of the National and Local**
20 **Governments.** - The grantee shall hold the national, provincial, city, and
21 municipal governments of the Philippines free from all claims, liabilities,
22 accounts, demands, or actions arising out of accidents or injuries, whether
23 to property or to persons, caused by the construction or operation of the
24 stations of the grantee.

25
26 **Section 10. Sale, Lease, Transfer, Grant of Usufruct, or**
27 **Assignment of Franchise.** - The grantee shall not sell, lease, transfer,
28 grant of usufruct of, nor assign this franchise or the rights and privileges
29 acquired thereunder to any person, firm, company, corporation or other
30 commercial or legal entity, nor merge with any corporation or entity, nor
31 shall the controlling interest of the grantee be transferred, whether as a
32 whole or in parts, and whether simultaneously or contemporaneously, to
33 any such person, firm, company, corporation, or entity without the prior

1 approval of Congress: *Provided*, that Congress shall be informed of any lease,
2 transfer, granting the usufruct of, sale or assignment of franchise or the
3 rights and privileges acquired thereunder, or of the merger, or transfer of
4 controlling interest of the grantee, within sixty (60) days after the completion
5 of said transaction: *Provided, further*, that failure to report to Congress such
6 change of ownership shall render the franchise *ipso facto* revoked: *Provided*,
7 *finally*, that any person or entity to which this franchise is sold, transferred,
8 or assigned shall be subject to the same conditions, terms, restrictions, and
9 limitations of this Act.

10
11 **Section 11. General Broadcast Policy Law.** – The grantee shall
12 comply with and be subject to the provisions of a general broadcast policy
13 law, which Congress may hereafter enact.

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

21
22 The annual report may include an update on the commencement of
23 activities, development, operation or expansion of business; audited
24 financial statements; latest GIS officially submitted to the SEC, if applicable;
25 certification of the NTC on the status of its permits and operations; and an
26 update on the sale, lease, transfer, grant of usufruct, or assignment of
27 franchise, if applicable.

28
29 **Section 13. Penalty Clause.** - Failure to submit the requisite annual
30 report to Congress shall be penalized with a fine of Five hundred pesos
31 (P500.00) per working day of noncompliance. The fine shall be collected by
32 the NTC from the delinquent franchise grantee separate from the reportorial
33 penalties imposed by the NTC. The collected funds shall accrue to the

1 monitoring fund of the NTC in line with its supervisory and regulatory
2 functions. The reportorial compliance certificate issued by Congress shall be
3 required before any application for permit or certificate is accepted by the
4 NTC.

5
6 **Section 14. Equality Clause.** – Any advantage, favor, privilege,
7 exemption, or immunity granted under existing franchises, or which may
8 hereafter be granted for radio and/or television broadcasting, upon prior
9 review and approval of Congress, shall become part of this franchise and
10 shall be accorded immediately and unconditionally to the herein
11 grantee: *Provided, however,* That the foregoing shall neither apply to nor
12 affect the provisions of broadcasting franchises concerning territory covered
13 by the franchise, the life span of the franchise, or the type of service
14 authorized by the franchise: *Provided, further,* That the foregoing shall not
15 apply to sale, lease, transfer, or grant of usufruct or assignment of legislative
16 franchise with prior congressional approval.

17
18 **Section 15. Separability Clause.** - If any of the sections or
19 provisions of this Act is held invalid, all other provisions not affected thereby
20 shall remain valid.

21
22 **Section 16. Repealability and Nonexclusivity Clause.** - This
23 franchise shall be subject to amendment, alteration, or repeal by Congress
24 of the Philippines when the public interest so requires and shall not be
25 interpreted as an exclusive grant of the privileges herein provided for.

26
27 **Section 18. Effectivity Clause.** - This Act shall take effect fifteen (15)
28 days after its publication in at least two (2) newspapers of general
29 circulation.

30
31 **Approved,**