



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 3560

Introduced by **Representative MARIA CARMEN S. ZAMORA, MNSA**

EXPLANATORY NOTE

This bill seeks to grant Y2H Broadcasting Network, Inc. a legislative franchise to construct, install, establish, operate, and maintain radio broadcasting stations in Dipolog City, Zamboanga Del Norte, and Pagadian, Zamboanga Del Sur, and other areas in the Philippines.

Section 24, Article II of the 1987 Constitution recognizes the vital role of 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 install and operate radio broadcast stations 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 country.

The passage of this timely measure is most respectfully sought.

MARIA CARMEN S. ZAMORA, MNSA
Representative
First District, Davao De Oro



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16 **AN ACT**

17 **GRANTING Y2H BROADCASTING NETWORK, INC. A FRANCHISE TO**
18 **CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO**
19 **BROADCASTING STATIONS IN DIPOLOG CITY, ZAMBOANGA DEL**
20 **NORTE, AND PAGADIAN, ZAMBOANGA DEL SUR AND OTHER AREAS IN**
21 **THE PHILIPPINES**

22
23 *Be enacted by the Senate and House of Representatives of the Philippines in Congress*
24 *assembled:*

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26 **SECTION 1.** *Nature and Scope of Franchise.* Subject to the provisions of the Constitution
27 and applicable laws, rules and regulations, there is hereby granted to Y2H
28 Broadcasting Network, Inc., hereinafter referred to as the *Grantee*, its successors or
29 assignees, a franchise to construct, install, establish, operate and maintain for
30 commercial purposes and in the public interest, radio broadcasting stations in
31 Dipolog City, Zamboanga Del Norte, and Pagadian, Zamboanga Del Sur and other
32 areas in the Philippines, where frequencies are still available for radio broadcasting,
33 utilizing any new technology or innovations in radio systems, with the corresponding
34 technological auxiliaries or facilities, special broadcast and other programs, and
35 distribution services and relay stations, and to install radio communications facilities
36 for the grantee's private use in its broadcast services.

37
38 **SECTION 2.** *Manner of Operation of Stations or Facilities.* The stations or facilities of the
39 Grantee shall be constructed and operated in a manner as will, at most, result only in
40 the minimum interference on the wavelengths or frequencies of existing stations or
41 other stations which may be established by law, without in any way diminishing its
42 own privilege to use its assigned wavelengths or frequencies and the quality of
43 transmission or reception thereon as should maximize rendition of the Grantee's
44 services and the availability thereof.

45
46 **SECTION 3.** *Prior Approval of the National Telecommunications Commission.* The
47 Grantee shall secure from the National Telecommunications Commission (NTC) the
48 appropriate permits and licenses for the construction and operation of its stations and

49 facilities and shall not use any frequency in the radio spectrum without authorization
50 from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant
51 of any such authority.

52

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

58

59 **SECTION 4.** *Responsibility to the Public.* The Grantee shall:

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61 a. Provide, free of charge, adequate public service time, which is reasonable
62 and sufficient, to enable the government, through the broadcasting
63 stations or facilities, to reach the pertinent populations or portions thereof,
64 on important public issues and relay important public announcements and
65 warnings concerning public emergencies and calamities, as necessity,
66 urgency, or law may require;

67

68 b. Provide at all times, sound and balanced programming;

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70 c. Promote public participation;

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72 d. Assist in the functions of public information and education;

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74 e. Conform to the ethics of honest enterprise;

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76 f. Promote audience sensibility and empowerment through closed
77 captioning; and

78

79 g. Avoid the broadcasting of obscene or indecent language, speech, act or
80 scene, or deliberately disseminate false information or willful
81 misinterpretation, to the detriment of the public interest, or to incite,
82 encourage or assist in subversive or treasonable acts.

83

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

90 purpose, the effectivity of which shall commence upon applicability with other
91 similarly situated broadcast network franchise holders.

92

93 **SECTION 5. *Right of Government.*** The radio spectrum is a finite resource that is part
94 of the national patrimony and the use thereof is a privilege conferred upon the
95 Grantee by the State and may be withdrawn at any time after due process.

96

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

104

105 **SECTION 6. *Term of Franchise.*** This franchise shall be in effect for a period of twenty-
106 five (25) years from the effectivity of this Act, unless sooner revoked or cancelled. This
107 franchise is deemed *ipso facto* revoked in the event the Grantee fails to comply with
108 any of the following conditions:

109

110 a. Commence operations within three (3) years from the approval of its
111 operating permit by the NTC;

112

113 b. Commence operations within five (5) years from the effectivity of this Act;
114 and

115

116 c. Operate continuously for two (2) years.

117

118 **SECTION 7. *Self-regulation by and Undertaking of the Grantee.*** The Grantee shall not
119 require any previous censorship of any speech, play, act or scene, or other matter to
120 be broadcast from its stations but if any such speech, play, act or scene, or other matter
121 constitute a violation of the law or infringement of a private right, the Grantee shall
122 be free from any liability, civil or criminal, for such speech, play, act or scene, or other
123 matter: *Provided*, That the Grantee, during any broadcast, shall cut off the airing of the
124 speech, play, act or scene, or other matter that tends to propose or incite treason,
125 rebellion or sedition; or the language used therein or the theme thereof is indecent or
126 immoral: *Provided, further*, That willful failure to cut off the airing shall constitute a
127 valid cause for the revocation and cancellation of this franchise.

128

129 **SECTION 8. *Warranty in Favor of the National and Local Governments.*** – The Grantee
130 shall hold the national, provincial, city, and municipal governments of the Philippines
131 free from all claims, liabilities, demands, or actions arising out of accidents causing
132 injury to persons or damage to properties, during the construction or operation of the
133 stations of the Grantee.

134

135 **SECTION 9. *Commitment to Provide and Promote the Creation of Employment***
136 ***Opportunities.*** The Grantee shall create employment opportunities and accept on the
137 job trainees in the franchise operations: *Provided*, That priority shall be accorded to

138 the residents of the place where the principal office of the Grantee is located: *Provided,*
139 *further,* That the Grantee shall comply with the applicable labor standards and
140 allowance entitlement under existing labor laws, rules and regulations and similar
141 issuances.

142

143 **SECTION 10.** *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* The
144 Grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise
145 or the rights and privileges acquired thereunder to any person, firm, company,
146 corporation or other commercial or legal entity, nor merge with any other corporation
147 or entity, nor the controlling interest of the Grantee be transferred, simultaneously
148 or contemporaneously, to any such person, firm, company, corporation, or entity
149 without the prior approval of Congress. Congress shall be informed of any sale, lease,
150 transfer, grant of usufruct, or assignment of franchise or the rights and privileges
151 acquired thereunder, or of the merger or transfer of the controlling interest of the
152 grantee, within sixty (60) days after completion of the said transaction. Failure to
153 report to Congress such change of ownership shall render the franchise *ipso facto*
154 *revoked.* Any person or entity to which this franchise is sold, transferred or assigned
155 shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

156

157 **SECTION 11.** *Dispersal of Ownership.* In accordance with the constitutional provision
158 to encourage public participation in public utilities, the grantee shall offer to the
159 Filipino citizens at least thirty percent (30%) of its outstanding capital stocks or a
160 higher percentage that may hereafter be provided by law, in any securities exchange
161 in the Philippines within five (5) years from the effectivity of this Act; *Provided,* That
162 in cases where the public offer of shares is not applicable other methods of
163 encouraging public participation by the citizens and corporations operating public
164 utilities must be implemented. Non-compliance therewith shall render the franchise
165 *ipso facto revoked.*

166

167 **SECTION 12.** *Reportorial Requirement.* The Grantee shall submit an annual report to
168 Congress, through the Committee on Legislative Franchises of the House of
169 Representatives and the Committee on Public Services of the Senate, on its
170 compliance with the terms and conditions of the franchise and on its operations on or
171 before April 30 of every year during the term of its franchise.

172

173 The annual report shall include an update on the commencement of activities,
174 development, operation, and expansion of business, audited financial statements, and
175 certification of the NTC on the status of its permits and operations.

176

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

179

180 **SECTION 13.** *Fine.* Failure of the Grantee to submit the requisite annual report to
181 Congress shall be penalized by a fine of five hundred pesos (P500.00) per working

182 day of noncompliance. The fine shall be collected separately by the NTC, distinct from
183 the penalties it imposes for noncompliance with its own reportorial requirements.

184

185 **SECTION 14. *Equality Clause.*** Any advantage, favor, privilege, exemption, or
186 immunity granted under existing franchises, or which may hereafter be granted for
187 radio broadcasting, upon prior review and approval of Congress, shall become part
188 of this franchise and shall be accorded immediately and unconditionally to the
189 grantee: *Provided,* That the foregoing shall neither apply to nor affect the provisions
190 of broadcasting franchises pertaining to the term, type of service authorized by the
191 franchise.

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193 **SECTION 15. *Repealability and Nonexclusivity Clause.*** This franchise is subject to
194 amendment, alteration, or repeal by Congress when the public interest so requires
195 and is not interpreted as an exclusive grant of the privileges herein provided for.

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197 **SECTION 16. *Separability Clause.*** If any provision or part of this Act is declared invalid
198 or unconstitutional, all other provisions not affected thereby shall remain valid.

199

200 **SECTION 17. *Repealing Clause.*** All laws, decrees, orders, resolutions, instructions,
201 regulations and other issuances or parts thereof which are inconsistent with the
202 provisions of this Act are repealed, amended, or modified accordingly.

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

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207 *Approved,*