

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 7021

This bill seeks to grant a legislative franchise for broadcasting to Sultan Muhammad Dipatuan Kudarat Islamic Academy Foundation, Inc. ("SKIA" for brevity) that would cover the entire Philippines.

The right to information on matters of public concern, freedom of expression and of the press are enshrined in our Constitution and this proposal serves as a tacit recognition of the crucial role media plays in response to the need for information by a huge sector in our society who do not have access to the internet; and update the general population on current events, weather, government programs and such information that are deemed necessary to help them in their daily lives.

This measure is a step for a grant of a legislative franchise for the second time given that the applicant in June 25, 1998 was granted the same by virtue of Republic Act No. 8681 in the 11th Congress.

This application is timely, vital and necessary considering that in view of the proliferation of misinformation and fake news across social media platforms, there are not enough sources of legitimate news that benefits our people.

This measure was proposed in the 19th Congress as House Bill No. 4899 due to lack of material time, thus this reiteration as a new bill.

SKIA is primarily an educational institution that serves the people of the Municipality of Sultan Kudarat and adjacent communities and local government units, most particularly the students and the youth.

With the grant of a new franchise, SKIA will be able to substantially contribute to nation-building through reliable and legitimate information dissemination while at the same time, introduce and promote the rich culture and traditions of our fellow Filipinos from down South to the rest of the Philippines.

Now more than ever, our country needs further stimulation of information provided by broadcast stations to provide the public a wider spectrum of ideas, insightful information, and to promote collective involvement in governance and public service.

In view of the foregoing, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

GRANTING THE SULTAN MUHAMMAD DIPATUAN KUDARAT ISLAMIC ACADEMY FOUNDATION, INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES

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 Constitution and applicable laws, rules and regulations, there is hereby granted to **Sultan Muhammad Dipatuan Kadarat Islamic Academy Foundation, Inc.**, hereunder referred to as the Grantee, its successors or assignees, a franchise to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, radio and television broadcasting stations in the Philippines, where frequencies and channels are still available for radio and television broadcasting, including digital television system, through microwave, satellite or whatever means, as well as the use of any new technology in radio and television systems, with the corresponding technological auxiliaries or facilities, special broadcast and other program and distribution services and relay stations.

SEC 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 should maximize rendition of the Grantee's services and the availability thereof.

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 or 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 Philippine the revocation of the franchise for any violation of the provisions of this franchise.

SEC 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, the dissemination of deliberately false information or willful misrepresentation, to the detriment of 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 and Legislative branches, the 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.

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

SEC 5. *Right of the 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 that 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, transmitters, facilities or equipment of the Grantee; to temporarily suspend the operation of any station, transmitter, facility, or equipment 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, transmitters, facilities, or equipment 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 shall be deemed ipso facto revoked in the event the Grantee fails to operate continuously for two (2) years.

SEC 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, but if such speech, play, act or scene, or other matter should to be broadcast from its stations, but if any speech, play, act or scene, or other matter should 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 being broadcast if the tendency thereof is 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 do so shall constitute a valid cause for the cancellation of this franchise.

SEC 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, accounts, demands, or actions arising out of accidents causing injury to persons or damage to properties, during the construction or operation of the stations, transmitters, facilities, or equipment of the Grantee.

SEC 9. *Commitment to Provide and Promote the 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 comply with the applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances.

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

SEC 10. Sales, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise. - The Grantee shall not sell, lease, transfer, grant of 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 corporation or entity, nor shall the controlling interest of the Grantee be transferred, simultaneously or contemporaneously, to any person, firm, company, corporation, or entity without the prior approval of Congress. The Grantee shall inform the Congress, through the Office of the Speaker and Office of the Senate President, 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.

SEC 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%) of its outstanding capital stocks, or a higher percentage that may hereafter be provided by law, in any securities exchange in the Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases where public offer of shares is not applicable, other methods of encouraging public participation by citizens and corporations operating public utilities must be implemented. Noncompliance therewith shall render the franchise ipso facto revoked.

SEC 12. Reportorial Requirement. - The Grantee shall submit an annual report on its compliance with the terms and conditions of the franchise and on its operations 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 Senate, 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; latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the status of its permits and operations; and an update on the dispersal of ownership undertaking, if applicable.

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

SEC 13. Fine. - Failure of the Grantee to submit the requisite annual report to Congress shall be penalized with a fine Five hundred pesos (Php 500.00) per working day of noncompliance. The fine shall be collected separately from the reportorial penalties imposed by the NTC, and it shall be remitted to the Bureau of Treasury.

SEC 14. Equality Clause. - Any advantage, favor, privilege, exemption or immunity granted under existing franchises, or which may hereafter be granted for radio and 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, however*, That the foregoing shall neither apply to nor affect the provisions of broadcasting franchises concerning territorial coverage, the term, or the type of service authorized by the franchise.

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

SEC 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.

SEC 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.

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

Approved,