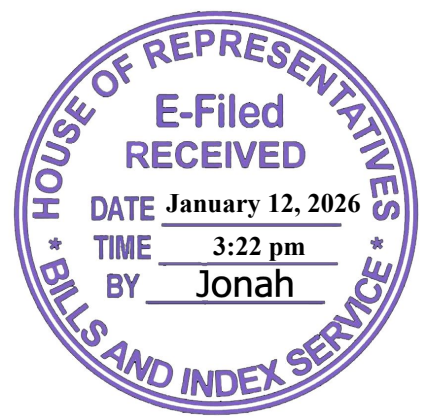


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 7080



Introduced by Representative Jose Manuel F. Alba

AN ACT
GRANTING CAGAYAN DE ORO MEDIA CORPORATION A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE
AND MAINTAIN RADIO AND TELEVISION STATIONS IN THE
PHILIPPINES

Explanatory Note

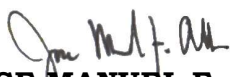
Cagayan de Oro Media Corporation (CMC) is a registered radio and television broadcasting company based in Northern Mindanao.

On September 18, 1998, Cagayan de Oro College, Inc. was granted a franchise to construct, install, establish, operate and maintain for educational, instructional, as well as commercial purposes and in the public interest, radio and/or television broadcasting stations in Cagayan de Oro City and anywhere else in the Philippines under Republic Act No. 8740. Pursuant to Concurrent Resolution No. 20 of the Thirteenth Congress, adopted by the House of Representatives on January 31, 2007 and by the Senate of the Philippines on January 24, 2007, Congress approved the transfer/sale of the franchise to CMC.

On May 30, 2023, House Bill No. 8445 was filed for renewal of the legislative franchise of CMC for another twenty-five (25) years. However, due to lack of material time, the measure was not approved.

This bill seeks to grant a new franchise to CMC for a term of twenty-five (25) years. This will allow them to continuously deliver news and public affairs, health, education, and music and entertainment programs that serve as platforms not only for public service, but also for listeners to share their stories and points of view.

In view of the foregoing, the immediate passage of this measure is earnestly sought.


JOSE MANUEL F. ALBA

Representative, 1ST District, Bukidnon

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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 Cagayan de Oro Media Corporation, hereunder referred to as the grantee, its successors or assignees, a franchise 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, including digital television system, through microwave, satellite or whatever means, as well as the use of any new technology in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations.

Sec. 2. *Manner of Operations 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 right to use its selected wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's services or the availability thereof.

Sec. 3. *Prior Approval of the National Telecommunications Commission (NTC).* - The grantee shall secure from the 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/television spectrum without having been authorized by 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 the Congress the revocation of the franchise for any violation of the provisions of this franchise.

Sec. 4. *Responsibility to the Public.* - The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations or facilities, to reach the population on important public issues; provide at all times sound and balanced programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations or facilities for the broadcasting of obscene and 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 the 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 airtime of each broadcasting network 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 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 the 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 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 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 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: *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; and 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 and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

Sec. 9. *Commitment to Provide and Promote the Creation of Employment Opportunities.* - The grantee shall create employment opportunities as well as accept on-the-job trainees in their radio and television station operations: *Provided*, That priority shall be accorded to the residents of the place where their principal office 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.

Sec. 10. *Sale, Lease, Transfer, Usufruct, etc.* - The grantee shall not lease, transfer, grant the usufruct of, sell 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 the controlling interest of the grantee be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. 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 constitutional provisions to encourage public participation in public utilities, the grantee shall offer at least thirty percent (30%) of its outstanding capital stock or a higher percentage that may hereafter be provided by law in any securities exchange in the Philippines within five (5) years from the time it has achieved the status of a national broadcasting network. A "national broadcasting network" is hereby defined as one that operates three or more radio and/or television stations. Noncompliance therewith shall render the franchise *ipso facto* revoked.

Sec. 12. *Reportorial Requirements.* - The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchise 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 roll-out development, operation and/or 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 the Congress shall be required before any application for permit or certificate is accepted by NTC.

Sec. 13. *Fine.* - Failure of the grantee to submit the requisite annual report to the Congress shall be penalized with a fine of Five Hundred Pesos (PhP500.00) 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 Bureau of the 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/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 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 the Congress of the Philippines when the public interest so requires and shall not be interpreted as an exclusive grant of the privilege herein provided for.

Sec. 16. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the remainder thereof not otherwise affected shall remain in full force and effect.

Sec. 17. *Repealing Clause.* - All laws, presidential decrees, executive orders, letters of instruction, proclamations, or

administrative orders, rules or regulations that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 18. *Effectivity Clause.* - This Act shall take effect immediately upon its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,