



HOUSE OF REPRESENTATIVES

H. No. 9001

BY REPRESENTATIVES ALBA, FERRER (J.), CORVERA, FORTES, MARAÑON, ROMAN, ALVAREZ (M.), OAMINAL (S.F.), LAGDAMEO (M.Y.M.), LAGDAMEO (J.M.), BAUTISTA (J.M.), LEGACION, ANGELES, BELTRAN, SANTOS (M.A.), FERRER (A.), AYON, QUIMBO, GONZALES (R.), ARBISON (M. JR.), BENITEZ (J.M.), DAZA, LORIA, LUMAYAG, ONGCHUAN, RIVERA, ACOSTA, DE JESUS, DAGOOC, GONZALES (A.M.), BARONDA, RECTO, ORTEGA, RODRIGUEZ (M.) AND RODRIGUEZ (R.)

AN ACT

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

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Nature and Scope of Franchise.** – Subject to the provisions of the
2 Constitution and applicable laws, rules and regulations, there is hereby granted to
3 Cagayan De Oro Media Corporation, hereunder referred to as the Grantee, its
4 successors or assignees, a franchise to construct, install, establish, operate and
5 maintain for commercial purposes and in the public interest, radio and television
6 broadcasting stations in the Philippines, where frequencies and/or channels are still
7 available for radio and/or television broadcasting, through microwave, satellite or
8 whatever means including the use of any new technologies in television and radio
9 broadcasting systems, with the corresponding technological auxiliaries and facilities,
10 special broadcast and other program and distribution services and relay stations.

11
12 **SEC. 2. Manner of Operation of Stations or Facilities.** – The stations or
13 facilities of the Grantee shall be constructed and operated in a manner as will, at most,
14 result only in the minimum interference on wavelengths or frequencies of existing
15 stations or other stations which may be established by law, without in any way
16 diminishing its own right to use its selected wavelengths or frequencies and the quality
17 of transmission or reception thereon as should maximize rendition of the Grantee's
18 services and/or the availability thereof.

1 **SEC. 3. Prior Approval of the National Telecommunications Commission.**

2 – The Grantee shall secure from the National Telecommunications Commission (NTC)
3 the appropriate permits and licenses for the construction and operation of its stations
4 and facilities and shall not use any frequency in the radio/television spectrum without
5 having been authorized by the NTC. The NTC, however, shall not unreasonably
6 withhold or delay the grant of any such authority.

7
8 In case of any violation of the provisions of this franchise, the NTC shall have
9 the authority to revoke or suspend, after due process, the permits or licenses it issued
10 pursuant to the franchise. The NTC may recommend to Congress of the Philippines
11 the revocation of the franchise for any violation of the provisions of this franchise.

12
13 **SEC. 4. Responsibility to the Public.** – The Grantee shall provide, free of
14 charge, adequate public service time which is reasonable and sufficient to enable the
15 government, through the broadcasting stations or facilities of the Grantee, to reach the
16 pertinent populations or portions thereof, on important public issues and relay
17 important public announcements and warnings concerning public emergencies and
18 calamities, as necessity, urgency, or law may require; provide at all times sound and
19 balanced programming; conform to the ethics of honest enterprise; promote public
20 participation; assist in the functions of public information and education; promote
21 audience sensibility and empowerment including closed captioning; and not use its
22 stations or facilities for the broadcasting of obscene and indecent language, speech,
23 act or scene, the dissemination of deliberately false information or willful
24 misrepresentation, to the detriment of the public interest, or to incite, encourage or
25 assist in subversive or treasonable acts.

26
27 Public service time referred herein shall be equivalent to a maximum aggregate
28 of ten percent (10%) of paid commercials or advertisements which shall be allocated
29 based on need to the Executive and Legislative branches, the Judiciary, Constitutional
30 Commissions, and international humanitarian organizations duly recognized by
31 statutes: *Provided*, That the NTC shall increase the public service time in case of
32 extreme emergency or calamity. The NTC shall issue rules and regulations for this
33 purpose, the effectivity of which shall commence upon applicability with other similarly
34 situated broadcast network franchise holders.

35
36 Pursuant to Republic Act No. 8370, otherwise known as the "Children's
37 Television Act of 1997", the Grantee shall allot a minimum fifteen percent (15%) of the
38 daily total airtime of each broadcasting network or station to child-friendly shows within
39 its regular programming.

1 **SEC. 5. Right of Government.** – The radio spectrum is a finite resource that is
2 a part of the national patrimony and the use thereof is a privilege conferred upon the
3 Grantee by the State and may be withdrawn anytime after due process.

4 A special right is hereby reserved to the President of the Philippines, in times of
5 war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and
6 order, to temporarily take over and operate the stations or facilities of the Grantee, to
7 temporarily suspend the operation of any station or facility in the interest of public
8 safety, security and public welfare, or to authorize the temporary use and operation
9 thereof by any agency of the government, upon due compensation to the Grantee, for
10 the use of said stations or facilities during the period when they shall be so operated.

11
12 **SEC. 6. Term of Franchise.** – This franchise shall be for a term of twenty-five
13 (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled.
14 This franchise shall be deemed *ipso facto* revoked in the event the Grantee fails to
15 operate continuously for two (2) years.

16
17 **SEC. 7. Self-regulation by and Undertaking of Grantee.** – The Grantee shall
18 not require any previous censorship of any speech, play, act or scene, or other matter
19 to be broadcast from its stations, but if any speech, play, act or scene, or other matter
20 should constitute a violation of the law or infringement of a private right, the Grantee
21 shall be free from any liability, civil or criminal, for such speech, play, act or scene, or
22 other matter: *Provided*, That the Grantee, during any broadcast, shall cut off the airing
23 of speech, play, act or scene, or other matter being broadcast if the tendency thereof
24 is to propose and/or incite treason, rebellion or sedition; or the language used therein
25 or the theme thereof is indecent or immoral: *Provided, further*, That willful failure to do
26 so shall constitute a valid cause for the cancellation of this franchise.

27
28 **SEC. 8. Warranty in Favor of the National and Local Governments.** – The
29 Grantee shall hold the national, provincial, city, and municipal governments of the
30 Philippines free from all claims, liabilities, demands, or actions arising out of accidents,
31 causing injury to persons or damage to properties, during the construction or operation
32 of the stations of the Grantee.

33
34 **SEC. 9. Commitment to Provide and Promote the Creation of Employment**
35 **Opportunities.** – The Grantee shall create employment opportunities and shall allow
36 on-the-job training in its franchise operation: *Provided*, That priority shall be accorded
37 to the residents of the place where its principal office is located: *Provided, further*, That
38 the Grantee shall follow the applicable labor standards and allowance entitlement
39 under existing labor laws, rules and regulations and similar issuances.

40
41 The employment opportunities or jobs created shall be reflected in the General
42 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
43 (SEC) annually.

1 **SEC. 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.**

2 – The Grantee shall not sell, lease, transfer, grant the usufruct of, or assign this
3 franchise or the rights and privileges acquired thereunder to any person, firm,
4 company, corporation, or other commercial or legal entity, or merge with any other
5 corporation, or entity, or transfer the controlling interest of the Grantee, whether as a
6 whole or in part, and whether simultaneously or contemporaneously, to any such
7 person, firm, company, corporation, or entity without the prior approval of Congress:
8 *Provided*, That Congress shall be informed of any sale, lease, transfer, grant of
9 usufruct, or assignment of franchise or the rights and privileges acquired thereunder,
10 or of the merger, or transfer of the controlling interest within sixty (60) days after the
11 completion of said transaction: *Provided, further*, That any such sale, transfer, or
12 assignment is in accordance with the constitutional limitations: *Provided, furthermore*,
13 That failure to report to Congress such change of ownership shall render the franchise
14 *ipso facto* revoked: *Provided, finally*, That any person or entity to which this franchise
15 is sold, transferred, or assigned, shall be subject to the same conditions, terms,
16 restrictions, and limitations of this Act.
17

18 **SEC. 11. Dispersal of Ownership.** – In accordance with the constitutional
19 provision encouraging public participation in public utilities, the Grantee shall offer to
20 Filipino citizens at least thirty percent (30%) of its outstanding capital stock, or a higher
21 percentage that may hereafter be provided by law, in any securities exchange in the
22 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases
23 where public shares is not applicable, other methods of encouraging public
24 participation by citizens and corporations operating public utilities must be
25 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
26

27 **SEC. 12. Reportorial Requirement.** – The Grantee shall submit an annual
28 report to the Congress of the Philippines, through the Committee on Legislative
29 Franchises of the House of Representatives and the Committee on Public Services of
30 the Senate, on its compliance with the terms and conditions of the franchise and on its
31 operations on or before April 30 of every year during the term of its franchise.
32

33 The annual report shall include an update on the roll-out, development,
34 operation and/or expansion of business; audited financial statements; latest GIS
35 officially submitted to the SEC, if applicable; certification of the NTC on the status of
36 its permits and operations; and an update on the dispersal of ownership undertaking,
37 if applicable.
38

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

1 **SEC. 13. *Fine.*** – The failure of the Grantee to submit the requisite annual report
2 to Congress shall be penalized with a fine in the amount of Five hundred pesos
3 (P500.00) per working day of non-compliance which shall be collected by the NTC.
4 The fine shall be collected separately from the reportorial penalties imposed by the
5 NTC and shall be remitted to the Bureau of the Treasury.

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

16
17 **SEC. 15. *Repealability and Non-exclusivity Clause.*** – This franchise shall be
18 subject to amendment, alteration, or repeal by Congress when public interest so
19 requires and shall not be interpreted as an exclusive grant of the privileges herein
20 provided.

21
22 **SEC. 16. *Separability Clause.*** – If any of the sections or provisions of this Act is
23 held invalid, all other provisions not affected thereby shall remain valid.

24
25 **SEC. 17. *Repealing Clause.*** – All laws, presidential decrees, executive orders,
26 letters of instruction, administrative rules and regulations or parts thereof, which are
27 contrary to or inconsistent with the provisions of this Act, are hereby repealed or
28 modified accordingly.

29
30 **SEC. 18. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
31 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,