

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 4343

Introduced by Representative Benhur I. Salimbangon

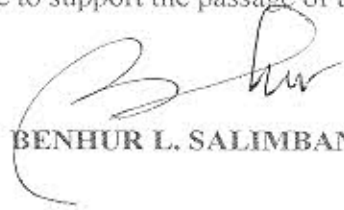
EXPLANATORY NOTE

Philippine Broadcasting Corporation (PBC) operates radio stations both in the FM and AM bands. It maintains DWCM in Dagupan City, DWSP in Itogon, Benguet, DWMT in Naga City, and DZNL in San Fernando City, La Union in the AM band. PBC also owns and operates DYRW - FM in Argao, Cebu, 88.7 MHz in Ba-ao, Camarines Norte, DWGL - FM in Bayombong, Nueva Vizcaya, DXYR - FM in Cagayan De Oro City, DYMB* - FM in Iloilo City, DWIL - FM in Laoag City and DWTR - FM in Santiago City.

As most PBC radio stations follow a mestizo program format, that is, music and news and public affairs, PBC has become instrumental in the bridging the gap between the government and the citizens. With programs that do not only bring people local news but also provide airtime for public opinions, criticisms, and demands for explanations and quick action, PBC radio stations have become a good medium to persuade government agencies, mired in bureaucratic inaction, into doing their jobs.

Likewise, as PBC radio stations are strategically located in rural areas, the network has become the local government units' partners in keeping residents in the most remote areas of the country informed especially in times of disasters when most means of communications are down.

Indeed, despite advances in information technology, radio remains relevant and a resilient and most reliable medium of communication. PBC having been compliant with the conditions of its franchise, the author encourages everyone to support the passage of this bill.



BENHUR L. SALIMBANGON

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AN ACT RENEWING THE FRANCHISE GRANTED TO PHILIPPINE BROADCASTING CORPORATION UNDER REPUBLIC ACT 7962, ENTITLED "AN ACT GRANTING THE PHILIPPINE BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS WITHIN THE PHILIPPINES, AND FOR OTHER PURPOSES"

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

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to Philippine Broadcasting Corporation under Republic Act No. 7962 entitled "An Act Granting the Philippine Broadcasting Corporation a Franchise to Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations Within the Philippines, and for Other Purposes", hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, operate and maintain for commercial purposes and in the public interest radio and television broadcasting stations in the Philippines with the corresponding technological auxiliaries or facilities, special broadcast and other broadcast distribution services and relay stations, and to construct, install, operate and maintain communication facilities for the grantee's private use in its broadcast services and relay stations in the Philippines, is hereby renewed for another twenty-five (25) years from the approval of this Act.

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 as should maximize rendition of the grantee's services and/or 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 and facilities and shall not use any frequency in the radio/television spectrum without authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

SEC. 4. *Responsibility to the Public.* – The grantee shall provide adequate public service time to enable the government, through the said broadcasting station, 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 and 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.

SEC. 5. *Right of Government.* – 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 said 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 approval 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. *Acceptance and Compliance.* – Acceptance of this new franchise shall be given in writing 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, within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

SEC. 8. *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 *per centum* (30%) or a higher percentage that may hereafter be provided by law of its outstanding capital stock in any securities exchange in the Philippines within five (5) years from approval of this renewal: *Provided*, That in cases where public offer of shares is not applicable, establishment of cooperatives and 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. 9. *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: *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: *Provided, further*, That willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 10. *Warranty in Favor of National and Local Governments.* – The grantee shall hold the national, provincial, city and municipal governments of the Philippines free 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. 11. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – 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: *Provided*, That Congress shall be informed of any lease, transfer, granting the usufruct of, sale or assignment of franchise or the rights and privileges acquired thereunder, or of the merger, or transfer of controlling interest of the grantee, within sixty (60) days after the completion of said transaction: *Provided, further*, That failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*, That 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. 12. *General Broadcast Policy Law.* – The grantee shall comply with and be subject to the provisions of a general broadcast policy law, which Congress may hereafter enact.

SEC. 13. *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, however*, That the foregoing shall neither apply to nor affect provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise, or the type of service authorized by the franchise: *Provided, further*, That the foregoing shall not apply to sale, lease, transfer, or grant of usufruct of legislative franchise with prior congressional approval.

SEC. 14. *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. 15. *Repealability and Non-Exclusivity Clauses.* – 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 privileges herein provided for.

SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days sifter its publication in at least two (2) newspapers of general circulation.

Approved,