

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City



SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 4879

Introduced by **Representative HARLIN NEIL J. ABAYON III**

EXPLANATORY NOTE

This bill seeks to renew the franchise granted to Gateway U.H.F. Broadcasting, Inc., now Gateway Television Broadcasting, Inc. doing business under the name and style Hope Channel Philippines, under Republic Act No. 7223 entitled, "An Act Granting Gateway U.H.F. Television Broadcasting, Inc., a Franchise to Construct, Install, Operate and Maintain for Commercial Purposes UHF Television Broadcasting Stations in the Philippines, and for Other Purposes".

The Gateway Television Broadcasting, Inc. doing business under the name and style Hope Channel Philippines was formerly operated for commercial purposes until certain members of the Seventh-Day Adventist Church in the Philippines realized that the mission of the Seventh-Day Adventist Church of sharing God's good news for a better life will be better spread through broadcast media and decided to venture into television broadcasting by becoming part of the Gateway Broadcasting Television, Inc. in July 2012.

Since then, the commercial programming of Gateway Television Broadcasting, Inc. shifted and focused on faith, health, family, relationships and community based on the teachings of the Seventh-Day Adventist Church and thus was able to provide quality public service to the viewing public, with no distinction as to religious or political affiliations.

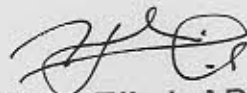
To formalize this departure from commercial programming, Gateway Television Broadcasting, Inc. resolved to transform itself from a stock to a non-stock and non-profit corporation, which the Securities and Exchange Commission (SEC) approved on 08 December 2016.

The transformation of the nature of Gateway Broadcasting Network, Inc. from commercial to non-stock and non-profit shows its faithful compliance and commitment to provide quality public service.

At present, the five (5) broadcast stations of Gateway Television Broadcasting, Inc. in Bacolod, Cagayan de Oro, Cebu, Davao and Mega Manila, offer to the viewing public a holistic concept of life by airing television programs which supports physical, mental and spiritual health.

Further, Gateway Broadcasting Network, Inc. answered the call of the Philippine Government to help eradicate the drug menace by broadcasting programs that are supportive of the rehabilitation efforts of the government.

In view of the foregoing, the approval of this bill is earnestly sought.



REP. HARLIN NEIL J. ABAYON III

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House Bill No. 4879

Introduced by **Representative HARLIN NEIL J. ABAYON III**

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS AND AMENDING THE FRANCHISE GRANTED TO GATEWAY U.H.F. TELEVISION BROADCASTING INC. NOW GATEWAY TELEVISION BROADCASTING, INC. DOING BUSINESS UNDER THE NAME AND STYLE HOPE CHANNEL PHILIPPINES, UNDER REPUBLIC ACT NO. 7223

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

SECTION 1. *Nature and Scope of Franchise.*— Section 1 of Republic Act No. 7223 is hereby amended to read as follows:

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 Gateway U.H.F. Television Broadcasting, Inc. now Gateway Television Broadcasting, Inc., doing business under the name and style Hope Channel Philippines, hereunder referred to as the grantee, its successors or assignees, under Republic Act No. 7223 entitled: "An Act Granting Gateway U.H.F. Television Broadcasting, Inc., a Franchise to Construct, Install, Operate and Maintain for Commercial Purposes UHF Television Broadcasting Stations in the Philippines, and for Other Purposes", to construct, install, establish, operate and maintain in the public interest and for religious, educational, charitable and socio-civic purposes, television and/or radio broadcasting stations, including digital television system, through microwave, satellite or whatever means, including the use of new technologies in radio and television systems, with the corresponding technological auxiliaries and facilities,

special broadcast and other program, and distribution services and relay stations in the Philippines, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

SECTION 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 the existing stations or other stations which may be established in accordance with law of other telecommunications services grantees without in anyway 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 and/or the availability thereof.

SECTION 3. *Prior Approval of the National Telecommunications Commission (NTC).*— The grantee shall secure from the NTC the appropriate permits and licenses for its stations 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.

SECTION 4. *Responsibility to the Public.*— The grantee shall provide reasonable public service time to enable the Government, through its 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 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.

SECTION 5. *Right of Government.*— A special right is hereby reserved to the President of the Philippines, in times of rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and operate the stations of the grantee, to temporarily suspend the operation of any station 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 use of said stations during the period when they shall be so operated.

The radio spectrum is finite resource that is a part of the National Patrimony and the use thereof is a privilege conferred upon the grantee by the House of Representatives and Senate and may be withdrawn any time after due process.

SECTION 6. *Term of Franchise.*— This franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act unless sooner

revoked or cancelled. In the event the grantee fails to operate continuously for two (2) years from the effectivity of this franchise or anytime thereafter, this franchise shall be deemed ipso facto revoked.

SECTION 7. Acceptance and Compliance. – Acceptance of this 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.

SECTION 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 percent (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 the commencement of its operations: 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.

SECTION 9. *Tax Provisions.*— The grantee, its successors or assigns, shall be subject to the payment of all taxes, duties, fees or charges and other impositions under the National Internal Revenue Code (NIRC) of 1997, as amended, and other applicable laws; *Provided*, that nothing herein shall be construed as repealing any specific tax exemptions, incentives or privileges granted under any relevant law; *Provided*, further, that all rights, privileges, benefits and exemptions accorded to existing and future broadcasting and telecommunications franchises shall likewise be extended to the grantee.

The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representatives in accordance with the National Internal Revenue Code. The Return shall be subject to audit by the Bureau of Internal Revenue.

SECTION 10. *Reportorial Requirement.*— The grantee shall submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and on its operations within sixty (60) days from the end of every year.

SECTION 11. *Self-regulations 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 and/or telecast 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 and/or

telecast, shall cut off from the air the speech, play, act or scene, or other matter being broadcast/telecast if the tendency thereof is to promote 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.

SECTION 12. *Warranty in Favor of 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.

SECTION 13. *Sale, Lease, Transfer, Usufruct, etc.*— The Grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise nor the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in part and whether simultaneously or contemporaneously, to any such private 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 validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

SECTION 14. *General Broadcast Policy.*— The grantee shall comply with and be subject to the provisions of a general broadcast policy law that may hereafter be enacted.

SECTION 15. *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 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.

SECTION 15. *Separability Clause.*— If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

SECTION 16. *Repealability and Non-exclusivity Clause.*— This franchise shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest so required and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SECTION 17. *Effectivity Clause.*— This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation.