



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City



EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3458

Introduced by
REPRESENTATIVES PANTALEON D. ALVAREZ AND ALAN R. DUJALI

AN ACT
GRANTING THE PROVINCIAL GOVERNMENT OF DAVAO DEL
NORTE A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE, AND MAINTAIN COMMERCIAL FM AND AM RADIO
AND TELEVISION BROADCASTING STATIONS IN MINDANAO

EXPLANATORY NOTE

Article II, Section 24 of the 1987 Constitution declares that "*The State recognizes the vital role of communication and information in nation building.*" After all, communication and information are the means through which the people are able to communicate with each other, with society, and with their governments. Thus, the State recognizes its importance in a democratic republic like the Philippines.

Despite the express recognition by no less than the Philippine Constitution, however, effective and efficient communication and dissemination of information has not been fully realized throughout the nation, especially in areas that are far away from Metro Manila. One such place is *Davao Del Norte*.

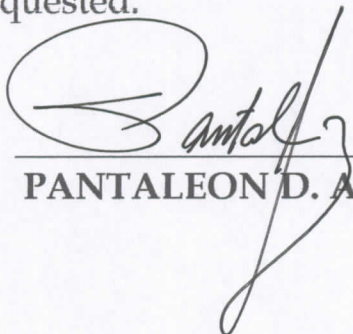
Presently, the Provincial Government of Davao Del Norte, in order to legally operate and maintain its broadcasting capabilities – especially in regard to public participation, disaster prevention and relief, education, and all other concerns which greatly benefit from a dependable broadcast

medium that is accessible to every citizen - *must* have a legislative franchise of its own. Unfortunately, as of date, it has *none*.

Thus, this bill seeks to grant the Provincial Government of Davao del Norte a franchise to construct, install, establish, operate, and maintain, for commercial FM and AM radio and television broadcasting stations, including digital television system for the province of Davao del Norte.

Once passed and enacted into law, the franchise will provide the Provincial Government, and its people, with more autonomy to chart their own destinies through economic and efficient communication of vital information without which delivery of services to the people shall be compromised.

Given the foregoing, the approval of this bill is hereby earnestly requested.



PANTALEON D. ALVAREZ



ALAN R. DUJALI



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*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 Constitution and applicable laws, rules, and regulations, there is hereby granted to the Provincial Government of Davao Del Norte, hereunder referred to as the grantee, its successors or assignees, a franchise to construct, install, establish, operate, and maintain, for commercial FM and AM radio and television broadcasting stations, including digital television system, through microwave, satellite, terrestrial or whatever means, including the use of any new technologies in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in the *Province of Davao Del Norte and the entire Mindanao area.*

SEC. 2. *Manner of Operation of 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 wavelength or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's service and/or availability thereof.

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

– The grantee shall secure from the National Telecommunications Commission (the "Commission") 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 section without having been authorized by the Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority.

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 population/s 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 through, but not limited to, closed captioning; and not use its stations or facilities for the broadcasting of obscene or indecent language, speech, act or scene; or for 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.

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 they shall also be operated.

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 anytime after due process.

SEC. 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. This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to comply with any of the following conditions:

- a. Commence operations within one (1) year from the approval of its operating permit by the Commission;
- b. Operate continuously for two (2) years; and
- c. Commence operations within three (3) years from the effectivity of this Act.

SEC. 7. *Acceptance and Compliance.* – Acceptance of this franchise shall be given in writing 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. *Bond.* – The grantee shall file a bond issued in favor of the Commission, which shall determine the amount, to the guarantee the compliance with and fulfillment of the conditions under which this franchise is granted. If after three (3) years from the date of the approval of its permit by the Commission, the grantee shall have fulfilled the same, the bond shall be cancelled. Otherwise, the bond shall be forfeited in favor of the government and 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 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 shall constitute a valid cause for the cancellation of this franchise.

SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The grantee shall not sell, lease, transfer, grant the 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 shall transfer the controlling interest of the grantee, whether as a whole or in part, and whether simultaneously or contemporaneously, to any person, firm, company, corporation, or entity without the prior approval of the Congress of the Philippines and compliance with legal requirements stipulated in other statutes.

SEC. 11. *Renewal, Extension, or Revocation of Franchise.* – The grantee shall apply for the renewal or extension of its franchise five (5) years before its expiration date which shall be reckoned fifteen (15) days after the publication of the franchise in the *Official Gazette* or in a newspaper of general circulation, whichever comes earlier.

This franchise may be revoked by Congress when the public interest so requires or when the grantee fails to reasonably comply with regulatory standards.

SEC. 12. *Commitment to Provide and Promote the Creation of Employment Opportunities.* – The grantee shall create employment opportunities and shall allow on-the-job trainings in their franchise operation: *Provided*, That priority shall be accorded to the residents where their principal office is located: *Provided, finally*, That the grantee shall follow applicable Civil Service rules and regulation and similar issuances.

SEC. 13. *Reportorial Requirement.* – The grantee shall submit an annual report 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 its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of the succeeding year.

SEC. 14. *Applicability of Existing Laws.* – The grantee shall comply with and be subject to the provisions of Commonwealth Act No. 146, or the “Public Service Act”, as amended.

SEC. 16. *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 privileges herein provided for.

SEC. 17. *Separability Clause.* – If any of the sections or provision of this Act is held invalid, all other provision not affected thereby shall remain valid.

SEC. 18. *Repealing Clause.* – All laws, decrees, orders, resolutions, instructions, and rules and regulations or parts thereof, which are inconsistent with this Act, are hereby deemed repealed or modified accordingly.

SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,