

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
Second Regular Session

House Bill No. **4180**



Introduced by **Honorable Gil P. Acosta**

EXPLANATORY NOTE

This bill seeks to renew the franchise granted to DXRA – RMC (RIZAL MEMORIAL COLLEGES).

RA 8159 granted DXRA – RMC to construct, establish, operate and maintain a commercial radio broadcasting station in the Philippines. It is not only operating commercially but is also involved in public service. RMC Broadcasting Corporation has been a long time partner of the State in providing traditional public service inherent in and among broadcast media networks. It allows people from all walks of life the opportunity to air vital information and concerns, and it also contributes to the coffers of the government in the form of taxes and fees paid to the National Telecommunications Commission.

Article II, Section 24 of the 1987 Constitution provides that “The State recognizes the vital role of communication and information in nation building.” Communication indeed plays a vital role in the development and growth of our country.

The renewal of RMC’s franchise is needed for its continuing operation to fully assist the government in disseminating information to the people.

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

A handwritten signature in black ink, appearing to read 'Gil P. Acosta', with a stylized flourish at the end.

Gil "Kabarangay" P. Acosta
Representative, 3rd District of Palawan

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1 **An act Renewing the Franchise Granted to DXRA-RMC (Rizal Memorial**
2 **Colleges) Broadcasting Corporation to construct, establish, operate and**
3 **maintain a commercial radio broadcasting station in the Philippines, and**
4 **for other purposes under Republic Act Numbered Eight One Hundred**
5 **Fifty Nine to another Twenty-five (25) years**
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8 Be it enacted by the Senate and House of Representatives of the Philippines in
9 Congress assembled:

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11 SECTION 1. Nature and Scope of Franchise. - Subject to the provisions of the
12 1987 Philippine Constitution and applicable laws, rules and regulations, the
13 franchise granted to DXRA-RMC (Rizal Memorial Colleges) Broadcasting
14 Corporation under Republic Act No. 8159, entitled "An Act Granting the
15 DXRA-RMC (Rizal Memorial Colleges) Broadcasting Corporation a Franchise
16 To Construct, Establish, Operate and Maintain a Commercial Radio
17 Broadcasting Station in the Philippines, and for other purposes", is hereby
18 renewed for another twenty-five (25) years from the effectivity of this Act.
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20 SECTION 2. Manner of Operation of Stations or Facilities. - The stations or
21 facilities of the grantee shall be constructed and operated in a manner as will, at
22 most, result only in the minimum interference on the wavelengths or
23 frequencies of existing stations or other stations which may be established by
24 law, without in any way diminishing its own right to use its selected
25 wavelengths or frequencies and the quality of transmission or reception thereon
26 as should maximize rendition of the grantee's services and or the availability
27 thereof.
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SECTION 3. Prior Approval of the National Telecommunications Commission. -The grantee shall secure from the National Telecommunications Commission (NTC), the appropriate permits and licenses for its stations and facilities and shall not use any frequency in the radio 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 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 and facilities for the broadcasting of obscene and indecent language, speech, act or scene ; or of 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 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 the public safety, security and public welfare; or to authorize the temporary use and operation thereof by any agency of the government, upon due the compensation to the grantee, for the use of said stations or facilities during the period when they shall be so operated.

SECTION 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.

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 Franchise of the House of Representatives and the Committee on Public Services of the Senate within (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. Tax Provisions. - The grantee, its successors or assigns, shall be liable to pay the same taxes on the real estate, buildings and personal property,

exclusive of this franchise, as other persons or corporations are now or hereafter maybe required by law to pay. In addition thereto, the grantee, its successors or assigns, shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the radio business transacted under this franchise by the grantee, its successors or assigns: Provided, That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No.72 unless the later enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

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, and the return shall be subject to audit by the Bureau of Internal Revenue.

SECTION 9. Warranty in Favor of National and Local Government. - 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.

SECTION 10. Sale, Lease, Transfer, Usufruct, or Assignment of Franchise. - The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or to 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 the franchise is sold, transferred or assigned, shall be subject to all the same conditions, terms, restrictions, and limitations of the Act.

SECTION 11. 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.

SECTION 12. Equality Clause. - Any advantage, favor, privilege, exemption, or immunity granted under existing franchises or which may hereafter be granted for radio 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 or the type

111 of service authorized by the franchise: Provided further, that the foregoing shall
112 not apply to sale, lease, transfer or grant of usufruct of legislative franchise with
113 prior congressional approval.

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115 SECTION 13. Separability Clause. - If any of the sections or provisions of this
116 Act is held invalid, all other provisions not affected thereby shall remain valid.

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118 SECTION 14. Repealability and Nonexclusivity Clause. - This franchise shall
119 be subject to amendment, alteration, or repeal by the Congress of the
120 Philippines when the public interest so requires and shall not be interpreted as
121 an exclusive grant of the privileges herein provided for.

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123 SECTION 15. Effectivity. - This Act shall take effect fifteen (15) days after its
124 publication in the Official Gazette or in a newspaper of general circulation.

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126 Approved,
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