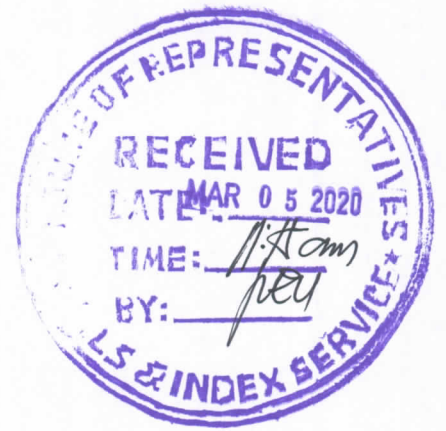


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6494



Introduced by REP. PAOLO Z. DUTERTE, REP. ERIC G. YAP & REP. SANDRO L. GONZALEZ

EXPLANATORY NOTE

The Mount Apo Science Foundation College, Inc. (MASFCI), formerly Mt. Apo Science Foundation School and Mt. Apo Science Foundation Junior College, is a private higher educational institution founded in 1959 and specializes in the field of agriculture. It particularly offers a CHED-recognized Diploma in Agricultural Technology (DAT) scholarship program for qualified less-privileged undergraduate students. All students enjoy free tuition and board at the college.

The Mount Apo Science Foundation College, Inc. is a non-sectarian, private non-stock, non-profit corporation with a campus located at Eden-Bayabas, Toril, Davao City and offices at C. Bangoy corner Palma Gil Street, Davao City .

The Corporation is divided into two (2) divisions, the Education Division, covering the academic programs and activities of the College, and the Broadcasting Division, which operates its radio network to augment the finances in operating the school.

The College's radio network operates using the trade name Mt. Apo Broadcasting System (MBS). It is engaged in radio broadcasting by virtue of the passing of R.A. 8085 into law on July 6, 1995.

It presently operates three (3) FM stations and One (1) AM station in Mindanao:

<u>Stations</u>	<u>Location</u>	<u>Frequency</u>
FM Stations:		
DXKR-FM	Davao City	95.5 MHz.
DXAY-FM	Digos City	92.7 MHz.
DXAZ-FM	Kidapawan City	92.9 MHz.
• An application to operate an FM station in Tagum City is pending at the National Telecommunications Commission (NTC)		
AM Station:		
DXUM-AM	Davao City	819 KHz.

Mt. Apo Broadcasting System was granted a Congressional Franchise on June 21, 1969 under Republic Act 5803 authorizing Mount Apo Science Foundation School, Inc. to establish, maintain and operate radio broadcasting and television stations in the Island of Mindanao. The privileges of the franchise and the establishment of radio stations, however, were not immediately realized due to broadcast restrictions brought about by the imposition of Martial Law in 1972. In 1975, radio operations commenced upon the transfer of DXUM-AM to MBS. In 1994, MBS applied for a new franchise filed by Hon. Elias B. Lopez. Said bill became a law on July 6, 1995 as R.A. 8085 to expire twenty five (25) years later.

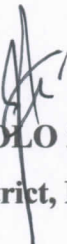
Under R.A. 8085, MBSI established the following broadcasting stations, all currently in operation:


<u>Radio Station</u>	<u>Year Started</u>	<u>Location</u>	<u>Status</u>
DXUM	1995	Davao City	Acquired from UMBN. In Operation.


DXKR	2009	Davao City	Acquired from Exodus Broadcasting Company, Inc. in 2009. In Operation.
DXAY	2017	Digos City	Granted NTC PERMIT NO. BSD-0044-2017. In Operation.
DXAZ	2017	Kidapawan City	Granted NTC PERMIT NO. BSD-0045-2017. In Operation.

- *Application for FM Station in Tagum City still pending at the National Telecommunications Commission*

In order to retain the broadcasting privileges of the Mount Apo Science Foundation College, Inc., the approval of this bill is earnestly sought.


HON. PAOLO Z. DUTERTE
1ST District, Davao City


HON. ERIC G. YAP
ACT-CIS Party-List


HON. SANDRO L. GONZALEZ
MARINO Party-List

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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EIGHTEENTH CONGRESS
First Regular Session
6494
HOUSE BILL NO. _____

Introduced by **REP. PAOLO Z. DUTERTE, HON. ERIC G. YAP & HON. SANDRO L. GONZALEZ**

AN ACT
RENEWING THE FRANCHISE GRANTED TO THE MOUNT APO SCIENCE FOUNDATION SCHOOL, INC., UNDER REPUBLIC ACT NO. 8085 ENTITLED “AN ACT GRANTING THE MOUNT APO SCIENCE FOUNDATION SCHOOL, INC., A FRANCHISE TO ESTABLISH, MAINTAIN AND OPERATE RADIO BROADCASTING AND TELEVISION STATION IN THE ISLAND OF MINDANAO” FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT

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 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise
3 granted to The Mount Apo Science Foundation School, Inc., hereunder referred to as the
4 grantee, its successors or assignees, under Republic Act No. 8170 entitled “**AN ACT**
5 **GRANTING THE MOUNT APO SCIENCE FOUNDATION SCHOOL, INC., A**
6 **FRANCHISE TO ESTABLISH, MAINTAIN AND OPERATE RADIO**
7 **BROADCASTING AND TELEVISION STATION IN THE ISLAND OF**
8 **MINDANAO**”, to construct, install, establish, operate, and maintain for commercial
9 purposes and in the public interest, radio and/or television broadcasting stations, where
10 frequencies and/or channels are still available for radio and/or television broadcasting,
11 including digital television system through microwave satellite or whatever means,
12 including the use of any technologies in television and radio systems with the
13 corresponding technological auxiliaries and facilities special broadcast and other
14 program and distribution services and relay stations in the PHILIPPINES, is hereby
15 renewed for another twenty-five (25) years from the effectivity of this Act.

1 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or facilities
2 of the grantee shall be constructed or operated in a manner as will, at most, result only
3 in the minimum interference on the wavelengths or frequencies of existing stations or
4 other stations which may be established by law, without in any way diminishing its on
5 privilege to use its assigned wavelengths or frequencies and the quality of transmission
6 or reception thereon should maximize rendition of the grantee's services and/or the
7 availability thereof.

8 SEC. 3. *Prior Approval of the National Telecommunications Commission.* – The
9 grantee shall secure from the National Telecommunications Commissions (NTC) the
10 appropriate permits and licenses for the construction and operation of its station and
11 facilities and shall not use any frequency in the radio/television spectrum without
12 authorization from the NTC. The NTC, however, shall not unreasonably or delay the
13 grant of any such authority.

14 SEC. 4. *Responsibility to the Public.* – The grantee shall provide adequate public
15 service time to enable the government, through the said broadcasting station or
16 facilities, to reach the population on important issues; provides at all times sound and
17 balanced programming; assist in the functions of public information and education;
18 conformed to the ethics of honest enterprise; and not use its stations and facilities for the
19 broadcasting of obscene and indecent language, speech, act or scene, or for the
20 dissemination of deliberately false information or willful misrepresentation, to the
21 detriment of the public interest or to incite, encourage, or assist in subversive or
22 treasonable acts.

23 SEC. 5. *Right of Government.* – A special right is hereby reserved to the
24 President of the Philippines, in times of war, rebellion, public peril, calamity, emergency,
25 disaster or disturbance of peace and order, to temporarily take over and operate the
26 stations and facilities of the grantee; to temporarily suspend the operation of any station
27 or facility in the interest of public safety, security and public welfare; or to authorize the
28 temporary use and operation thereof by any agency of the government, upon due
29 compensation to the grantee, for the use of its stations or facilities during the period
30 when they shall be so operated.

1 The radio spectrum is a finite resource that is part of the national patrimony and the use
2 thereof is a privilege conferred upon the grantee by the State and maybe withdrawn
3 anytime after due process.

4 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a period of
5 twenty-five (25) years from the effectivity of the Act, unless sooner revoked or
6 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee
7 fails to operate continuously for two (2) years.

8 SEC. 7. *Acceptance and Compliance.* – Acceptance of this new franchise shall be
9 given in writing to the Congress of the Philippines through the Committee on Legislative
10 Franchises of the House of Representatives and the Committee on Public Services of the
11 Senate, within sixty (60) days from the effectivity of this Act. Upon giving such
12 acceptance, the grantee shall exercise the privileges granted under this Act. Non-
13 acceptance shall render the franchise void.

14 SEC. 8. *Self-regulation by and Undertaking of Grantee.* – The grantee shall not
15 require any previous censorship of any speech, play, act or scene, or other matter to be
16 broadcast from its stations: *Provided*, That the grantee, during any broadcast, shall cut
17 off from the air the speech, play, act or scene, or other matter to be broadcast if the
18 tendency thereof is to propose and/or incite treason, rebellion or sedition; or the language
19 used therein or the theme thereof is indecent or immoral: *Provided, further*, that willful
20 failure to do so shall constitute a valid cause for the cancellation of these franchise.

21 SEC. 9. *Warranty in Favor of National and Local Governments.* – The grantee
22 shall hold the national, provincial, city and municipal governments of the Philippines
23 free from all claims, accounts, demands, or actions arising out of accidents or injuries,
24 whether to property or persons, caused by the construction or operation of the stations of
25 the grantee.

26 SEC. 10. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* –
27 The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or
28 the rights and privileges acquired thereunder to any person, firm, company, corporation
29 or other commercial or legal entity, nor merge with any other corporation or entity, nor

1 shall transfer the controlling of the grantee, whether as a whole or parts, whether
2 simultaneously or contemporaneously, to any such person, firm, company, corporation or
3 entity, without the prior approval of the Congress of the Philippines: *Provided*, That
4 Congress shall be informed of any sale, lease, transfer, grant the usufruct of, or
5 assignment of franchise or the rights or privileges acquired under, or the merger, or the
6 transfer of the controlling interest of the grantee, within sixty (60) days after the
7 completion of said transaction: *Provided, further*, That failure to report Congress such
8 change of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*,
9 That any person or entity to which this franchise is sold, transferred or assigned, shall be
10 subject to the same conditions, terms, restrictions, and limitations of this Act.

11 SEC. 11. *Dispersal of Ownership*. – In accordance with the constitutional
12 provisions to encourage public participation in public utilities, the grantee shall offer to
13 Filipino citizens at least thirty per cent (30%) or a higher percentage that may hereafter
14 be provided by law of its outstanding capital stock in any securities exchange in the
15 Philippines within five (5) years from the commencement of its operations: *Provided*,
16 That in cases where public offer of shares is not applicable, establishment of
17 cooperatives and other methods of encouraging public participation by citizens and
18 corporations operating public utilities must be implemented. Non-compliance therewith
19 shall render the franchise *ipso facto* revoked.

20 SEC. 12. *General Broadcast Policy Law*. – The grantee shall comply with and
21 this subject to the provisions of a general broadcast policy law, which Congress may
22 hereafter enact.

23 SEC. 13. *Reportorial Requirement*. – The grantee shall submit an annual report to
24 the Congress of the Philippines, through the Committee on Legislative Franchise of the
25 House of Representative and the Committee on Public Services of the Senate, on its
26 compliance with the terms and conditions of the franchise and on its operations on or
27 before April 30 of every year during the term of its franchise. The reportorial compliance
28 certificate issued by Congress shall be required before any application for permit or
29 certificate is accepted by the NTC.

1 SEC. 14. *Penalty Clause.* – Failure of the grantee to submit the requisite annual
2 report to Congress will be penalized by a fine in the amount of Five hundred pesos
3 (P500.00) per working day of noncompliance. The fine will be collected by the NTC
4 from the delinquent franchise grantee separate from the reportorial penalties imposed by
5 the NTC.

6 SEC. 15. *Equality Clause.* – Any advantage, favor, privilege, exemption, or
7 immunity granted under existing franchises, or which may hereafter be granted for radio
8 and/or television broadcasting, upon prior review and approval of Congress, shall
9 become part of this franchise and shall be accorded immediately and unconditionally to
10 the herein grantee: *Provided,* That the foregoing shall neither apply to nor affect the
11 provisions of broadcasting franchises concerning territory covered by the franchise, the
12 life span of the franchise or the type of service authorized by the franchise.

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

15 SEC. 17. *Repealability and Nonexclusivity Clause.* – This franchise shall be
16 subject to amendment, alteration, or repeal by the Congress of the Philippines when the
17 Public interest so requires and shall not be interpreted as an exclusive grant of the
18 privileges herein provided for.

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

21 Approved,