

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6724



Introduced by Hon. Manuel "Chiquiting" T. Sagarbarria

EXPLANATORY NOTE

This bill seeks the renewal of the Legislative Franchise granted to Franciscan Broadcasting Corporation under RA 8736 which was passed into law on July 26, 1997.


The Franciscan Broadcasting Corporation, also known as DYWC 801 AM kHz, is a Filipino owned and managed media broadcasting company. Its primary purpose is to use the word of the Church as an instrument to evangelize, communicate, and serve the people of Negros Oriental through broadcasting and technology.

Its audience hail from different areas of Negros Oriental, Northwestern Cebu, Siquijor and Northern Mindanao. As years pass by, DYWC 801 AM kHz stayed true to its mission withstanding the changing times. The radio station has been home to communities seeking relevant information and entertainment. It has been catering to the needs and cries of the grassroots through evangelization and accessible communication ever since its establishment.

Among its greatest and distinct achievements are the following: 1) provided an active dialogue for its listeners on national and local issues 2) strengthened the cultural background of the people, 3) assisted government agencies in information dissemination, 4) provided entertainment, and 5) brought the Christian message into the homes of its listeners. With the goal to develop into a more inclusive and accessible broadcasting station, the Franciscan Broadcasting Corporation has established a relay station, DYWC HAPPY FM 104, to reach rural and far-flung communities in the province of Negros Oriental. Indeed, it has recognized that broadcasting contributes to the overall development of the people and their communities through social awareness and education.

In the spirit of sincere service to the people, most especially to the vulnerable and marginalised, and promotion of greater social awareness and responsibility, DYWC 901 AM kHz will continuously improve and develop its radio station through meaningful broadcasting while upholding its mission and meaning: DYWC – Do Your Work for Christ.

From the foregoing, it is earnestly sought that this bill be immediately approved.


MANUEL "CHIQUITING" T. SAGARBARRIA
Representative, Second District, Negros Oriental

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AN ACT
RENEWING THE FRANCHISE GRANTED TO FRANCISCAN BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8736 ENTITLED "AN ACT GRANTING THE FRANCISCAN BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES WHERE FREQUENCIES AND/OR CHANNELS ARE STILL AVAILABLE FOR RADIO BROADCASTING" 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:

SECTION. 1. *Nature and Scope of Franchise.* – Subject to the provision of the Constitution and applicable laws, rules and regulations, the franchise granted to Franciscan Broadcasting Corporation, its successors or assignees under Republic Act No. 8736 to construct, install, establish, operate, and maintain for educational, religious, cultural, commercial purposes and in the public interest, radio broadcasting stations where frequencies and/or channels are still available for radio broadcasting, through microwave, satellite or whatever means, including the use of any new technology in radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay station in Dumaguete and other areas in the Visayas and Mindanao, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

SEC. 2. *Manner of Operation of Station or Facilities.* – The stations or facilities of the grantee shall be constructed and operated in a manner as will, at most, result only in 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 or 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 the 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 or facilities and shall not use any frequency in the radio 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, 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 populations or portions thereof, on important public issues; provide at all times sound and balanced programming; 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 including 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 wilful misrepresentation, to the detriment to the public interest; or to incite, encourage, or assist in subversive or treasonable acts.

Public service time referred herein shall be equivalent to a maximum aggregate of ten (10%) percent of the paid commercials or advertisements which shall be allocated based on need of the Executive and Legislative branches, the Judiciary, Constitutional Commissions and International humanitarian organization duly recognized by statutes: *Provided*, That the NTC shall issue public service time in case of extreme emergency or calamity. The NTC shall issue rules and regulations for this purpose, the effectivity of which shall commence upon applicability with other similarity situated broadcast network franchise holders.

SEC. 5. *Right of the Government.* – 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 any time after due process.

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 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 operate continuously for two (2) years.

SEC. 7. *Self-regulation by and Undertaking of the 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 or incite treason, rebellion or sedition; or the language used therein or the theme thereof is indecent or immoral: *Provided, further,* That wilful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 8. *Warranty in Favor of the National and Local Governments.* – The grantee shall hold the national, provincial, city, and municipal governments of the Philippines free from all claims, liabilities, demands, or actions arising out of accidents causing injury to persons or damage to properties, during the construction or operation of the stations of the grantee.

SEC. 9. *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 the priority shall be accorded to the residents in areas where any of its offices is located: *Provided further,* That the grantee shall comply with the applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances: *Provided, finally,* That the employment opportunities or jobs created shall be reflected in the General Information Sheet to be submitted to the Securities and Exchange Commission (SEC) annually.

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 merge with any other corporation or 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 requirement stipulated in other statutes: *Provided,* 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. 11. *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, the grantee shall apply other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law. Noncompliance therewith shall render the franchise *ipso facto* revoked.

SEC. 12. *Reportorial Requirement.* – During the term of its franchise, 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 every year.

The annual report shall include an update on the roll-out, development, operation, or expansion of business; audited financial statement; latest General Information Sheet officially submitted to SEC (if applicable); certification of the NTC on the status of its permits and operations; and update on the dispersal of ownership undertaking, if applicable.

The reportorial compliance certificate issued by Congress shall be required before an application for permit, certificate, or any equivalent thereof, is accepted by the NTC.

SEC. 13. *Fine.* – Failure of the grantee to submit the requisite annual report to Congress shall be penalized by a fine of Five hundred pesos (P500.00) per working day of noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC and the same shall be remitted to the National Treasury.

SEC. 14. *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*, That the foregoing shall neither apply to nor affect provisions of broadcasting franchises concerning territorial coverage, the term, or the type of service authorized by the franchise.

SEC. 15. *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. 16. *Separability Clause.* – If any sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SEC. 17. *Repealing Clause.* – All laws, decrees, orders, resolutions, instructions, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

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

Approved,