

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

Seventeenth Congress
First Regular Session

HOUSE BILL NO. 3903



Introduced by Hon. Frederick F. Abueg

EXPLANATORY NOTE

The proposed bill was originally introduced as House Bill No. 4264 by then Representatives Victorino Dennis M. Socrates, Antonio C. Alvarez and Ponciano D. Payuyo all of Palawan, during the 15th Congress where it was referred to the Committee on Legislative Franchises.

This bill seeks to grant the Truth in Governance thru Media (TGM) Broadcasting Network a franchise to construct, install, establish, operate and maintain radio and television broadcasting stations in the city of Puerto Princesa and the province of Palawan.

Through radio and television communications, data are transmitted and disseminated to as wide a national and global audience in a short time possible. The essence of these channels is truly significant in maintaining the citizens abreast with the latest news and vital information happening within and outside the country.

TGM intends to fulfill its responsibility to the public by providing the residents of Palawan with adequate information service. Palawan emerges to be one of the fastest growing provinces in the country today. There is a great need to maintain well informed constituency on proper conservation while coping with growth and progress at hand. Through media coverage, TGM Broadcasting Network is significant in meeting the public interest of quality communication development in Palawan.

This bill is recommended for approval, consistent with Article II Section 24 of the 1987 Constitution which mandates that, "the State recognizes the vital role of communication and information in nation-building."

This is a re-filed bill during the 16th Congress authored by this representation. It has passed Second Reading in the plenary.

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


FREDERICK F. ABUEG
Deputy Speaker

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AN ACT
GRANTING THE TRUTH IN GOVERNANCE THRU MEDIA (TGM)
BROADCASTING NETWORK A FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION
BROADCASTING STATIONS IN PUERTO PRINCESA CITY, AND IN THE
PROVINCE OF PALAWAN

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 Constitution and applicable laws, rules and regulations, there is hereby granted to TGM
3 Broadcasting Network, herein referred to as the grantee, its successors or assigns, a franchise to
4 construct, install, establish, operate and maintain for commercial purposes and in the public
5 interest, radio and television broadcasting stations in Puerto Princesa City, Palawan, where
6 frequencies and channels are still available for radio and television broadcasting, with the
7 corresponding technological auxiliaries and facilities, special broadcast and other program and
8 distribution services and relay stations.

9 **SEC 2. *Manner of Operation of Stations or Facilities.*** – The stations or facilities of the
10 grantee shall be constructed and operated in a manner as will, at most, result only in the
11 minimum interference on the wavelengths or frequencies of existing stations or other stations
12 which may be established by law, without in any way diminishing its own right to use its
13 selected wavelengths or frequencies and the quality of transmission or reception thereon as
14 should maximize rendition of the grantee's services and availability thereof.

15 **SEC. 3. *Prior Approval of the National Telecommunications Commission (NTC).*** – The
16 grantee shall secure from the National Telecommunications Commission (NTC) the appropriate
17 permits and licenses for the construction and operation of its stations and facilities and shall not

1 use any frequency in the radio or television spectrum without having been authorized by the
2 NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such
3 authority.

4 **SEC. 4. *Responsibility to the Public.*** — The grantee shall provide adequate public service
5 time to enable the government, through the said broadcasting stations or facilities, to reach the
6 population on important public issues; provide at all times sound and balanced programming;
7 assist in the functions of public information and education; conform to the ethics of honest
8 enterprise; and not use its stations and facilities for the broadcasting of obscene and indecent
9 language, speech, act or scene; or for the dissemination of deliberately false information or
10 willful misrepresentation, to the detriment of public interest, or to incite, encourage or assist in
11 subversive or treasonable acts.

12 **SEC. 5. *Right of Government.*** — A special right is hereby reserved to the President of
13 the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or
14 disturbance of peace and order, to temporarily take over and operate the stations or facilities of
15 the grantee, to temporarily suspend the operation of any station or facility in the interest of public
16 safety, security and public welfare, or to authorize the temporary use and operation thereof by
17 any agency of the government, upon due compensation to the grantee, for the use of said stations
18 or facilities during the period when they shall be operated.

19 The radio spectrum is a finite source that is a part of the national patrimony and the use
20 thereof is a privilege conferred upon the grantee by the State and may be withdrawn anytime,
21 after due process.

22 **SEC. 6. *Term of Franchise.*** — This franchise shall be for a term of twenty-five (25)
23 years from the date of effectivity of this Act, unless sooner revoked or cancelled. This franchise
24 shall be deemed ipso facto revoked in the event the grantee fails to comply with any of the
25 following conditions:

26 a.) Commence operations within one (1) year from the approval of its operating permit by
27 the National Telecommunications Commission (NTC);

28 b.) Operate continuously for two (2) years; and

29 c.) Commence operations within three (3) years from the effectivity of this Act.

1 **SEC. 7. *Acceptance and Compliance.*** — Acceptance of this franchise shall be given in
2 writing within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the
3 grantee shall exercise the privileges granted under this Act. Non acceptance shall render the
4 franchise void.

5 **SEC. 8. *Bond.*** – The grantee shall file a bond issued in favor of the NTC, which shall
6 determine the amount, to guarantee the compliance with and fulfillment of the conditions under
7 which this franchise is granted. If, after three (3) years from the date of the approval of its permit
8 by the NTC, the grantee shall have fulfilled the same, the bond shall be cancelled by the NTC.
9 Otherwise, the bond shall be forfeited in favor of the government and the franchise ipso facto
10 revoked.

11 **SEC. 9. *Tax Provisions.*** – The grantee, its successors or assigns, shall be liable to pay the
12 same taxes on their real estate, buildings and personal property, as other persons or corporations
13 are now or hereafter may be required by law to pay. In addition thereto, the grantee, its
14 successors or assigns, shall pay, in lieu of the franchise tax, the value-added tax under Section 3
15 of Republic Act No. 7716 as amended, on all gross receipts of the radio or television business
16 transaction under this franchise: Provided, That the grantee, its successors or assigns, shall be
17 liable for income taxes payable under Title II of the National Revenue Code, as amended.

18 The grantee shall file the return with, and pay the taxes due thereon to the
19 Commissioner of Internal Revenue or his duly authorized representative in accordance with the
20 National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal
21 Revenue.

22 **SEC. 10. *Self-regulation by and Undertaking of Grantee.*** - The grantee shall not require
23 any previous censorship of any speech, play, act or scene, or other matter to be broadcast from its
24 stations: Provided, That the grantee, during any broadcast, shall cut off from the air the speech,
25 play, act or scene, or other matter being broadcast if the tendency thereof is to propose or incite
26 treason, rebellion or sedition; or the language used therein or the theme thereof is indecent or
27 immoral; and Provided further, That willful failure to do so shall constitute a valid cause for the
28 cancellation of this franchise.

29 **SEC. 11. *Warranty in Favor of National and Local Governments.*** – The grantee shall
30 hold the national, provincial and municipal governments of the Philippines free from all claims,
31 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.

SEC. 12. *Sale, Lease, Transfer, Usufruct* – The grantee shall not lease, transfer, grant the usufruct of sell 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 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 this franchise is sold, transferred or assigned, shall be subject to the same conditions, terms, restrictions and limitations of this Act.

SEC. 13. *Dispersal of Ownership*. – In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer at least thirty per centum (30%) of its outstanding capital stock or a higher percentage that may hereafter may be provided by law in any securities exchange in the Philippines within five (5) years from the time it has achieved the status of a national broadcasting network. A “national broadcasting network” is hereby defined as one that operates three (3) or more radio and television stations. Non-compliance therewith shall render the franchise ipso facto revoked.

SEC. 14. *General Broadcast Policy Law*. – The grantee shall comply with a general broadcast policy law, which Congress may hereafter enact.

SEC. 15. *Separability Clause*. – If, for any reason, any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain full force and effect.

SEC. 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 requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

SEC. 17. *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, 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.

SEC. 18. *Effectivity*. — This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,