

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 902



Introduced by: REP. PROSPERO A. PICHAY, JR.

EXPLANATORY NOTE

DZME started its broadcast on June 15, 1968 when Congress authorized Capitol Broadcasting Center of Jose M. Luison and Sons, Inc. to operate an AM radio station nationwide.

In July 16, 1995, Republic Act No. 8132 entitled: "An Act Granting Jose M. Luison and Sons, Inc., a Franchise to construct, install, operate and maintain for commercial purposes radio and television broadcasting stations in the Philippines. " was granted thereby creating numerous possibilities for DZME's growth and expansion.

DZME transferred to its new home at the Victory Central Mall in Monumento, Caloocan City in 2009 from its long-time former studios in Roosevelt Avenue, Quezon City as part of its plan to expand operations. Regional affiliates are likewise being developed to bolster its nationwide presence.

Last November 14, 2013 to January 2014, some of the programs of DZME with the exemption of its news casts were temporarily postponed and replaced by music fillers due to technical maintenance/upgrades of the station and the transfer of the studios from Victory Central Mall to OMM-Citra Building in Ortigas Center, Pasig City, in preparation of the station's major relaunch as well as launching of new programs. After Holy Week of 2015, the Radyo Uno brand (which was in use since 2004) was phased out and rebranded as **DZME Kinse Trenta (1530 AM)**. During the last quarter of 2016, DZME reverted to its all news and commentary station with the launch of new programming.

For almost four decades now, DZME has made account of events happening in and around the country. It has recorded the successes and accomplishments as well as the adversities of known personalities, groups and the government. From the calamities and the coups and the financial crisis of the country to fiesta celebrations, DZME never abandoned this role of bringing news and current events to the people.

DZME continues to chronicle our passion for better life and our desire for good governance by offering balanced programming that targets all ages and society groups. DZME likewise provides sufficient public service time for the government and the population to communicate. More than enlightenment to issues and current events, DZME also entertains with its steamy showbiz tidbits and sing along portion featuring timeless classic hits and music billboard topnotchers.

DZME now sports a state- of- the- art, fully- digital Harris stereo transmitter. Twenty-five thousand watts of crystal-clear signal booms 20 hours a day from its newly-constructed tower in Obando, Bulacan. The station's high-fidelity broadcast can be heard from up north in Batanes to down south in Tawi-Tawi. An OFW in Hong Kong, an oil rig worker in Brunei, or a professional in Jakarta, based on listener feedback, can catch DZME broadcasts on their radio.

And with its roster of top caliber broadcast professionals in the industry today, DZME promises to remain a station that can entertain as well as enlighten.

Thus, the passage of this bill is fervently sought.



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AN ACT
RENEWING THE FRANCHISE GRANTED TO JOSE M. LUISON AND SONS, INC.
TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL
PURPOSES RADIO AND TELEVISION BROADCAST STATIONS IN THE
PHILIPPINES UNDER R.A. 8132 FOR ANOTHER TWENTY FIVE (25) YEARS
FROM THE DATE OF APPROVAL OF THIS ACT

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Renewal of Franchise* – The franchise of Jose M. Luison and Sons, Inc., its successors and assignees, hereinafter referred to as the grantee, to construct, install, establish, operate and maintain for commercial purposes, radio and television broadcasting stations in the Philippines, where frequencies and/or channels are still available for radio and television broadcasting, including digital television system, through microwave, satellite or whatever means, or the use of any new technologies in television and radio systems, with the technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations, is hereby renewed for another twenty five (25) years from the date of approval of this Act.

SEC. 2. *Manner of Operation of Stations or 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 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 availability thereof.

SEC. 3. *Prior Approval of the National Telecommunications Commission* – The grantee shall secure from the National Telecommunications Commission the appropriate permit and license for its stations and shall not use any frequency in the radio/television spectrum 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 adequate public service time to enable the government, through the said broadcasting stations, 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 for the broadcasting of obscene and indecent language, speech, act or scene, or for 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.

SEC. 5. *Right of the 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 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 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 approval 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. *Acceptance and Compliance* – Acceptance of this new franchise shall be given in writing 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, 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. *Tax Provisions* — The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be 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/television business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: *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 latter 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.

SEC. 9. **Public Ownership** – In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee, its successors or assigns, shall continue to maintain its status as a publicly-held corporation.

SEC. 10. **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 the 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. *Provided, further*, That willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SEC. 11. **Warranty in Favor of National and Local Governments** – The grantee shall hold the national, provincial, city and municipal government 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.

SEC. 12. **Separability Clause**- If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SEC. 13. **Sale, Lease, Transfer, Usufruct, or Assignment of Franchise** – The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor shall the controlling interest of the grantee be transferred to any such private 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 all the same conditions, terms, restrictions and limitation of this Act.

SEC. 14. **General Broadcast Policy Law** – The grantee shall comply and be subject to the provisions of a general broadcast policy law which Congress may hereinafter enact.

SEC. 15. **Repealability and Non-Exclusivity Clauses** – 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 or privileges herein provided for.

SEC. 16. **Effectivity** - This Act shall take effect fifteen days following its complete publication in at least two (2) newspapers of general circulation.

Approved,