

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 6559



Introduced by: Representative JOHNNY T. PIMENTEL

As enshrined in the Constitution, the State recognizes the vital role of communication and information in nation-building and the indispensable role of the private sector in building the same.

This bill seeks the renewal of the legislative franchise granted to Northern Mindanao Broadcasting System, Inc. (NMBS), under RA 8157 on September 23, 1995, for another 25 years.

NMBS operates 174-180 Mhz (Channel 7) Very High Frequency (VHF) television stations and FM radio station throughout Butuan City and Agusan del Norte. The network's output in news and public affairs has resulted in its conferment of the KBP Golden Dove Awards.

Technological advances over the years, specifically in telecommunications, has changed the landscape of communication. Telecommunications plays an increasingly vital role in enabling the participation and development of people in communities and nations disadvantaged by geography. This would significantly contribute to the modernization and economic development of the country.

As such, the passage of this bill is earnestly sought.


REP. JOHNNY T. PIMENTEL

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AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO NORTHERN MINDANAO BROADCASTING SYSTEM, INC. UNDER REPUBLIC ACT NO. 8157 ENTITLED "AN ACT GRANTING THE NORTHERN MINDANAO BROADCASTING SYSTEM, INC., A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS IN THE ISLAND OF MINDANAO, AND FOR OTHER PURPOSES"

Be it enacted by the Senate and house of Representative of the Philippines in Congress assembled:

SECTION 1. Nature and Scope of Franchise – Subject to the provisions of the Constitution and applicable laws, rules and regulations, the franchise granted under Republic Act 8157 to Northern Mindanao Broadcasting System, Inc., its successors or assigns to construct, install, operate and maintain for commercial purposes and in the public interest radio and television broadcasting stations in the Philippines, including digital television system, through microwave, satellite or whatever means, or the use of any new technologies in television and radio systems, with the corresponding auxiliary, special broadcast and other program and distribution services and relay stations, and to install radio communication facilities for the grantee's private use in its broadcast services, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

SECTION 2. Manner of Operation of Stations of 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 right to use its selected wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's service and/ or availability thereof.

SECTION 3. Prior Approval of the National Telecommunications Commission – The grantee shall secure from the National Telecommunications Commission the appropriate permits and licenses for its stations and shall

not use any frequency in the radio/ television spectrum without having been authorized by the Commission.

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; promote public participation, 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, or 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 time of war, Rebellion, public peril, calamity, emergency, disaster or serious 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 they shall be so operated.

SECTION 6. Acceptance and Compliance – This franchise shall become effective upon acceptance in writing by the grantee. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non- acceptance shall render the franchise void.

SECTION 7. 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 value added tax on sale of services, pursuant to the relevant provisions of the National Internal Revenue Code (R.A. No. 8424), as amended; provided that the grantee, its successors or assigns shall continue to be liable for income taxes under Title II of the National Internal Revenue Code, as amended, 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 the Internal Revenue or his duly authorized representative in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SECTION 8. 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 and/ or telecast, may cut off from the air the speech, play, act or scene, or other matter being broadcast and or/ or telecast 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; and willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

SECTION 9. Warranty in Favor of National and Local Governments – 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 o persons, caused by the construction or operation of the stations of the grantee.

SECTION 10. Sale, Lease, Transfer, Usufruct or Assignment – 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 shall the controlling interest of the grantee be transferred to any such private person, firm, company, corporation or 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 limitations of this 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. 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 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 the succeeding year.

SECTION 13. Equality Clause – Any advantage, favor, privilege, exemption, or immunity granted under existing franchise, or which may hereafter be granted for radio and/ or television broadcasting, upon prior review and approval of Congress, shall automatically become part of this franchise and shall be accorded immediately and unconditionally become part to the herein grantee: Provided, however, That the foregoing shall not apply to nor affect provisions of broadcasting franchises concerning territory covered by the franchise, or the type of service authorized by the franchise: Provided, further, That the foregoing shall not apply to sale, lease, transfer or grant of usufruct of legislative franchise with prior congressional approval.

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

SECTION 15. Repealing 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.

SECTION 16. Effectivity Clause - This Act shall take effect upon its approval.

Approved,