



HOUSE OF REPRESENTATIVES

H. No. 6816

BY REPRESENTATIVES ANGARA, BIRON, GONZALES (N.) AND DE GUZMAN, PER
COMMITTEE REPORT NO. 2372

AN ACT GRANTING THE AURORA TECHNOLOGICAL INSTITUTE
(ATI) INC. A FRANCHISE TO CONSTRUCT, INSTALL,
ESTABLISH, OPERATE AND MAINTAIN FOR EDUCATIONAL,
NON-COMMERCIAL AND NONPROFIT PURPOSES, RADIO AND
TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES

*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
2 provisions of the Constitution and applicable laws, rules and regulations, there
3 is hereby granted to Aurora Technological Institute (ATI) Inc., hereunder
4 referred to as the grantee, its successors or assigns, a franchise to construct,
5 install, establish, operate and maintain for educational, non-commercial and
6 nonprofit purposes and in the public interest, radio and/or television
7 broadcasting stations in the Philippines, where frequencies and/or channels are
8 still available for radio and/or television broadcasting, through microwave,
9 satellite or whatever means, including the use of any new technologies in
10 television and radio systems, with the corresponding technological auxiliaries

1 and facilities, special broadcast and other program and distribution services
2 and relay stations.

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

11 SEC. 3. *Prior Approval of the National Telecommunications*
12 *Commission.* – The grantee shall secure from the National
13 Telecommunications Commission (NTC), hereinafter referred to as the
14 Commission, the appropriate permits and licenses for the construction and
15 operation of its stations and facilities and shall not use any frequency in the
16 radio/television spectrum without having been authorized by the Commission.
17 The Commission, however, shall not unreasonably withhold or delay the grant
18 of any such authority.

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

1 SEC. 5. *Right of Government.* – A special right is hereby reserved to
2 the President of the Philippines, in times of war, rebellion, public peril,
3 calamity, emergency, disaster or disturbance of peace and order, to temporarily
4 take over and operate the stations or facilities of the grantee, to temporarily
5 suspend the operation of any station or facility in the interest of public safety,
6 security and public welfare, or to authorize the temporary use and operation
7 thereof by any agency of the government, upon due compensation to the
8 grantee, for the use of said stations or facilities during the period when they
9 shall be so operated.

10 The radio spectrum is a finite resource that is part of the national
11 patrimony and the use thereof is a privilege conferred upon the grantee by the
12 State and may be withdrawn anytime after due process.

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

17 (a) Commence operations within one (1) year from the approval of its
18 operating permit by the NTC;

19 (b) Operate continuously for two (2) years; and

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

22 SEC. 7. *Acceptance and Compliance.* – Acceptance of this franchise
23 shall be given in writing within sixty (60) days from the effectivity of this Act.
24 Upon giving such acceptance, the grantee shall exercise the privileges granted
25 under this Act. Nonacceptance shall render the franchise void.

26 SEC. 8. *Bond.* – The grantee shall file a bond issued in favor of the
27 NTC, which shall determine the amount, to guarantee the compliance with and
28 fulfillment of the conditions under which this franchise is granted. If after

1 three (3) years from the date of the approval of its permit by the Commission,
2 the grantee shall have fulfilled the same, the bond shall be cancelled by the
3 Commission. Otherwise, the bond shall be forfeited in favor of the
4 government and the franchise *ipso facto* revoked.

5 SEC. 9. *Self-regulation by and Undertaking of Grantee.* – The grantee
6 shall not require any previous censorship of any speech, play, act or scene, or
7 other matter to be broadcast from its stations: *Provided*, That the grantee,
8 during any broadcast, shall cut off from the air the speech, play, act or scene,
9 or other matter being broadcast if the tendency thereof is to propose and/or
10 incite treason, rebellion or sedition; or the language used therein or the theme
11 thereof is indecent or immoral; and willful failure to do so shall constitute a
12 valid cause for the cancellation of this franchise.

13 SEC. 10. *Warranty in Favor of National and Local Governments.* –
14 The grantee shall hold the national, provincial, city and municipal governments
15 of the Philippines harmless from all claims, accounts, demands or actions
16 arising out of accidents or injuries, whether to property or to persons, caused
17 by the construction or operation of the stations of the grantee.

18 SEC. 11. *Non-transferability of Franchise.* – The grantee shall not
19 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights
20 and privileges acquired thereunder to any person, firm, company, corporation
21 or other commercial or legal entity, nor merge with any other corporation or
22 entity, nor shall the controlling interest of the grantee be transferred, whether
23 as a whole or in parts and whether simultaneously or contemporaneously, to
24 any such person, firm, company, corporation or entity without the prior
25 approval of the Congress of the Philippines. Any person or entity to which this
26 franchise is sold, transferred or assigned shall be subject to the same
27 conditions, terms, restrictions and limitations of this Act.

1 SEC. 12. *Equality Clause.* – Any advantage, favor, privilege,
2 exemption or immunity granted under existing franchise, or which may
3 hereafter be granted for radio and/or television broadcasting, shall *ipso facto*
4 become part of this franchise and shall be accorded immediately and
5 unconditionally to the herein grantee: *Provided, however,* That the foregoing
6 shall neither apply to nor affect provisions of broadcasting franchises
7 concerning territory covered by the franchise, the life span of the franchise or
8 the type of service authorized by the franchise.

9 SEC. 13. *General Broadcast Policy Law.* – The grantee shall comply
10 with and be subject to the provisions of a general broadcast policy law, which
11 Congress may hereafter enact.

12 SEC. 14. *Reportorial Requirement.* – The grantee shall submit an
13 annual report to the Congress of the Philippines on its compliance with the
14 terms and conditions of the franchise and on its operations within sixty (60)
15 days from the end of every year.

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

19 SEC. 16. *Repealing and Nonexclusivity Clause.* – This franchise shall
20 be subject to amendment, alteration or repeal by the Congress of the
21 Philippines when the public interest so requires and shall not be interpreted as
22 an exclusive grant of the privileges herein provided for.

23 SEC. 17. *Effectivity Clause.* – This Act shall take effect fifteen (15)
24 days after its publication, upon the initiative of the grantee, in at least two (2)
25 newspapers of general circulation in the Philippines.

Approved,