



HOUSE OF REPRESENTATIVES

H. No. 6814

BY REPRESENTATIVES ALFELOR AND BIRON, PER COMMITTEE REPORT
No. 2369

AN ACT GRANTING THE MT. ASOG BROADCASTING NETWORK,
INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE AND MAINTAIN RADIO AND TELEVISION
BROADCASTING STATIONS ANYWHERE IN LUZON

*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 Mt. Asog Broadcasting Network, Inc., hereunder referred
4 to as the grantee, its successors or assigns, a franchise to construct, install,
5 establish, operate and maintain for commercial purposes and in the public
6 interest, radio and/or television broadcasting stations anywhere in Luzon,
7 where frequencies and/or channels are still available for radio and/or television
8 broadcasting, through microwave, satellite or whatever means, including the
9 use of any new technologies in radio and television broadcasting, with the
10 corresponding technological auxiliaries and facilities, special broadcast and
11 other program and distribution services and relay stations.

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

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

17 SEC. 4. *Responsibility to the Public.* -- The grantee shall provide
18 adequate public service time to enable the government, through the said
19 broadcasting stations or facilities, to reach the population on important public
20 issues; provide at all times sound and balanced programming; assist in the
21 functions of public information and education; conform to the ethics of honest
22 enterprise; and not use its stations and facilities for the broadcasting of obscene
23 and indecent language, speech, act or scene; or for the dissemination

1 of deliberately false information or willful misrepresentation, to the detriment
2 of the public interest, or to incite, encourage or assist in subversive or
3 treasonable acts.

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

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

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

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

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

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

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

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

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

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

1 SEC. 11. *Nontransferability of Franchise.* – The grantee shall not lease,
2 transfer, grant the usufruct of, sell nor assign this franchise or the rights and
3 privileges acquired thereunder to any person, firm, company, corporation or
4 other commercial or legal entity, nor merge with any other corporation or
5 entity, nor shall the controlling interest of the grantee be transferred, whether
6 as a whole or in parts and whether simultaneously or contemporaneously, to
7 any such person, firm, company, corporation or entity without the prior
8 approval of the Congress of the Philippines. Any person or entity to which this
9 franchise is sold, transferred or assigned shall be subject to the same
10 conditions, terms, restrictions and limitations of this Act.

11 SEC. 12. *Dispersal of Ownership.* – In accordance with the
12 constitutional provision to encourage public participation in public utilities, the
13 grantee shall offer at least thirty *per centum* (30%) of its outstanding capital
14 stock or a higher percentage that may hereafter be provided by law in any
15 securities exchange in the Philippines within five (5) years from the time it has
16 achieved the status of a national broadcasting network. A “national
17 broadcasting network” is hereby defined as one that operates three (3) or more
18 radio and/or television stations. Noncompliance therewith shall render the
19 franchise *ipso facto* revoked.

20 SEC. 13. *Equality Clause.* – Any advantage, favor, privilege,
21 exemption or immunity granted under existing franchise, or which may
22 hereafter be granted for radio and/or television broadcasting, shall *ipso facto*
23 become part of this franchise and shall be accorded immediately and
24 unconditionally to the herein grantee: *Provided, however,* That the foregoing
25 shall neither apply to nor affect provisions of broadcasting franchises

1 concerning territory covered by the franchise, the life span of the franchise or
2 the type of service authorized by the franchise.

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

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

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

13 SEC. 17. *Repealability and Nonexclusivity Clause.* – This franchise
14 shall be subject to amendment, alteration or repeal by the Congress of the
15 Philippines when the public interest so requires and shall not be interpreted as
16 an exclusive grant of the privileges herein provided for.

17 SEC. 18. *Effectivity Clause.* – This Act shall take effect fifteen (15)
18 days after its publication, upon the initiative of the grantee, in at least two (2)
19 newspapers of general circulation in the Philippines.

Approved,

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