



HOUSE OF REPRESENTATIVES

H. No. 7199

BY REPRESENTATIVES VELASCO, ALVAREZ (F.), ATIENZA, REVILLA, UNABIA, TEJADA, ACOSTA, CAMINERO, ENVERGA, ALVAREZ (M.), VIOLAGO, PIMENTEL, GULLAS, BRAVO (A.), BERTIZ, DE VERA, GARBIN, MACEDA, QUIMBO, ABAYON, MONTORO, VARGAS-ALFONSO, GONZALES (A.D.), CHIPECO, MARCOLETA, AGGABAO, ABELLANOSA, RELAMPAGOS AND NIETO, PER COMMITTEE REPORT NO. 615

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO THE DELTA BROADCASTING SYSTEM, INC. TO ESTABLISH, MAINTAIN, AND OPERATE RADIO AND TELEVISION BROADCASTING STATIONS WITHIN THE PHILIPPINES UNDER REPUBLIC ACT NO. 7723

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
3 regulations, the franchise granted to the Delta Broadcasting
4 System, Inc., hereunder referred to as the grantee, its successors or
5 assignees, under Republic Act No. 7723, to construct, establish,
6 maintain, and operate in the public interest, radio and/or television
7 broadcasting stations, including digital television system, through

1 microwave, satellite, terrestrial or whatever means, including
2 the use of any new technologies in television and radio systems,
3 with the corresponding technological auxiliaries and facilities,
4 special broadcast and other program and distribution services
5 and relay stations in the Philippines, is hereby renewed for
6 another twenty-five (25) years.

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

16 SEC. 3. *Prior Approval of the National Telecommunications*
17 *Commission.* – The grantee shall secure from the National
18 Telecommunications Commission (NTC) the appropriate permits
19 and licenses for the construction and operation of its stations or
20 facilities and shall not use any frequency in the radio/television
21 spectrum without authorization from the NTC.

22 SEC. 4. *Responsibility to the Public.* – The grantee shall
23 provide, free of charge, adequate public service time which is
24 reasonable and sufficient to enable the government, through the
25 broadcasting stations or facilities of the grantee, to reach the
26 pertinent population/s or portions thereof on important public
27 issues and relay important public announcements and warnings
28 concerning public emergencies and calamities, as necessity,

1 urgency, or law may require; provide at all times sound and
2 balanced programming; promote public participation; assist in
3 the functions of public information and education; conform to
4 the ethics of honest enterprise; promote audience sensibility and
5 empowerment through, but not limited to, closed captioning; and
6 not use its stations or facilities for the broadcasting of obscene or
7 indecent language, speech, act or scene; or for the dissemination
8 of deliberately false information or willful misrepresentation, to
9 the detriment of the public interest; or to incite, encourage or
10 assist in subversive or treasonable acts.

11 Public service time referred herein shall be equivalent to a
12 maximum aggregate of ten percent (10%) of the paid commercials
13 or advertisements which shall be allocated, based on need, to
14 the executive, legislative, judiciary, constitutional commissions
15 and international humanitarian organizations duly recognized
16 by statutes: *Provided*, That the NTC shall increase the public
17 service time in case of extreme emergency or calamity. The NTC
18 shall issue rules and regulations for this purpose, the effectivity
19 of which shall commence upon applicability with other similarly
20 situated broadcast network franchise holders.

21 SEC. 5. *Compliance with Labor Standards.* - The grantee,
22 its successors or assignees shall comply with the applicable labor
23 standards under existing labor laws, rules and regulations and
24 such other issuances as may be promulgated by the Department
25 of Labor and Employment, taking into consideration the nature
26 and peculiarities of the broadcast industry.

27 SEC. 6. *Right of the Government.* - The radio spectrum is
28 a finite resource that is part of the national patrimony and the

1 use thereof is a privilege conferred upon the grantee by the State
2 and may be withdrawn any time after due process.

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

13 SEC. 7. *Term of Franchise.* - This franchise shall be in
14 effect for a period of twenty-five (25) years from the effectivity
15 of this Act, unless sooner revoked and cancelled. This franchise
16 shall be deemed *ipso facto* revoked in the event the grantee fails
17 to operate continuously for two (2) years.

18 SEC. 8. *Self-regulation by and Undertaking of Grantee.* -
19 The grantee shall not require any previous censorship of any
20 speech, play, act or scene, or other matter to be broadcast from
21 its stations, but if any such speech, play, act or scene, or other
22 matter should constitute a violation of the law or infringement
23 of a private right, the grantee shall be free from any liability, civil
24 or criminal, for such speech, play, act or scene, or other matter from
25 its stations: *Provided*, That the grantee, during any broadcast
26 and/or telecast shall not allow to be aired the speech, play, act or
27 scene, or other matter being broadcast and/or telecast if the
28 tendency thereof is to propose and/or incite treason, rebellion or

1 sedition; or the language used therein or the theme thereof is
2 indecent or immoral: *Provided, further,* That willful failure to do so
3 shall constitute a valid cause for the revocation and cancellation of
4 this franchise.

5 SEC. 9. *Warranty in Favor of the National and Local*
6 *Governments.* - The grantee shall hold the national, provincial,
7 city, and municipal governments of the Philippines free from all
8 claims, liabilities, demands, or actions arising out of accidents,
9 causing injury to persons or damage to properties, during the
10 construction or operation of the stations of the grantee.

11 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of*
12 *Franchise.* - The grantee shall not sell, lease, transfer, grant the
13 usufruct of, nor assign this franchise or the rights and privileges
14 acquired thereunder to any person, firm, company, corporation, or
15 other commercial or legal entity, nor merge with any other
16 corporation or entity, nor the controlling interest of the grantee
17 be transferred, whether as a whole or in part, and whether
18 simultaneously or contemporaneously, to any such person, firm,
19 company, corporation, or entity without the prior approval of
20 the Congress of the Philippines: *Provided,* That failure to report
21 to Congress such change of ownership shall render the franchise
22 *ipso facto* revoked: *Provided, finally,* That any person or entity to
23 which this franchise is sold, transferred or assigned, shall be
24 subject to the same conditions, terms, restrictions, and limitations
25 of this Act.

26 SEC. 11. *Dispersal of Ownership.* - In accordance with the
27 constitutional provision to encourage public participation in public
28 utilities, the grantee shall offer to Filipino citizens at least thirty

1 percent (30%) or a higher percentage that may hereafter be
2 provided by law of its outstanding capital stock in any securities
3 exchange in the Philippines within five (5) years from the
4 commencement of its operations: *Provided*, That in cases where
5 public offer of shares is not applicable, the grantee shall apply
6 other methods of encouraging public participation by citizens
7 and corporations operating public utilities as allowed by law.
8 Noncompliance therewith shall render the franchise *ipso facto*
9 revoked.

10 SEC. 12. *Reportorial Requirement.* - The grantee shall
11 submit an annual report to the Congress of the Philippines,
12 through the Committee on Legislative Franchises of the House
13 of Representatives and the Committee on Public Services of the
14 Senate, on its compliance with the terms and conditions of the
15 franchise and on its operations on or before April 30 of every
16 year during the term of its franchise. The reportorial compliance
17 certificate issued by Congress shall be required before any
18 application for permit or certificate is accepted by the NTC.

19 SEC. 13. *Fine.* - Failure of the grantee to submit the
20 requisite annual report to Congress shall be penalized by a fine
21 of five hundred pesos (P500.00) per working day of noncompliance.
22 The fine shall be collected by the NTC from the delinquent
23 franchise grantee separate from the reportorial penalties imposed
24 by the NTC and the same shall be remitted to the National
25 Treasury.

26 SEC. 14. *Equality Clause.* - Any advantage, favor, privilege,
27 exemption, or immunity granted under existing franchises, or which
28 may hereafter be granted for radio and/or television broadcasting,

1 upon prior review and approval of Congress, shall become part
2 of this franchise and shall be accorded immediately and
3 unconditionally to the herein grantee: *Provided*, That the foregoing
4 shall neither apply to nor affect the provisions of broadcasting
5 franchises concerning territorial coverage, the term, or the type of
6 service authorized by the franchise.

7 SEC. 15. *Separability Clause.* — If any section or provision
8 of this Act is held invalid, all other provisions not affected
9 thereby shall remain valid.

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

15 All laws, decrees, orders, resolutions, instructions, rules and
16 regulations, and other issuances, or parts thereof which are
17 inconsistent with the provisions of this Act are hereby repealed,
18 amended, or modified accordingly.

19 SEC. 17. *Effectivity.* — This Act shall take effect fifteen (15)
20 days after its publication in the *Official Gazette* or in any newspaper
21 of general circulation.

Approved,

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