



## HOUSE OF REPRESENTATIVES

H. No. 8634

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BY REPRESENTATIVES CUEVA AND ALVAREZ (F.), PER COMMITTEE  
REPORT NO. 945

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AN ACT GRANTING THE CADIZ RADIO AND TELEVISION NETWORK, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE WESTERN VISAYAS AREA

*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, there is hereby granted to Cadiz Radio and Television  
4 Network, Inc., hereunder referred to as the grantee, its successors  
5 or assignees, a franchise to construct, install, establish, operate, and  
6 maintain for commercial purposes and in the public interest, radio  
7 and/or television broadcasting stations in the Western Visayas area,  
8 where frequencies and/or channels are still available for radio  
9 and/or television broadcasting. The franchise shall include digital  
10 television system, through microwave, satellite, terrestrial or  
11 whatever means, as well as the use of any new technology in

1 television and radio systems, with the corresponding technological  
2 auxiliaries or facilities, special broadcast and other programs, and  
3 distribution services and relay stations.

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

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

21       SEC. 4. *Responsibility to the Public.* – The grantee shall  
22 provide, free of charge, adequate public service time which is  
23 reasonable and sufficient to enable the government, through the  
24 broadcasting stations or facilities of the grantee, to reach the  
25 pertinent populations or portions thereof, on important public issues  
26 and relay important public announcements and warnings  
27 concerning public emergencies and calamities, as necessity,  
28 urgency, or law may require; provide at all times sound and  
29 balanced programming; promote public participation; assist in the

1 functions of public information and education; conform to the ethics  
2 of honest enterprise; promote audience sensibility and  
3 empowerment including closed captioning; and not use its stations  
4 or facilities for the broadcasting of obscene or indecent language,  
5 speech, act, or scene; or for the dissemination of deliberately false  
6 information or willful misrepresentation, to the detriment of public  
7 interest; or to incite, encourage, or assist in subversive or  
8 treasonable acts.

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

19 *SEC. 5. Right of the Government.* – The radio spectrum is a  
20 finite resource that is part of the national patrimony and the use  
21 thereof is a privilege conferred upon the grantee by the State and  
22 may be withdrawn any time after due process.

23 A special right is hereby reserved to the President of the  
24 Philippines, in times of war, rebellion, public peril, calamity,  
25 emergency, disaster, or disturbance of peace and order: to  
26 temporarily take over and operate the stations or facilities of the  
27 grantee; to temporarily suspend the operation of any station or  
28 facility in the interest of public safety, security and public welfare;  
29 or to authorize the temporary use and operation thereof by any

1 agency of the government, upon due compensation to the grantee,  
2 for the use of said stations or facilities during the period when these  
3 shall be so operated.

4 SEC. 6. *Term of Franchise.* - This franchise shall be in effect  
5 for a period of twenty-five (25) years, unless sooner revoked or  
6 cancelled. This franchise shall be deemed *ipso facto* revoked in the  
7 event the grantee fails to comply with any of the following  
8 conditions:

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

11 (b) Commence operations within three (3) years from the  
12 effectivity of this Act; and

13 (c) Operate continuously for two (2) years.

14 SEC. 7. *Renewal or Extension of Franchise.* - The grantee  
15 shall apply for the renewal or extension of its franchise five (5)  
16 years before its expiration date which shall be reckoned fifteen (15)  
17 days after the publication of the franchise in the *Official Gazette* or  
18 in a newspaper of general circulation.

19 SEC. 8. *Self-regulation by and Undertaking of the Grantee.* -  
20 The grantee shall not require any previous censorship of any  
21 speech, play, act, or scene, or other matter to be broadcast from its  
22 stations: *Provided*, That the grantee, during any broadcast, shall  
23 cut off from the air the speech, play, act, or scene, or other matter  
24 being broadcast if the tendency thereof is to propose and/or incite  
25 treason, rebellion or sedition; or the language used therein or the  
26 theme thereof is indecent or immoral: *Provided, further*, That  
27 willful failure to do so shall constitute a valid cause for the  
28 cancellation of this franchise.

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

7           SEC. 10. *Commitment to Provide and Promote the Creation of*  
8 *Employment Opportunities.* – The grantee shall create employment  
9 opportunities and shall allow on-the-job trainings in their franchise  
10 operation: *Provided*, That priority shall be accorded to the residents  
11 in areas where any of its offices is located: *Provided, further*, That  
12 the grantee shall follow the applicable labor standards and  
13 allowance entitlement under existing labor laws, rules and  
14 regulations and similar issuances: *Provided, finally*, That the  
15 employment opportunities or jobs created shall be reflected in the  
16 General Information Sheet to be submitted to the Securities and  
17 Exchange Commission (SEC) annually.

18           SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or*  
19 *Assignment of Franchise.* – The grantee shall not sell, lease,  
20 transfer, grant the usufruct of, nor assign this franchise or the  
21 rights and privileges acquired thereunder to any person, firm,  
22 company, corporation, or other commercial or legal entity, nor  
23 merge with any other corporation or entity, nor shall transfer the  
24 controlling interest of the grantee, whether as a whole or in part,  
25 and whether simultaneously or contemporaneously, to any person,  
26 firm, company, corporation, or entity without the prior approval of  
27 the Congress of the Philippines and compliance with legal  
28 requirements stipulated in other statutes: *Provided*, That any  
29 person or entity to which this franchise is sold, transferred, or

1 assigned shall be subject to the same conditions, terms, restrictions,  
2 and limitations of this Act.

3 SEC. 12. *Dispersal of Ownership.* – In accordance with the  
4 constitutional provision to encourage public participation in public  
5 utilities, the grantee shall offer to Filipino citizens at least thirty  
6 percent (30%) or a higher percentage that may hereafter be  
7 provided by law of its outstanding capital stock in any securities  
8 exchange in the Philippines within five (5) years from the  
9 commencement of its operations: *Provided,* That in cases where  
10 public offer of shares is not applicable, the grantee shall apply other  
11 methods of encouraging public participation by citizens and  
12 corporations operating public utilities as allowed by law.  
13 Noncompliance therewith shall render the franchise *ipso facto*  
14 revoked.

15 SEC. 13. *Reportorial Requirement.* – During the term of its  
16 franchise, the grantee shall submit an annual report to the  
17 Congress of the Philippines, through the Committee on Legislative  
18 Franchises of the House of Representatives and the Committee on  
19 Public Services of the Senate, on its compliance with the terms and  
20 conditions of the franchise and on its operations on or before April  
21 30 of every year.

22 The annual report shall include an update on the roll-out,  
23 development, operation, or expansion of business; audited financial  
24 statements; latest General Information Sheet officially submitted to  
25 SEC (if applicable); certification of the NTC on the status of its  
26 permits and operations; and an update on the dispersal of  
27 ownership undertaking, if applicable.

1           The reportorial compliance certificate issued by Congress  
2 shall be required before an application for permit, certificate, or any  
3 equivalent thereof, is accepted by the NTC.

4           SEC. 14. *Fine.* – Failure of the grantee to submit the  
5 requisite annual report to Congress shall be penalized by a fine of  
6 Five hundred pesos (P500.00) per working day of noncompliance.  
7 The fine shall be collected by the NTC from the delinquent franchise  
8 grantee separate from the reportorial penalties imposed by the NTC  
9 and the same shall be remitted to the National Treasury.

10           SEC. 15. *Equality Clause.* – Any advantage, favor, privilege,  
11 exemption, or immunity granted under existing franchises, or which  
12 may hereafter be granted for radio and/or television broadcasting,  
13 upon prior review and approval of Congress, shall become part of  
14 this franchise and shall be accorded immediately and  
15 unconditionally to the herein grantee: *Provided*, That the foregoing  
16 shall neither apply to nor affect the provisions of broadcasting  
17 franchises concerning territorial coverage, the term, or the type of  
18 service authorized under the franchise.

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

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

27           SEC. 18. *Repealing Clause.* – All laws, decrees, orders,  
28 resolutions, instructions, rules and regulations, and other issuances

1 or parts thereof which are inconsistent with the provisions of this  
2 Act are hereby repealed, amended, or modified accordingly.

3       SEC. 19. *Effectivity.* — This Act shall take effect fifteen (15)  
4 days after its publication in the *Official Gazette* or in a newspaper of  
5 general circulation.

Approved,

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