



HOUSE OF REPRESENTATIVES

H. No. 5349

BY REPRESENTATIVES TEJADA, ALVAREZ (F.) AND MARCOLETA, PER
COMMITTEE REPORT NO. 185

AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO NOTRE DAME BROADCASTING CORPORATION UNDER REPUBLIC ACT NO. 8109, ENTITLED "AN ACT GRANTING THE NOTRE DAME BROADCASTING CORPORATION A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE, AND MAINTAIN RADIO BROADCASTING STATIONS IN THE PHILIPPINES FOR RELIGIOUS, EDUCATIONAL, AND CULTURAL AS WELL AS FOR COMMERCIAL PURPOSES"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION I. *Nature and Scope of Franchise.* – Subject to the
2 provisions of the Constitution and applicable laws, rules and regulations, the
3 franchise granted to Notre Dame Broadcasting Corporation, hereunder referred
4 to as the grantee, its successors or assignees, under Republic Act No. 8109,
5 entitled "An Act Granting the Notre Dame Broadcasting Corporation a
6 Franchise to Construct, Install, Operate, and Maintain Radio Broadcasting
7 Stations in the Philippines for Religious, Educational, and Cultural as Well as
8 for Commercial Purposes", to construct, install, operate, and maintain for
9 commercial purposes and in the public interest, radio broadcasting stations
10 where frequencies and/or channels are still available for radio broadcasting,

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

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

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

20 The grantee shall not dispose nor lease its facilities except to entities
21 with a radio or television franchise: *Provided,* That the grantee shall inform
22 and secure written authorization to proceed from the NTC, and report the
23 transaction to the NTC within sixty (60) days after its completion: *Provided,*
24 *further,* That the NTC shall determine the corresponding sanction for any
25 violation of this provision.

26 SEC. 4. *Responsibility to the Public.* – The grantee shall provide
27 adequate public service time to enable the government, through the said
28 broadcasting stations or facilities, to reach the population on important public
29 issues; provide at all times sound and balanced programming; assist in the

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

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

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

19 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a
20 period of twenty-five (25) years from the effectivity of this Act, unless sooner
21 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the
22 event the grantee fails to operate continuously for two (2) years.

23 SEC. 7. *Acceptance and Compliance.* – Acceptance of this new
24 franchise shall be given in writing to the Congress of the Philippines, through
25 the Committee on Legislative Franchises of the House of Representatives and
26 the Committee on Public Services of the Senate, within sixty (60) days from
27 the effectivity of this Act. Upon giving such acceptance, the grantee shall
28 exercise the privileges granted under this Act. Nonacceptance shall render the
29 franchise void.

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

9 SEC. 9. *Warranty in Favor of National and Local Governments.* –
10 The grantee shall hold the national, provincial, city, and municipal
11 governments of the Philippines free from all claims, accounts, demands, or
12 actions arising out of accidents or injuries, causing injury to persons or
13 damage to properties, during the construction or operation of the stations of
14 the grantee.

15 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*
16 – The grantee shall not sell, lease, transfer, grant the usufruct of, nor assign
17 this franchise or the rights and privileges acquired thereunder to any person,
18 firm, company, corporation, or other commercial or legal entity, nor merge
19 with any other corporation or entity, nor the controlling interest of the grantee
20 be transferred, whether as a whole or in parts, and whether simultaneously or
21 contemporaneously, to any such person, firm, company, corporation or entity
22 without the prior approval of the Congress of the Philippines: *Provided*, That
23 Congress shall be informed of any sale, lease, transfer, grant of usufruct, or
24 assignment of franchise or the rights and privileges acquired thereunder, or of
25 the merger or transfer of the controlling interest of the grantee, within sixty
26 (60) days after the completion of said transaction: *Provided, further*, That
27 failure to report to Congress such change of ownership shall render the
28 franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to

1 which this franchise is sold, transferred or assigned shall be subject to the
2 same conditions, terms, restrictions, and limitations of this Act.

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

13 SEC. 12. *General Broadcast Policy Law.* – The grantee shall comply
14 with and be subject to the provisions of a general broadcast policy law, which
15 Congress may hereafter enact.

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

24 SEC. 14. *Penalty Clause.* – Failure of the grantee to submit the
25 requisite annual report to Congress shall be penalized by a fine of five hundred
26 pesos (P500.00) per working day of noncompliance. The fine shall be
27 collected by the NTC from the delinquent franchise grantee separate from the
28 reportorial penalties imposed by the NTC.

1 SEC. 15. *Equality Clause.* – Except for taxes and customs duties, any
2 advantage, favor, privilege, exemption, or immunity granted under existing
3 franchises, or which may hereafter be granted for radio and/or television
4 broadcasting, upon prior review and approval of Congress, shall become part
5 of this franchise and shall be accorded immediately and unconditionally to the
6 herein grantee: *Provided*, That the foregoing shall neither apply to nor affect
7 the provisions of broadcasting franchises concerning territory covered by the
8 franchise, the life span of the franchise, or the type of service authorized by the
9 franchise.

10 SEC. 16. *Separability Clause.* – If any of the sections or provisions
11 of this Act is held invalid, all other provisions not affected thereby shall
12 remain 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.* – This Act shall take effect fifteen (15) days
18 after its publication in the *Official Gazette* or in any newspaper of general
19 circulation.

Approved,

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