



HOUSE OF REPRESENTATIVES

H. No. 3293

BY REPRESENTATIVES CABILAO, ZUBIRI AND MAGSAYSAY (E.)

AN ACT GRANTING THE ZAMBOANGA ARTURO EUSTAQUIO COLLEGES FOUNDATION, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN IPII., ZAMBOANGA SIBUGAY

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 Zamboanga Arturo Eustaquio Colleges Foundation, Inc.,
4 hereunder referred to as the grantee, its successors or assigns, a franchise to
5 construct, install, establish, operate and maintain for commercial and
6 educational purposes and in the public interest, radio and/or television
7 broadcasting stations in Ipil, Zamboanga Sibugay, where frequencies and/or
8 channels are still available for radio and/or television broadcasting, through

1 microwave, satellite or whatever means, including the use of any new
2 technologies in television and radio systems, with the corresponding
3 technological auxiliaries and facilities, special broadcast and other program
4 and distribution services and relay stations.

5 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations
6 or facilities of the grantee shall be constructed and operated in a manner as
7 will, at most, result only in the minimum interference on the wavelengths or
8 frequencies of existing stations or other stations which may be established by
9 law, without in any way diminishing its own right to use its selected
10 wavelengths or frequencies and the quality of transmission or reception
11 thereon as should maximize rendition of its services and/or availability
12 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 and licenses
16 for the construction and operation of its stations and facilities and shall not use
17 any frequency in the radio/television spectrum without having been authorized
18 by the Commission. The Commission, however, shall not unreasonably
19 withhold or delay the grant of any such authority.

20 SEC. 4. *Responsibility to the Public.* – The grantee shall provide
21 adequate public service time to enable the government, through the said

1 broadcasting stations or facilities, to reach the population on important public
2 issues; provide at all times sound and balanced programming; assist in the
3 functions of public information and education; conform to the ethics of honest
4 enterprise; and not use its stations and facilities for the broadcasting of
5 obscene and indecent language, speech, act or scene; or for the dissemination
6 of deliberately false information or willful misrepresentation, to the detriment
7 of the public interest, or to incite, encourage or assist in subversive or
8 treasonable acts.

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

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

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

5 (a) Commence operations within one year from the approval of its
6 operating permit by the NTC;

7 (b) Operate continuously for two years; and

8 (c) Commence operations within three years from the effectivity of this
9 Act.

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

14 SEC. 8. *Bond.* – The grantee shall file a bond issued in favor of the
15 NTC, which shall determine the amount, to guarantee the compliance with and
16 fulfillment of the conditions under which this franchise is granted. If after
17 three years from the date of the approval of its permit by the Commission, the
18 grantee shall have fulfilled the same, the bond shall be cancelled by the
19 Commission. Otherwise, the bond shall be forfeited in favor of the
20 government and the franchise *ipso facto* revoked.

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

9 SEC. 10. *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, whether to property or to persons,
13 caused by the construction or operation of the stations of the grantee.

14 SEC. 11. *Sale, Lease, Transfer, Usufruct, Etc* – The grantee shall not
15 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights
16 and privileges acquired thereunder to any person, firm, company, corporation
17 or other commercial or legal entity, nor merge with any other corporation or
18 entity, nor shall the controlling interest of the grantee be transferred, whether
19 as a whole or in parts and whether simultaneously or contemporaneously, to
20 any such person, firm, company, corporation or entity without the prior
21 approval of the Congress of the Philippines. Any person or entity to which

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

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

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

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

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

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

5 SEC. 17. *Effectivity Clause.* – This Act shall take effect fifteen (15)
6 days from the date of its publication, upon the initiative of the grantee, in at
7 least two newspapers of general circulation in the Philippines.

Approved,

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