

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

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SENATE

RECEIVED BY: COMMITTEE REPORT NO. 839Submitted by the Committee on Public Services on FEB 02 2010

RE : H. B. No. 4886

Recommending its approval without amendment.

Sponsor : Senator Revilla, Jr.


MR. PRESIDENT:

The Senate Committee on Public Services to which was referred **H. B. No. 4886**, introduced by Representatives Cagas and Biron, *entitled:*

"AN ACT
GRANTING THE CULTURAL FOUNDATION OF DAVAO DEL
SUR INCORPORATED (CFDI) A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND
MAINTAIN RADIO AND TELEVISION BROADCASTING
STATIONS IN DAVAO DEL SUR.

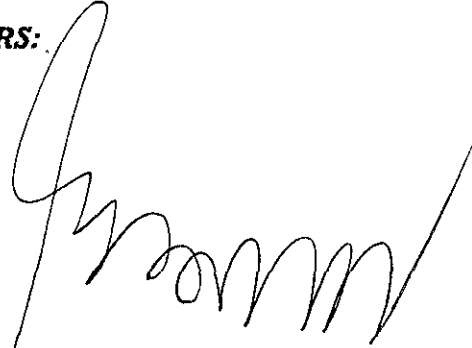
has considered the same and has the honor to report it back to the Senate with the recommendation that the attached **H. B. No. 4886** be approved without amendment.


Respectfully submitted:


RAMON BONG REVILLA, JR.
Chairman
 Committee on Public Services

MEMBERS:


EDGARDO J. ANGARA


GREGORIO "Gringo" B. HONASAN


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FRANCIS N. PANGILINAN

ALAN PETER "Compañero" S. CAYETANO

EX-OFFICIO MEMBERS:


JINGGOY P. EJERCITO ESTRADA
President Pro-Tempore



AQUILINO Q. PIMENTEL, JR.
Minority Floor Leader



JUAN MIGUEL F. ZUBIRI
Majority Floor Leader

JUAN PONCE ENRILE
Senate President
Pasay City

CONGRESS OF THE PHILIPPINES
FOURTEENTH CONGRESS
Second Regular Session



HOUSE OF REPRESENTATIVES

H. No. 4886

BY REPRESENTATIVES CAGAS AND BIRON

AN ACT GRANTING THE CULTURAL FOUNDATION OF DAVAO
DEL SUR INCORPORATED (CFDI) A FRANCHISE TO
CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND
MAINTAIN RADIO AND TELEVISION BROADCASTING
STATIONS IN DAVAO DEL SUR

*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,
3 there is hereby granted to the Cultural Foundation of Davao del Sur
4 Incorporated (CFDI), hereunder referred to as the grantee, its successors or
5 assigns, a franchise to construct, install, establish, operate and maintain for
6 commercial purposes and in the public interest, radio and/or television
7 broadcasting stations in Davao del Sur, where frequencies and/or channels
8 are still available for radio and/or television broadcasting, through
9 microwave, satellite or whatever means, including the use of any new

1 technological auxiliaries and facilities, special broadcast and other program
2 and distribution services and relay stations.

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

11 SEC. 3. *Authority of the National Telecommunications*
12 *Commission.* – The grantee shall secure from the National
13 Telecommunications Commission (NTC), hereinafter referred to as the
14 Commission, a Certificate of Public Convenience and Necessity or the
15 appropriate permits and licenses for the construction, installation and
16 operation of its telecommunications systems/facilities. In issuing the
17 certificate, the Commission shall have the power to impose such conditions
18 relative to the construction, operation, maintenance or service level of the
19 telecommunications systems. The Commission shall have the authority to
20 regulate the construction and operation of its telecommunications systems.
21 The grantee shall not use any frequency in the radio spectrum without
22 having been authorized by the Commission. Such certificate shall state the
23 areas covered and the date the grantee shall commence the service. The
24 Commission, however, shall not unreasonably withhold or delay the grant
25 of any such authority, permits or licenses.

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
29 public issues; provide at all times sound and balanced programming; assist

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

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

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

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

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

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

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

28 SEC. 7. *Acceptance and Compliance.* – Acceptance of this
29 franchise shall be given in writing within sixty (60) days from the

1 effectivity of this Act. Upon giving such acceptance, the grantee shall
2 exercise the privileges granted under this Act. Nonacceptance shall render
3 the franchise void.

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

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

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

25 SEC. 11. *Sale, Lease, Transfer, Usufruct, Etc.* – The grantee shall
26 not lease, transfer, grant the usufruct of, sell nor assign this franchise or the
27 rights and privileges acquired thereunder to any person, firm, company,
28 corporation or other commercial or legal entity, nor merge with any other
29 corporation or entity, nor shall the controlling interest of the grantee be

1 transferred, whether as a whole or in parts and whether simultaneously or
2 contemporaneously, to any such person, firm, company, corporation or
3 entity to which this franchise is sold, transferred or assigned, shall be
4 subject to the same conditions, terms, restrictions and limitations of this
5 Act.

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

9 SEC. 13. *Reportorial Requirement.* – The grantee shall submit an
10 annual report to the Congress of the Philippines on its compliance with the
11 terms and conditions of the franchise and on its operations within sixty (60)
12 days from the end of every year.

13 SEC. 14. *Separability Clause.* – If any of the sections or provisions
14 of this Act is held invalid, all the other provisions not affected thereby shall
15 remain valid.

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

20 SEC. 16. *Effectivity Clause.* – This Act shall take effect fifteen (15)
21 days from the date of its publication, upon the initiative of the grantee, in at
22 least two (2) newspapers of general circulation in the Philippines.

Approved,

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