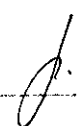


SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

Senate
Office of the Secretary

15 MAR 16 P6:01

SENATE
S. No. 2701

RECEIVED BY: 

Introduced by Senator FRANCIS G. ESCUDERO

AN ACT
RENEWING THE FRANCHISE GRANTED TO THE RADIO MINDANAO
NETWORK, INC. UNDER REPUBLIC ACT. NO. 3122 AS AMENDED BY REPUBLIC
ACT 6980, FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF
APPROVAL OF THIS ACT

EXPLANATORY NOTE

In consonance with the constitutionally guaranteed freedom of the press, this bill renews the franchise granted to Radio Mindanao Network Inc. under Republic Act (RA) No. 3122 as amended by RA No. 6980 to another twenty-five (25) years.

It is submitted that with this extension Philippine mass media will continuously evolve under an atmosphere free from any monopolies or restraints. And, as a matter of state interest, credible and reliable information is made accessible to advance education, and exact transparency and accountability of all matters imbued with public interest.

Hence, this bill, House Bill No. 5531 in the House of Representatives, is respectfully submitted for consideration and approval.



FRANCIS G. ESCUDERO

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AN ACT
RENEWING THE FRANCHISE GRANTED TO THE RADIO MINDANAO
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APPROVAL OF THIS ACT

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

SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the 1987
Philippine Constitution and applicable laws, rules and regulations, the franchise
granted to Radio Mindanao Network, Inc., under Republic Act No. 3122 entitled "An
Act Granting the Radio Mindanao Network, Inc., of the Philippines a Franchise to
Construct, Operate and Maintain Commercial Television and Radio Broadcasting
Stations Within the Philippines" as amended by Republic Act No. 6980, hereunder
referred to as the grantee, its successors or assigns to construct, install, establish, operate
and maintain for commercial purposes and in the public interest, radio and/or
television broadcasting stations, including digital television system, through
microwave, satellite or whatever means, including the use of any new technologies in
television and radio systems, with the corresponding technological auxiliaries and
facilities, special broadcast and other program and distribution services and relay
stations in the Philippines, is hereby renewed for another twenty-five (25) years from
the approval of this Act.

SEC. 2. *Manner of Operation of Stations or Facilities.* - The stations or facilities of
the grantee shall be constructed and operated in a manner as will, at most, result only in
the minimum interference on the wavelengths or frequencies of existing stations or
other stations which may be established by law, without in any way diminishing its
own privilege to use its assigned wavelengths or frequencies and the quality of

1 transmission or reception thereon as should maximize rendition of the grantee's
2 services and/or availability thereof.

3
4 SEC. 3. *Prior Approval of the National Telecommunications Commission.* - The
5 grantee shall secure from the National Telecommunications Commission (NTC), the
6 appropriate permits and licenses for the construction and operation of its stations and
7 facilities and shall not use any frequency in the radio/television spectrum without
8 authorization from the NTC. The NTC, however, shall not unreasonably withhold or
9 delay the grant of any such authority.

10
11 SEC. 4. *Responsibility to the Public.* - The grantee shall provide adequate public
12 service time to enable the government, through the said broadcasting stations or
13 facilities, to reach the population on important public issues; provide at all times sound
14 and balanced programming; assist in the functions of public information and education;
15 conform to the ethics of honest enterprise; and not use its stations and facilities for the
16 broadcasting of obscene and indecent language, speech, act or scene; or for the
17 dissemination of deliberately false information or willful misrepresentation, to the
18 detriment of the public interest, or to incite, encourage or assist in subversive or
19 treasonable acts.

20
21 SEC. 5. *Right of Government.* - A special right is hereby reserved to the President
22 of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster
23 or disturbance of peace and order, to temporarily take over and operate the stations or
24 facilities of the grantee, to temporarily suspend the operation of any station or facility in
25 the interest of public safety, security and public welfare, or to authorize the temporary
26 use and operation thereof by any agency of the government, upon due compensation to
27 the grantee, for the use of said stations or facilities during the period when they shall be
28 so operated.

29
30 The radio spectrum is a finite resource that is part of the national patrimony and the use
31 thereof is a privilege conferred upon the grantee by the State and may be withdrawn
32 anytime after due process.

33
34 SEC. 6. *Term of Franchise.* - This franchise shall be in effect for a period of twenty-
35 five (25) years from the effectivity of the Act, unless sooner revoked or cancelled. This

franchise shall be deemed ipso facto revoked in the event the grantee fails to operate continuously for two (2) years.

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

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

SEC. 9. *Warranty in Favor of National and Local Governments.* - The grantee shall hold the national, provincial, city and municipal governments of the Philippines free from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* - The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privilege acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in parts, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: *Provided, That* Congress shall be informed of any lease, transfer, granting the usufruct of, sale or assignment of franchise or the rights or privileges acquired thereunder, or of the merger, or transfer of controlling interest of the grantee, within sixty (60) days after

1 the completion of said transaction: *Provided, further,* That failure to report to Congress
2 such change of ownership shall render the franchise ipso facto revoked: *Provided, finally,*
3 That any person or entity to which this franchise is sold, transferred or assigned, shall
4 be subject to the same conditions, terms, restrictions and limitations of this Act.

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

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

19
20 SEC. 13. *Reportorial Requirement.* - The grantee shall submit an annual report to
21 the Congress of the Philippines, through the Committee on Legislative Franchises of the
22 House of Representatives and the Committee on Public Services of the Senate, on its
23 compliance with the terms and conditions of the franchise and on its operations on or
24 before April 30 of every year during the term of the franchise.

25
26 SEC. 14. *Penalty Clause.* - Failure to submit the annual report to Congress will be
27 penalized with a fine of five hundred pesos (P500.00) per working day of
28 noncompliance. The fine shall be collected by the NTC from the delinquent franchise
29 grantee separate from the reportorial penalties imposed by the NTC. The collected
30 funds shall accrue to the monitoring fund of the NTC in line with its supervisory and
31 regulatory functions. The reportorial compliance certificate issued by Congress shall be
32 required before any application for permit or certificate is accepted by the NTC.

33
34 SEC. 15. *Equality Clause.* - Any advantage, favor, privilege, exemption, or
35 immunity granted under existing franchise, or which may hereafter be granted for radio

1 and/or television broadcasting, upon prior review and approval of Congress, shall
2 become part of this franchise and shall be accorded immediately and unconditionally to
3 the herein grantee: Provided, however, That the foregoing shall neither apply to nor
4 affect provisions of broadcasting franchises concerning territory covered by the
5 franchise, the life span of the franchise or the type of service authorized by the
6 franchise: Provided, further, That the foregoing shall not apply to sale, lease, transfer or
7 grant of usufruct of legislative franchise with prior congressional approval.

8
9 SEC. 16. *Separability Clause.* – If any of the sections or provisions of this Act is
10 held invalid, all other provisions not affected thereby shall remain valid.

11
12 SEC. 17. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject
13 to amendment, alteration, or repeal by the Congress of the Philippines when the public
14 interest so requires and shall not be interpreted as an exclusive grant of the privileges
15 herein provided for.

16 SEC. 18. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
17 publication in the Official Gazette or in a newspaper of general circulation.

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20 *Approved,*
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