


THIRTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
Third Regular Session

SECRETARY  
6 NOV -7 P4:46

SENATE

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COMMITTEE REPORT NO. 155

Submitted by the Committee on Public Services on 7 NOV 2006

Re : House Bill No. 3293

Recommending its approval with amendments.

Sponsor: Senator Arroyo

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**MR. PRESIDENT:**

The Committee on Public Services, to which was referred House Bill No. 3293, introduced by Representatives Cabilao, Zubiri and Magsaysay (E.), entitled:

**“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 IPIL, ZAMBOANGA SIBUGAY”**

has considered the same and has the honor to report it back to the Senate with the recommendation that it be approved with the following amendments:

1. On page 1, line 3, change the name “Zamboanga Eustaquio Colleges Foundation, Inc.” to “Univesidad de Zamboanga”;
2. On the same page, line 6, delete the phrase “and/or television” after the word radio;
3. On the same page, between lines 7 and 8, delete the phrase “and/or channels” after the word frequencies;
4. On the same page, line 8, delete the phrase “and/or television” after the word radio;
5. On page 2, line 2, delete the phrase “television and” after the preposition “in”;
6. On the same page, line 17, delete “/television” after the word radio;

7. On page 3, line 5, delete the phrase "act or scene;"
8. On the same page and line, replace the punctuation mark comma "," between the words "language and speech" with the conjunction "or";
9. On page 5, between lines 2 and 3, delete the phrase ", play, act or scene," after the word speech;
10. On the same page, between lines 4 and 5, delete the phrase ", play, act, or scene," after the word speech;
11. On the same page, before Sec. 10 (Warranty in Favor of National and Local Governments), insert a new section to read as follows:

**"SEC. \_\_\_\_.** *OBLIGATION OF THE GRANTEE.* – ANY PERSON AGGRIEVED BY ANY REMARK, REPORT, STATEMENT, COMMENTARY OR THE LIKE BY BROADCASTERS USING THE SAME FACILITIES OF THE GRANTEE SHALL HAVE THE RIGHT TO REPLY IN THE SAME PROGRAM OR ANY OTHER PROGRAM THE AGGRIEVED PARTY MAY CHOOSE."

12. On page 6, before Sec. 13 (General Broadcast Policy Law), insert a new section to read as follows:

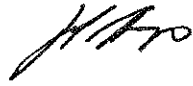
**"SEC. \_\_\_\_.** *EQUALITY CLAUSE.* – EXCEPT FOR TAXES, ANY ADVANTAGE, FAVOR, PRIVILEGE, EXEMPTION OR IMMUNITY GRANTED UNDER EXISTING FRANCHISES, OR MAY HEREAFTER BE GRANTED, SHALL *IPSO FACTO* BECOME PART OF THIS FRANCHISE AND SHALL BE ACCORDED IMMEDIATELY AND UNCONDITIONALLY TO THE HEREIN GRANTEE: *PROVIDED, HOWEVER,* THAT THE FOREGOING SHALL NEITHER APPLY TO NOR AFFECT PROVISIONS OF BROADCASTING FRANCHISES CONCERNING TERRITORY COVERED BY THE FRANCHISE, THE LIFE SPAN OF THE FRANCHISE, OR THE TYPE OF SERVICE AUTHORIZED BY THE FRANCHISE."

13. The title of the bill was amended to read as follows:

"AN ACT GRANTING THE UNIVERSIDAD DE ZAMBOANGA A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN RADIO BROADCASTING STATIONS IN IPIL, ZAMBOANGA SIBUGAY"

14. Renumber the sections accordingly.

Respectfully submitted:



**JOKER P. ARROYO**  
Chairman

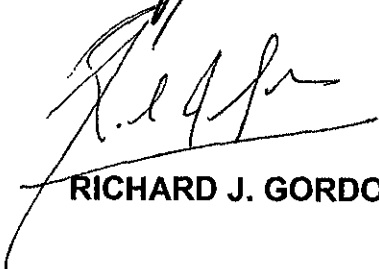
Members:



**RALPH G. RESTO**



**MAR ROXAS**



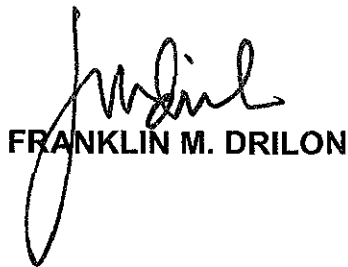
**RICHARD J. GORDON**



**"COMPANERA" PIA CAYETANO**

*I dissent - undercapitalized,  
unnecessary, and too many  
franchises in the same  
field.*

**JUAN PONCE ENRILE**



**FRANKLIN M. DRILON**



**EDGARDO J. ANGARA**



**PANFILO M. LACSON**

*Will Amend*



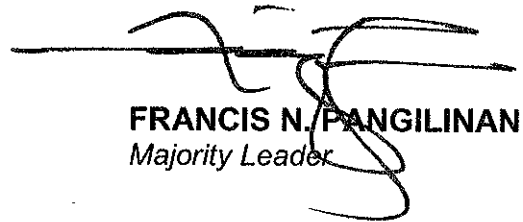
**SERGIO OSMEÑA III**

**M.A. MADRIGAL**


Ex-Officio Members:



**JUAN M. FLAVIER**  
*Pro-Tempore*



**FRANCIS N. PANGILINAN**  
*Majority Leader*



**AQUILINO Q. PIMENTEL JR**  
*Minority Leader*

**Hon. MANNY VILLAR**  
*President*  
*Senate of the Philippines*  
*Pasay City*



## HOUSE OF REPRESENTATIVES

H. No. 3293

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BY REPRESENTATIVES CABILAO, ZUBIRI AND MAGSAYSAY (E.)

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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 IPIL, 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 *per centum* (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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