


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

9 DEC 10 AM 12

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 774

Submitted by the Committee on Public Services on  
DEC 10 2009

RE : **H. B. No. 6816**

Recommending the approval of **H. B. No. 6816** with amendments.

Sponsor : **Senator Revilla, Jr.**

**MR. PRESIDENT:**

The Senate Committee on Public Services to which was referred H. B. No. 6816, introduced by Representatives Angara, Biron, Gonzales, *et. al.*, entitled:

**“AN ACT  
GRANTING THE AURORA TECHNOLOGICAL INSTITUTE (ATI)  
INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,  
OPERATE AND MAINTAIN FOR EDUCATIONAL, NON-  
COMMERCIAL AND NONPROFIT PURPOSES, RADIO AND  
TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES.”**

has considered the same and has the honor to report it back to the Senate with the recommendation that the **H. B. No. 6816** be approved with amendments, to wit:


1. On Section 1 of page 1 line 5 with the title, “Nature and Scope of Franchise”, after the word “educational,” delete the entire phrase starting from the word “non-commercial” up to line 2 of page 2, and in lieu thereof, add the phrase which shall read now as follows: **“SCIENTIFIC, CULTURAL AND COMMERCIAL PURPOSES, RADIO, TELEVISION AND SATELLITE BROADCASTING STATIONS THROUGHOUT THE PHILIPPINES, INCLUDING MULTI-CHANNEL MICROWAVE TRANSMISSION, REPEATER STATIONS, TRANSLATORS, SATELLITE TRANSMISSION, AND DIRECT TO HOME USER SATELLITE BROADCAST SYSTEM, CABLE OR COMMUNITY ANTENNAE TELEVISION SYSTEM (CATV), MULTI-POINT DISTRIBUTION SYSTEM (MUDS), LOCAL MULTI-POINT DISTRIBUTION SYSTEM (LMDS), INTERACTIVE SYSTEM OR STATION, TRANSMITTING, RECEIVING AND SWITCHING STATIONS, BOTH FOR LOCAL AND INTERNATIONAL SERVICES, LINES, FIBER OPTICS,**

MICROWAVE, SATELLITE, TRANSMIT AND RECEIVE SYSTEMS, CONTROL SIGNALS, AUDIO AND VIDEO SYSTEMS, INFORMATION SERVICE BUREAU, PAY AND PAY PER VIEW TELEVISION, VIDEO ON DEMAND AND PUBLIC INFORMATION ON DEMAND SERVICES, MULTI-DISC READ ONLY MEMORY, MEMORY NETWORK DELIVERY, PACKET AND FRAME RELAY AND ELECTRONIC MAIL SERVICES AND OTHER VALUE ADDED SERVICES AND ALL OTHER TECHNOLOGIES AS ARE PRESENTLY AVAILABLE THROUGH TECHNICAL ADVANCES OR INNOVATIONS IN THE FUTURE, AS IS, OR ARE CONVENIENT TO OR ESSENTIAL TO EFFICIENTLY CARRY OUT THE PURPOSES OF THIS FRANCHISE AND TO INSTALL RADIO COMMUNICATION FACILITIES FOR THE GRANTEE'S PRIVATE USE IN ITS BROADCAST SERVICES, MEANS OF DISTRIBUTION INCLUDING THE USE OF ALL NEW TECHNOLOGIES IN BROADCASTING AS ARE AT PRESENT AVAILABLE OR TO BE MADE AVAILABLE THROUGH TECHNOLOGICAL ADVANCES OR INNOVATIONS IN THE FUTURE, WITH THE CORRESPONDING TECHNOLOGICAL AUXILIARIES AND FACILITIES, SPECIAL BROADCAST AND OTHER BROADCAST DISTRIBUTION SERVICES, AND TO INSTALL RADIO COMMUNICATION FACILITIES FOR THE GRANTEE'S PRIVATE USE IN ITS BROADCAST SERVICES."

2. Lastly on the title, it shall read now as follows: "AN ACT GRANTING THE AURORA TECHNOLOGICAL INSTITUTE (ATI) INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN FOR EDUCATIONAL, SCIENTIFIC, CULTURAL AND COMMERCIAL PURPOSES, RADIO, TELEVISION AND SATELLITE BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES".

with Senator Revilla, Jr. as sponsor thereof.

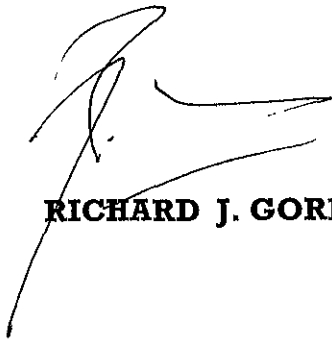
Respectfully submitted:

  
**RAMON BONG REVILLA, JR.**  
Chairman  
Committee on Public Services

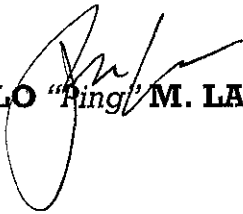
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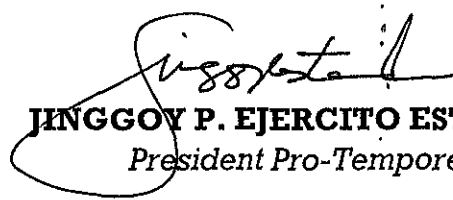


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*Majority Floor Leader*

**JUAN PONCE ENRILE**  
*Senate President*  
*Pasay City*



HOUSE OF REPRESENTATIVES

H. No. 6816

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BY REPRESENTATIVES ANGARA, BIRON, GONZALES (N.) AND DE GUZMAN, PFR  
COMMITTEE REPORT NO. 2372

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AN ACT GRANTING THE AURORA TECHNOLOGICAL INSTITUTE (ATI) INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN FOR EDUCATIONAL, NON-COMMERCIAL AND NONPROFIT PURPOSES, RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES

*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 Aurora Technological Institute (ATI) Inc., hereunder  
4 referred to as the grantee, its successors or assigns, a franchise to construct,  
5 install, establish, operate and maintain for educational, non-commercial and  
6 nonprofit purposes and in the public interest, radio and/or television  
7 broadcasting stations in the Philippines, where frequencies and/or channels are  
8 still available for radio and/or television broadcasting, through microwave,  
9 satellite or whatever means, including the use of any new technologies in  
10 television and radio systems, with the corresponding technological auxiliaries

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

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

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

19       SEC. 4. *Responsibility to the Public.* – The grantee shall provide  
20 adequate public service time to enable the government, through the said  
21 broadcasting stations or facilities, to reach the population on important public  
22 issues; provide at all times sound and balanced programming; assist in the  
23 functions of public information and education; conform to the ethics of honest  
24 enterprise; and not use its stations and facilities for the broadcasting of obscene  
25 and indecent language, speech, act or scene; or for the dissemination of  
26 deliberately false information or willful misrepresentation, to the detriment of  
27 the public interest, or to incite, encourage or assist in subversive or treasonable  
28 acts.

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

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

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

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

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

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

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

26           SEC. 8. *Bond.* – The grantee shall file a bond issued in favor of the  
27 NTC, which shall determine the amount, to guarantee the compliance with and  
28 fulfillment of the conditions under which this franchise is granted. If after

1 three (3) years from the date of the approval of its permit by the Commission,  
2 the grantee shall have fulfilled the same, the bond shall be cancelled by the  
3 Commission. Otherwise, the bond shall be forfeited in favor of the  
4 government and the franchise *ipso facto* revoked.

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

13 SEC. 10. *Warranty in Favor of National and Local Governments.* –  
14 The grantee shall hold the national, provincial, city and municipal governments  
15 of the Philippines harmless from all claims, accounts, demands or actions  
16 arising out of accidents or injuries, whether to property or to persons, caused  
17 by the construction or operation of the stations of the grantee.

18 SEC. 11. *Non-transferability of Franchise.* – The grantee shall not  
19 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights  
20 and privileges acquired thereunder to any person, firm, company, corporation  
21 or other commercial or legal entity, nor merge with any other corporation or  
22 entity, nor shall the controlling interest of the grantee be transferred, whether  
23 as a whole or in parts and whether simultaneously or contemporaneously, to  
24 any such person, firm, company, corporation or entity without the prior  
25 approval of the Congress of the Philippines. Any person or entity to which this  
26 franchise is sold, transferred or assigned shall be subject to the same  
27 conditions, terms, restrictions and limitations of this Act.

1           SEC. 12. *Equality Clause.* – Any advantage, favor, privilege,  
2 exemption or immunity granted under existing franchise, or which may  
3 hereafter be granted for radio and/or television broadcasting, shall *ipso facto*  
4 become part of this franchise and shall be accorded immediately and  
5 unconditionally to the herein grantee: *Provided, however,* That the foregoing  
6 shall neither apply to nor affect provisions of broadcasting franchises  
7 concerning territory covered by the franchise, the life span of the franchise or  
8 the type of service authorized by the franchise.

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

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

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

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

23           SEC. 17. *Effectivity Clause.* – This Act shall take effect fifteen (15)  
24 days after its publication, upon the initiative of the grantee, in at least two (2)  
25 newspapers of general circulation in the Philippines.

Approved,

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