



HOUSE OF REPRESENTATIVES

H. No. 5531

BY REPRESENTATIVES ABAYON, TEODORO, ALIPING, RAMIREZ-SATO, SEMA,
BELLO (S.), BELMONTE (J.), DEFENSOR, AGGABAO, ROBES, VIOLAGO,
BELLO (W.), CAMINERO, SALVACION, RIDON AND LAGDAMEO (M.), PER
COMMITTEE REPORT NO. 591

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

*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 1987 Philippine Constitution and applicable laws, rules and
3 regulations, the franchise granted to the Radio Mindanao Network, Inc., under
4 Republic Act No. 3122, entitled “An Act Granting the Radio Mindanao
5 Network, Inc., of the Philippines a Franchise to Construct, Operate and
6 Maintain Commercial Television and Radio Broadcasting Stations Within the
7 Philippines”, as amended by Republic Act No. 6980, hereunder referred to as
8 the grantee, its successors or assigns, to construct, install, establish, operate
9 and maintain for commercial purposes and in the public interest, radio and/or
10 television broadcasting stations, including digital television system, through
11 microwave, satellite or whatever means, including the use of any new

1 technologies in television and radio systems, with the corresponding
2 technological auxiliaries and facilities, special broadcast and other program
3 and distribution services and relay stations in the Philippines, is hereby
4 renewed for another twenty-five (25) years from the approval of this Act.

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 privilege to use its assigned
10 wavelengths or frequencies and the quality of transmission or reception
11 thereon as should maximize rendition of the grantee's services and/or
12 availability 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 authorization from the
18 NTC. The NTC, however, shall not unreasonably withhold or delay the grant
19 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
22 broadcasting stations or facilities, to reach the population on important public
23 issues; provide at all times sound and balanced programming; assist in the
24 functions of public information and education; conform to the ethics of honest
25 enterprise; and not use its stations and facilities for the broadcasting of
26 obscene and indecent language, speech, act or scene, or for the dissemination
27 of deliberately false information or willful misrepresentation, to the detriment

1 of the public interest, or to incite, encourage or assist in subversive or
2 treasonable acts.

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

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

15 SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a
16 period of twenty-five (25) years from the effectivity of this Act, unless sooner
17 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the
18 event the grantee fails to operate continuously for two (2) years.

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

26 SEC. 8. *Self-regulation by and Undertaking of Grantee.* – The grantee
27 shall not require any previous censorship of any speech, play, act or scene, or
28 other matter to be broadcast from its stations; *Provided*, That the grantee,

1 during any broadcast, shall cut off from the air the speech, play, act or scene,
2 or other matter being broadcast if the tendency thereof is to propose and/or
3 incite treason, rebellion or sedition; or the language used therein or the theme
4 thereof is indecent or immoral: *Provided, further,* That willful failure to do so
5 shall constitute a valid cause for the cancellation of this franchise.

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

11 SEC. 10. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.*
12 -- The grantee shall not lease, transfer, grant the usufruct of, sell nor assign
13 this franchise or the rights and privileges acquired thereunder to any person,
14 firm, company, corporation or other commercial or legal entity, nor merge
15 with any other corporation or entity, nor shall the controlling interest of the
16 grantee be transferred, whether as a whole or in parts, and whether
17 simultaneously or contemporaneously, to any such person, firm, company,
18 corporation or entity without the prior approval of the Congress of the
19 Philippines: *Provided,* That Congress shall be informed of any lease, transfer,
20 granting the usufruct of, sale or assignment of franchise or the rights or
21 privileges acquired thereunder, or of the merger, or transfer of controlling
22 interest of the grantee, within sixty (60) days after the completion of said
23 transaction: *Provided, further,* That failure to report to Congress such change
24 of ownership shall render the franchise *ipso facto* revoked: *Provided, finally,*
25 That any person or entity to which this franchise is sold, transferred or
26 assigned shall be subject to the same conditions, terms, restrictions and
27 limitations of this Act.

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

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

14 SEC. 13. *Reportorial Requirement.* – The grantee shall submit an
15 annual report to the Congress of the Philippines, through the Committee on
16 Legislative Franchises of the House of Representatives and the Committee on
17 Public Services of the Senate, on its compliance with the terms and conditions
18 of the franchise and on its operations on or before April 30 of every year
19 during the term of the franchise.

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

1 SEC. 15. *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, upon prior
4 review and approval of Congress, shall become part of this franchise and shall
5 be accorded immediately and unconditionally to the herein grantee: *Provided,*
6 *however,* That the foregoing shall neither apply to nor affect provisions of
7 broadcasting franchises concerning territory covered by the franchise, the life
8 span of the franchise or the type of service authorized by the franchise:
9 *Provided, further,* That the foregoing shall not apply to sale, lease, transfer or
10 grant of usufruct of legislative franchise with prior congressional approval.

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

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

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

Approved,

O