



HOUSE OF REPRESENTATIVES

H. No. 4805

BY REPRESENTATIVES BARBERS, ZUBIRI, VELOSO, LAGBAS, MITRA, PICHAY,
BARINAGA, MACARAMBON, JARAULA, AMIN AND SUPICO, PER
COMMITTEE REPORT NO. 1104

AN ACT GRANTING THE NORTHERN PACIFIC BROADCASTING,
INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH,
OPERATE AND MAINTAIN RADIO AND TELEVISION
BROADCASTING STATIONS IN SURIGAO DEL NORTE

*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 Northern Pacific Broadcasting, Inc., hereunder referred to
4 as the grantee, its successors or assigns, a franchise to construct, install,
5 establish, operate and maintain for commercial purposes and in the public
6 interest, radio and/or television broadcasting stations in Surigao del Norte,
7 where frequencies and/or channels are still available for radio and/or television
8 broadcasting, through microwave, satellite or whatever means, including the

1 use of any new technologies in television and radio systems, with the
2 corresponding technological auxiliaries and facilities, special broadcast and
3 other program and distribution services and relay stations.

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

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

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

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

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

20 SEC. 6. *Term of Franchise.* – This franchise shall be for a term of
21 twenty-five (25) years from the date of effectivity of this Act, unless sooner

1 revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the
2 event the grantee fails to comply with any of the following conditions:

3 (a) Commence operations within one year from the approval of its
4 operating permit by the NTC;

5 (b) Operate continuously for two years; and

6 (c) Commence operations within three years from the effectivity of this
7 Act.

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

12 SEC. 8. *Bond.* – The grantee shall file a bond issued in favor of the
13 NTC, which shall determine the amount, to guarantee the compliance with and
14 fulfillment of the conditions under which this franchise is granted. If after
15 three years from the date of the approval of its permit by the Commission, the
16 grantee shall have fulfilled the same, the bond shall be cancelled by the
17 Commission. Otherwise, the bond shall be forfeited in favor of the government
18 and the franchise *ipso facto* revoked.

19 SEC. 9. *Self-regulation by and Undertaking of Grantee.* – The grantee
20 shall not require any previous censorship of any speech, play, act or scene, or
21 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; and willful failure to do so shall constitute a
5 valid cause for the cancellation of this franchise.

6 SEC. 10. *Warranty in Favor of National and Local Governments.* –

7 The grantee shall hold the national, provincial, city and municipal governments
8 of the Philippines harmless from all claims, accounts, demands or actions
9 arising out of accidents or injuries, whether to property or to persons, caused
10 by the construction or operation of the stations of the grantee.

11 SEC. 11. *Sale, Lease, Transfer, Usufruct, Etc.* – The grantee shall not
12 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights
13 and privileges acquired thereunder to any person, firm, company, corporation,
14 or other commercial or legal entity, nor merge with any other corporation or
15 entity, nor shall the controlling interest of the grantee be transferred, whether
16 as a whole or in parts and whether simultaneously or contemporaneously, to
17 any such person, firm, company, corporation or entity without the prior
18 approval of the Congress of the Philippines. Any person or entity to which this
19 franchise is sold, transferred or assigned, shall be subject to the same
20 conditions, terms, restrictions and limitations of this Act.

1 SEC. 12. *Dispersal of Ownership.* – In accordance with the
2 constitutional provision to encourage public participation in public utilities, the
3 grantee shall offer at least thirty *per centum* (30%) of its outstanding capital
4 stock or a higher percentage that may hereafter be provided by law in any
5 securities exchange in the Philippines within five years from the time it has
6 achieved the status of a national broadcasting network. A “national
7 broadcasting network” is hereby defined as one that operates three or more
8 radio and/or television stations. Noncompliance therewith shall render the
9 franchise *ipso facto* revoked.

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

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

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

20 SEC. 16. *Repealability and Nonexclusivity Clause.* – This franchise
21 shall be subject to amendment, alteration or repeal by the Congress of the

1 Philippines when the public interest so requires and shall not be interpreted as
2 an exclusive grant of the privileges herein provided for.

3 SEC. 17. *Effectivity Clause.* – This Act shall take effect fifteen (15)
4 days from the date of its publication, upon the initiative of the grantee, in at
5 least two newspapers of general circulation in the Philippines.

Approved,

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