

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4668



INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

EXPLANATORY NOTE

Republic Act No. 7478, enacted in 5 May 1992, granted Sarraga Integrated and Management (SIAM) Corporation a 25-year franchise to operate radio and television broadcasting stations in the country.

Today, SIAM Corporation owns two AM radio stations, DYHH-AM 864 Bantay Radyo in Bogo City and DYZZ-AM 1458 Bantay Radyo in Guihulngan City, one FM radio station, DXJL103.3 The New J in Cagayan de Oro City, and two television (TV) stations, DYTS-TV Channel 4 in Tacloban City and DXNL-TV Channel 27 in Cagayan de Oro City. It also has a television translator about 10,000 feet above mean sea level in Mount Kitanglad, Bukidnon. All of SIAM Corporation's TV and radio transmitters are on full solid-state power and are maintained by highly trained and experienced engineers. Moreover, it is presently processing applications with the National Telecommunications Commission for the operation of Ultra High Frequency/Very High Frequency TV stations, 14 FM radio stations, two AM radio stations, and eight wireless cable TV systems.

Considering that SIAM Corporation has made appropriate use of its franchise, complied with the provisions thereof, invested significantly in broadcasting stations and equipment, and intends to continue and expand its operations, it is only proper for Congress to renew SIAM Corporation's franchise to operate radio and television broadcasting stations in the country.

The support of the Members of Congress for the prompt and timely passage of this measure is earnestly sought.

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AN ACT

RENEWING THE FRANCHISE GRANTED TO SARRAGA INTEGRATED AND MANAGEMENT CORPORATION UNDER REPUBLIC ACT NO. 7478 TO CONSTRUCT, INSTALL, OPERATE, AND MAINTAIN, FOR COMMERCIAL PURPOSES, RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES

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

1 SECTION 1. Nature and Scope of Franchise. – Subject to the provisions of the
2 Constitution and applicable laws, rules, and regulations, a franchise is hereby granted again to
3 the Sarraga Integrated Management Corporation, hereinafter referred to as the Grantee, its
4 successors or assigns, to construct, install, establish, operate, and maintain, for commercial
5 purposes and in the public interest, radio and television broadcasting stations in the Philippines,
6 where frequencies or channels are still available for radio or television broadcasting, including
7 digital television, through microwave, satellite, or whatever means, including the use of any new
8 technologies in television and radio systems, with the corresponding technological auxiliaries
9 and facilities, special broadcast, and other program and distribution services and relay stations.

10
11 SEC. 2. Manner of Operation of Stations and Facilities. – The stations and facilities of the
12 Grantee shall be constructed and operated in a manner that will result, at most, only in minimum
13 interference on the wavelengths or frequencies of existing stations or other stations which may
14 be later established, without in any way diminishing its own privilege to use its assigned
15 wavelengths or frequencies and the quality of transmission or reception thereon as should
16 maximize the rendition of the Grantee's services and the availability thereof.

1 SEC. 3. Prior Approval of the National Telecommunications Commission. - The Grantee
2 shall secure from the National Telecommunications Commission (NTC) the appropriate permits
3 and licenses for the construction and operation of its stations and facilities and shall not use any
4 frequency in the radio and television spectrum without authorization from the NTC; Provided,
5 that the NTC shall not unreasonably delay or withhold the grant of any such authority.
6

7 SEC. 4. Responsibility to the Public. - The Grantee shall:
8

- 9 (a) provide adequate public service time to enable the Government, through its broadcasting
10 stations or facilities, to reach the population on important public issues;
11
12 (b) provide, at all times, sound, and balanced programming;
13
14 (c) assist in the functions of public information and education;
15
16 (d) conform to the ethics of an honest enterprise; and
17
18 (e) not use its stations and facilities for the broadcasting of obscene and indecent language,
19 speech, act, or scene, the dissemination of deliberately false information or willful
20 misrepresentation to the detriment of the public interest, or to incite, encourage, or assist in
21 subversive or treasonous acts.
22

23 SEC. 5. Right of Government. - A special right is hereby reserved to the President of the
24 Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster, or disturbance
25 of peace and order, to temporarily take over and operate the stations or facilities of the Grantee,
26 temporarily suspend the operation of any station or facility of the Grantee in the interest of public
27 safety, security, and public welfare, or authorize the temporary use and operation thereof by any
28 agency of the Government, upon due compensation to the Grantee, for the use of its stations or
29 facilities during the period when they shall be so operated.
30

1 and privileges acquired thereunder to any person, firm, company, corporation, or other
2 commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer its
3 controlling interest, whether as a whole or in part, and whether simultaneously or
4 contemporaneously, to any such person, firm, company, corporation, or entity without the prior
5 approval of the Congress of the Philippines. Any person or entity to which this franchise is sold,
6 transferred, or assigned shall be subject to the same conditions, terms, restrictions, and
7 limitations of this Act.

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

11
12 SEC. 12. Reportorial Requirement. –The Grantee shall submit an annual report to the
13 Congress of the Philippines, through the Committee on Legislative Franchises of the House of
14 representative and the Committee on Public Services of the Senate, on its compliance with the
15 terms and conditions of the franchise and on its operations on or before April 30 of every year
16 during the term of this franchise.

17
18 SEC. 13. Equality of Treatment. – Any advantage, favor, privilege, exemption, or
19 immunity granted under existing franchises or which may hereafter be granted for radio or
20 television broadcasting, upon prior review and approval of the Congress of the Philippines, shall
21 automatically become part of this franchise and shall be accorded immediately and
22 unconditionally to the Grantee; Provided, that the foregoing shall neither apply to nor affect the
23 provisions of broadcasting franchises concerning territory covered by such franchise, the life
24 span of the franchise, or the type of service authorized by the franchise.

25
26 SEC 14. Amendment, Repeal, and Non-Exclusivity. – The franchise shall be subject to
27 amendment, modification, or repeal by the Congress of the Philippines, when the public interest
28 so requires and shall not be interpreted as an exclusive grant of the privileges herein provided.

1 The radio spectrum is a finite resource that is part of the national patrimony and the use thereof is
2 a privilege conferred upon the Grantee by the State and may be withdrawn anytime with the
3 observance of due process.
4

5 SEC. 6. Term of Franchise. – This franchise shall be in effect for a period of 25 years
6 from the effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be *ipso*
7 *facto* revoked in the event the Grantee fails to operate continuously for two (2) years.
8

9 SEC. 7. Acceptance and Compliance. – Acceptance of this new franchise by the Grantee
10 shall be given in writing to the Congress of the Philippines, through the Committee on
11 Legislative Franchises of the House of Representatives and the Committee on Public Services of
12 the Senate, within 60 days from the effectivity of this Act. Upon the giving of such acceptance,
13 the Grantee shall exercise the privileges granted under this Act. Non-acceptance of this franchise
14 within the period provided herein shall render the same void.
15

16 SEC. 8. Self-regulation by and Undertaking of the Grantee. – The Grantee shall not
17 require any previous censorship of any speech, play, act or scene, or other matter to be
18 broadcasted from its stations; Provided, that the Grantee, during any broadcast, shall cut off from
19 the air a speech, play, act or scene, or other matter being broadcast if the tendency thereof is to
20 propose or incite treason, rebellion, or sedition, or the language used therein or the theme thereof
21 is indecent or immoral; Provided, further, that willful failure of the Grantee to do so shall
22 constitute a valid cause for the cancellation of this franchise.
23

24 SEC. 9. Warranty in Favor of National and Local Governments. – The Grantee shall hold
25 the national, provincial, city, and municipal governments of the Philippines free from all claims,
26 accounts, demands, or actions arising out of accidents or injuries, whether to property or to
27 persons, caused by the construction or operation of the stations of the Grantee.
28

29 SEC. 10. Sale, Lease, Transfer, Grant, Usufruct, or Assignment of this Franchise. – The
30 Grantee shall not lease, transfer, grant the usufruct of, sell, or assign this franchise or the rights

1 SEC 15. Separability. – If any provision of this Act is declared invalid or
2 unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

3

4 SEC 16. Effectivity. – This Act shall take effect immediately after its publication in the
5 Official Gazette or a newspaper of general circulation

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