

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5479



INTRODUCED BY CONGRESSMAN ALFRED VARGAS

EXPLANATORY NOTE

Article II Section 24 of the 1987 Philippine Constitution provides:

"The State recognizes the vital role of communication and information in nation-building."

The Vanguard Radio Network Company, Inc., is a grantee of a Legislative Franchise under Republic Act No. 7259, as amended by Republic Act No. 8069, on May 22, 1992.

From the time of the grant of franchise, the Vanguard Radio Network Company, Inc., has been operating the following broadcast stations: (a) DWWG-FM, 101.5 Mhz in Cabanatuan City; (b) DZXO-AM, 1180 Khz. in Cabanatuan City; (c) DWDC-FM, 101.3 Mhz in Solano, Nueva Vizcaya; (d) DWMG-AM, 1395 Khz in Solano, Nueva Vizcaya; (e) DWWC-FM 95.3, Mhz in Cauayan, Isabela; (f) DWXY-FM 100.5, Mhz in Tuguegarao, Cagayan; (g) DWAA-FM 105.5, Mhz in San Fernando, La Union, and; (h) DYVA-FM, 88.7 Mhz in Tagbilaran City, Bohol. To continue the operation and maintenance of these stations, this bill seeks to renew the franchise granted to the Vanguard Radio Network.

The incorporators are of the mindset that social development is achieved effectively through the broadcasting of intelligent information. In this age of advancement in technology and communications, national issues and course of development are transmitted through to a wide coverage of audience at a swift pace.

In view of the foregoing, the approval of this measure is sought.


ALFRED VARGAS

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AN ACT

RENEWING THE FRANCHISE GRANTED TO VANGUARD RADIO NETWORK COMPANY, INC., UNDER REPUBLIC ACT NO. 7529, ENTITLED "A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE, AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE ISLAND OF LUZON, AS AMENDED BY REPUBLIC ACT NO. 8069, EXTENDING ITS OPERATIONS IN REGIONS 6,7,10, AND 11, AND FOR OTHER PURPOSES," FOR ANOTHER TWENTY FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT

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

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the 1987 Philippine Constitution and applicable laws, rules and regulations, there is hereby granted to Vanguard Radio Network Company, Inc., hereunder referred to as the grantee, its successors or assignees, a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, radio and television broadcasting stations in the island of Luzon, and in Regions 6, 7, 10, and 11, with the corresponding auxiliary, special broadcast and other program distribution services and relay stations, and to install radio communication facilities for the grantee's private use in its broadcast services, is hereby renewed for another twenty five (25) years from the effectivity of this Act.

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

SEC. 3. *Prior Approval of the National Telecommunications Commission.* – The grantees shall secure from the National Telecommunications Commission (NTC) the appropriate permits and licenses for construction and operation of its stations and facilities and shall not use any frequency in the radio/television spectrum without authorization from

the NTC. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

SEC. 4. Responsibility to the Public. – The grantee shall provide adequate public service time to enable the government, through the said broadcasting stations or facilities, to reach the population on important public issues; provide at all times sound and balanced ethics of honest enterprise; and not use its stations and facilities for the broadcasting of obscene and indecent language, speech, act or scene, or for the dissemination of deliberately false information or wilful misrepresentation to the detriment of the public interest, or to incite, encourage, or assist in subversive or treasonable acts.

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

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

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

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

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

SEC. 9. Warranty in Favor of National and Local Governments. – The grantee shall hold the national, provincial, city and municipal governments of the Philippines free from all

claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

SEC. 10. Sale, Lease, Transfer, Grant of Usufruct of, or Assignment of Franchise. – The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in part, and whether simultaneously or contemporaneously, to such any person, firm, company, corporation, or entity without the prior approval of the Congress of the Philippines. *Provided*, That Congress shall be informed of any sale, lease, transfer, grant of usufruct of, or assignment of controlling interest of the grantee, within sixty (60) days after the completion of said transaction. *Provided, further*, That failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked. *Provided, finally*, That any person or entity to which this franchise is sold, transferred or assigned shall be subjected to all the same conditions, terms, restrictions and limitations of this Act.

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

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

SEC. 13. Reportorial Requirement. – The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of every year during the term of its franchise. The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

SEC. 14. Penalty Clause. – Failure of the grantee to submit the requisite annual report to Congress will be penalized by a fine in the amount of Five Hundred Pesos (Php500.00) per working day of noncompliance. The fine will be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC.

SEC. 15. Equality Clause. – Any advantage, favor, privilege, exemption, or immunity, granted under existing franchises, or which may hereafter be granted for radio and/or television broadcasting, upon prior review and approval of Congress, shall become part of this

franchise and shall be accorded immediately and unconditionally to the herein grantee: *Provided*, That the foregoing shall neither apply to nor affect the provisions of broadcasting franchises concerning territory covered by such franchise, the life span of the franchise or the type of service authorized by the franchise.

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

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

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

Approved,