Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Eighteenth Congress
Second Regular Session

HOUSE BILL NO. 7508

Introduced by Honorable Roger G. Mercado

EXPLANATORY NOTE

Section 24, Article II of the Constitution recognizes the vital role of communication and information in nation building. For this reason, it is important that the state shall provide an environment for the communication and information enterprises to flourish.

Maasin Cable Television is an enterprise that provides information and communications to the Province of Southern Leyte.

Therefore, passage of this bill is hereby being earnestly sought.

[Signature]
ROGER GAVIOLA MERCADO
AN ACT
GRANTING MAASIN CABLE TELEVISION A FRANCHISE TO
CONSTRUCT, ESTABLISH, MAINTAIN AND OPERATE CABLE
TELEVISION SYSTEM IN THE PROVINCE OF SOUTHERN LEYTE

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 Constitution and applicable laws, rules and regulations, there
is hereby granted to the Maasin Cable Television, hereunder referred to as
the grantee, its successors or assigns, a franchise to construct, install,
operate and maintain for commercial purposes and in the public interest cable
television system in the Province of Southern Leyte with the corresponding
technological auxiliaries or facilities, special broadcast and other program and
distribution services and relay stations, and to install radio communication
facilities for the grantee’s private use in its broadcast services.

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

SEC. 3. Prior Approval of the National Telecommunications
Commission. — The grantee shall secure from the National
Telecommunications Commission the appropriate permit and licenses for its
stations and shall not use any frequency in the radio/television spectrum
without having been authorized by the Commission. The Commission,
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
cable television stations, to reach the population on important public issues;
provide at all times sound and balanced programming; assist in the functions
of public information and education; conform to the ethics of honest
enterprise, and not to use its stations for the broadcasting of obscene and
indecent language, speech, act or scene, or for the dissemination of
deliberately false information or willful misrepresentation or 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 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 station of the grantee, temporarily suspend the operation
of any station 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 the said
stations during the period when they shall be so operated.
SEC. 6. Term of Franchise.- This franchise shall be for a term of twenty-five (25) years from the date of approval of this Act, unless sooner revoked or cancelled. In the event the grantee fails to operate continuously for two (2) years, this franchise shall be deemed ipso facto revoked.

SEC. 7. Acceptance and Compliance.- This franchise shall become effective upon a acceptance in writing by the grantee. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

SEC. 8. Tax Provisions. – The grantee, its successors or assigns shall be liable to pay the same taxes on their real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns shall pay a franchise tax at such percentage as may be prescribed by law on all gross receipts of the radio/television business transacted under this franchise by the grantee, its successors or assigns: Provided, That the grantee, its successors or assigns shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72, unless the latter enactment is amended or repealed, in which case the amendment of repeal shall be applicable thereto. The grantee shall file the return with, and pay the tax due thereon to the Commissioner of Internal Revenue of his duly authorized representatives in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 9. 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 telecast from its stations: Provided, That the grantee during any broadcast and telecast 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
theme thereof is indecent or immoral; and willfull failure to do shall constitute
a valid cause for the cancellation of this franchise.

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

SEC. 11. Sale, Lease Transfer, Usufruct, etc. – The grantee shall not
lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights
and privileges acquired thereunder to any person, firm, company, corporation
or entity without the prior approval of the Congress of the Philippines. Any
person or entity to which this franchise is sold, transferred or assigned, shall
be subject to all the same conditions, terms, restrictions and limitations of this
Act.

SEC. 12. General Broadcast Policy Law. – The grantee shall comply
with a general broadcast policy law which Congress may hereafter enact.

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

SEC. 14. Repealability and Nonexclusivity Clause.- This franchise shall
be subject to amendment, alterations, 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. 15. Effectivity Clause. – This Act shall take effect fifteen (15)
days from the date of its publication in at least two (2) newspapers of general
circulation in the Philippines.

Approved,