

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

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10061



Introduced By: Hon. LORNA C. SILVERIO

EXPLANATORY NOTE

The Biggest problem faced by the country and the one hundred twenty-one (121) Rural Electric Cooperative of the Philippines is the lack on internet connectivity. The Bangko Sentral ng Pilipinas (BSP) said that internet and Wi-Fi have only 30% penetration in the country and confined only in urban and poblacion areas. BSP is in the forefront of the government's drive most especially under the current pandemic conditions to achieve online financial services, communications, even shopping and use e-wallet payments.

On July 30, 2021 the 121 Rural Electric Cooperatives entered a Memorandum of Agreement (MOA), thru its investments arm, the REFC, with ORO BROADCASTING NETWORK INC. and GEOSAT Integrated Services Inc. to provide internet connections to internet radio broadcasting stations cum social media audio visual owned by rural electric cooperatives proactive connections in favor of their rural areas, mountainous and island residents/ consumers.

ORO BROADCASTING NETWORK INC. Congressional franchise for radio and television will facilitate the rural electric cooperatives application for Provisional Authority to Operate (PAO) for INTERNET radio broadcasting stations as required now by National Telecommunications Commission (NTC).

ORO BROADCASTING NETWORK INC. Congressional franchise will also fill the requirement for PAO on national broadband. Together with GEOSAT's VAS license as internet service provider and ORO BROADCASTING NETWORK INC's engagement with the satellite company and ground stations, as one they could provide under their MOA the needs of the rural electric cooperatives for online billing, financial services, social media interaction through their connectivity specialties etc.

The costs of investment for the hardware such as satellite disco, antennae, routers fiber optics and equipment etc. in these projects shall be provided for by ORO BROADCASTING NETWORK INC. and GEOSAT INTERGRADED SERVICES INC. at no cost to the 121 rural electric cooperatives' households.

The household consumers will only pay very minimal and affordable service charges monthly as approved by the regulatory agencies, NTC, BSP and DICT.

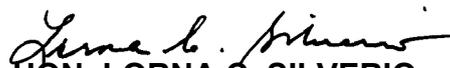
However, we are aware of the impact the new technologies and internet connectivity will have on the geographically isolated and deprived areas (GIDA) in the country in terms of business, livelihood, financial, social and entertainment to their daily lives.

ORO Broadcasting Network Incorporated is a corporation duly incorporated on December 15, 1994 with offices at Cagayan de Oro and Makati City.

In compliance with the policy of the State and as provided for in article 11 of the constitution, specifically section 24, in the re: State Policies that "State recognizes the vital role of communications and information in nation building." It now seeks to secure the renewal on its congressional franchise.

ORO BROADCASTING NETWORK INC. will contribute immensely to nation building after the grant of renewal of Republic Act 8216; it being well aware of the need for internet Wi-Fi, digital radio broadcasting cum social media, audio visual and digital television where we will be operating in the rural, islands and mountainous areas. The renewal of the legislative franchise subject herein will benefit the eighty-three (83) proposed internet radio broadcasting stations of the one hundred twenty-one (121) rural electric cooperatives and will ultimately provide reliable and affordable internet connectivity to the Filipino people.

The shareholders of ORO BROADCASTING NETWORK INC., their principal partners GEOSAT Integrated Services and the 121 rural electric cooperatives (Philreca) (REFC) earnestly seek the grant of the renewal of this congressional franchise subject of this application in order it to operate and maintain the 83 digital radio broadcast stations cum social media owned by the rural electric cooperatives and provide Wi-Fi signals to these areas in Mindanao and other parts of the Philippines.


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AN ACT
RENEWING THE FRANCHISE GRANTED TO ORO BROADCASTING NETWORK INC. UNDER REPUBLIC ACT NO. 8216, ENTITLED “AN ACT GRANTING ORO BROADCASTING NETWORK INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS WITHIN MINDANAO AND OTHER AREAS IN THE PHILIPPINES FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT.

Be it enacted by the Senate and the 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 Oro Broadcasting Network Inc., its successors or assigns, referred to as the grantee entitled a franchise to construct, install, operate and maintain for commercial purposes and in the public interest, radio and television broadcasting stations within Mindanao and other areas in the Philippines with the corresponding auxiliary, special broadcast and other program distribution services and relay stations and to install radio communication facilities for the grantees private use in the broadcast services, where frequencies and/or channels are still available for radio broadcasting including digital television through microwave, satellite or whatever means, including the use of any new technologies in radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in Mindanao and other areas in the Philippines is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

Section 2. Manner of Operation of Stations or Facilities – The stations or 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 existing stations or other stations which may be established by law, without in any way diminishing its own privilege 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.

Section 3. Prior approval of the National Telecommunications Commission – The grantee 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.

Section 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 programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations and facilities for the broadcasting of the obscene and indecent language, speech, act or scene, or for the dissemination of deliberately false information or willful misrepresentation to the detriment of the public interest, or to incite, encourage, or assist in subversive or treasonable acts.

Section 5. Right of Government. A special right is hereby reserved to the President of the Philippine, 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 the 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 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 anytime after due process.

Section 6. Term of Franchise. – this franchise shall be in effect for the period of twenty-five (25) years from effectivity of this Act, unless sooner revoked or cancelled.

This franchise shall be ipso facto revoked in the event the grantee fails to operate continuously for two (2) years.

Section 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 be exercise privileges granted under this Act. Non-acceptance shall render the franchise void.

Section 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 willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

Section 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 claim, 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.

Section 10. Sale, Lease, Transfer, Grant or Usufruct, 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 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 any such 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 franchise or rights or privileges acquired thereunder or the merger or transfer of the 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 subject to all same conditions, terms, restrictions and limitations of this Act.

Section 11. Dispersal of Ownership. – In accordance with constitutional provision to encourage public participation in the public utilities, the grantee shall offer to the Filipino citizens at least thirty percent (30%) or 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.

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

Section 13. Reportorial Requirement. – The grantee shall submit an annual report to 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.

Section 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 (P 500.00) 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.

Section. 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.

Section 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.

Section 17. Repealability and Nonexclusivity 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.

Section 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.

Lina L. Pinera