

## **AN ACT GRANTING THE EASTERN PHILIPPINE ELECTRONICS A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE RADIO BROADCASTING AND TELEVISION STATIONS IN PROVINCES AND CITIES WITHIN THE P...**

*REPUBLIC ACT NO. 2997, June 19, 1960*

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

SECTION 1. Subject to the provisions of the Constitution, as well as of Act Numbered Thirty-eight hundred forty-six, entitled "An Act providing for the regulation of radio stations and communications in the Philippine Islands, and for other purposes;" Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments, and other applicable laws not inconsistent with this Act, the Eastern Philippine Electronics is hereby granted a franchise to construct, establish, maintain and operate for commercial purposes and in the public interest, radio broadcasting and television stations in provinces and cities within the Philippines: Provided, That this franchise shall be void unless the construction of at least one radio broadcasting or one television station be begun within three years from the date of approval of this Act, and be completed within five years from said date: Provided, further, That the grantee shall provide public service time to enable the Government, through the said radio broadcasting and television stations, to reach the population on important public issues; shall assist in the functions of public information and education; shall conform to the ethics of honest enterprise; and shall not use its stations for the broadcasting and/or telecasting of obscene or indecent language, act or scene, or for the dissemination of deliberately false information or willful misrepresentation, or to the detriment of the public health, or to incite, encourage, or assist in subversive or treasonable acts.

SEC. 2. In the event of any competing person, natural or juridical, receiving from the Congress a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall ipso facto become a part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing person.

SEC. 3. A special right is hereby reserved to the President of the Philippines in time of war, insurrection, public peril or other national emergency and when public safety requires, to cause the closing of the grantee's radio station or stations or to authorize the use or possession thereof by any department of the Government without compensation to the grantee for the use of said station during the continuance of the national emergency.

SEC. 4. The grantee shall not require any previous censorship of any speech, play, act or scene or other matter to be broadcast and/or telecast from its stations; but if any such speech, play, act or scene or other matter should constitute a violation of the law or infringement of a private right, the grantee shall be free from any liability, civil or criminal, for such speech, play, act or scene or other matter: Provided, That the grantee, during any broadcast and/or telecast, shall cut off from the air the speech, play, act or scene or other matter being broadcast and/or telecast 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, and willful failure to do so shall constitute a valid cause for the suspension of the operation of said station not to exceed six months.

SEC. 5. The grantee shall hold the national, provincial and municipal governments of the Philippines harmless from all claims, accounts, demands, or actions existing out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

SEC. 6. The grantee may sell, lease, grant, convey, assign, give in usufruct, or transfer this franchise and all property and rights acquired thereunder to any individual, co-partnership, corporation or joint-stock company competent to operate the business hereby authorized under the provisions of the Constitution, as well as under the provisions of Act Fourteen hundred and fifty-nine, as amended: Provided, however, That any such sale, lease, grant, conveyance, assignment, gift in usufruct, or transfer shall not be effective unless and until the vendee, lessee, grantee, assignee, donee or transferee shall have communicated his/its acceptance and made the deposit as provided in Section seven of this Act, which letter of acceptance of said vendee, lessee, grantee, assignee, donee or transferee shall state that it shall be firmly bound to comply with all the terms and conditions imposed upon the grantee by this franchise.

SEC. 7. The grantee shall not commence any construction nor exercise the rights and privileges herein granted without first communicating its acceptance and conformity to the terms and conditions of this franchise to, and making a deposit in an amount of fifty thousand pesos in cash or in negotiable bonds approved by the Central Bank of the Philippines with, the Treasurer of the Philippines. The said deposit shall stand as earnest of good faith on the part of the grantee and as a guarantee that it shall commence the construction of at least one radio broadcasting, or one radio television station in any city, municipality or municipal district in the Philippines in a substantial manner within a period of three years from the date of the approval of this Act and be completed within five years and the Treasurer of the Philippines shall invest the same in interest-earning securities: Provided, That if within a period of five years after the approval of this Act the grantee shall not have commenced operation in any city, municipality or municipal district, then any person, association or corporation with a franchise to conduct a business similar to that of the grantee may operate and furnish to said city, municipality or municipal district the service offered by the grantee. Six months after the grantee shall have commenced operation in any one municipal district, municipality or city, the said deposit shall be returned to the grantee, together with whatever interests it had earned.

Should the grantee fail to communicate its acceptance with the Secretary of Public Works and Communication of the terms and conditions of this franchise as provided in this section, within a period of three hundred sixty days from the approval of this Act, then this franchise shall be deemed ipso facto abandoned and forfeited

SEC. 8. In consideration of the franchise hereby granted, the grantee shall pay unto the respective municipal or city treasury in which it is operating, a tax equal to one-half of one percent of the gross earnings it derives from its operations under this franchise in each of said municipality or city, for the first thirty-five years of operation and for the remaining fifteen years an amount equivalent to one per centum of its said gross earnings. Said tax shall be due and payable quarterly and shall be in lieu of any and all taxes of any kind, nature, or description, levied, established or collected by any authority whatsoever, municipal, provincial, city or national now or in the future, on its buildings, poles, wires, insulators, transformers and structures, installations, conductors, and accessories, placed in and over and under all public or private property, including public or private streets, bridges and public squares, and on its franchise, rights, privileges, receipts, revenues and profits, for which taxes the grantee is hereby expressly exempted.

For purposes of the tax herein imposed, the grantee shall keep separate records and books of accounts for any and all income it derives from its operations in each municipal district, municipality and city, and such records and books of accounts shall be open for inspection by the Collector of Internal Revenue or his agents within a period of five years from their entry or dates of transaction. Such records and books of accounts shall be prepared in

triplicate, the original of which shall be kept by the grantee, the duplicate to be forwarded to the Collector of Internal Revenue through the respective municipal or city treasurers concerned, and the triplicate to be forwarded to the Auditor General for audits and file purposes.

SEC. 9. At any time after thirty years from the date of the approval of this Act or in cases of national emergency when the public safety so requires, in the event that the government should desire to maintain and operate for itself any or/all of the stations herein authorized, the grantee shall turn over such station or stations to the government with all the serviceable equipments therein, at cost, less reasonable depreciation.

SEC. 10. This Act shall take effect upon its approval.

Enacted without Executive approval, June 19, 1960.

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