

[REPUBLIC ACT NO. 10027, March 13, 2010]

AN ACT GRANTING THE AURORA TECHNOLOGICAL INSTITUTE (ATI) INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN FOR EDUCATIONAL, SCIENTIFIC, CULTURAL AND COMMERCIAL PURPOSES, RADIO, TELEVISION AND SATELLITE BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES

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 Aurora Technological Institute (ATI) Inc., hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, establish, operate and maintain for educational, scientific, cultural and commercial purposes, radio, television and satellite broadcasting stations throughout the Philippines, including multi-channel microwave transmission, repeater stations, translators, satellite transmission, and direct-to-home user satellite broadcast system, cable or community antennae television system (CATV), multi-point distribution system (MUDS), local multi-point distribution system (LMDS), interactive system or station, transmitting, receiving and switching stations, both for local and international services, lines, fiber optics, microwave, satellite, transmit and receive systems, control signals, audio and video systems, information service bureau, pay and pay-per-view television, video on demand and public information on demand services, multi-disc read-only memory, memory network delivery, packet and frame relay and electronic mail services and other value-added services and all other technologies as are presently available through technical advances or innovations in the future, as is, or are convenient to or essential to efficiently carry out the purposes of this franchise and to install radio communication facilities for the grantee's private use in its broadcast services, means of distribution including the use of all new technologies in broadcasting as are at present available or to be made available through technological advances or innovations in the future, with the corresponding technological auxiliaries and facilities, special broadcast and other broadcast distribution services, and to install radio communication facilities for the grantee's private use in its broadcast services.

SEC. 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 existing stations or other stations which may be established by law, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's services and/or availability thereof.

SEC. 3. *Prior Approval of the National Telecommunications Commission.* — The grantee shall secure from the National Telecommunications Commission (NTC), hereinafter referred to as the Commission, the appropriate permits and licenses for the construction and operation of its stations and facilities 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 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 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.

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, to temporarily suspend the operation of any station or facility in the interest of public safety, security and public welfare, or to authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee, for the use of said 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 anytime after due process.

SEC. 6. *Term of Franchise.* — This franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to comply with any of the following conditions:

- a. Commence operations within one (1) year from the approval of its operating permit by the NTC;
- b. Operate continuously for two (2) years; and
- c. Commence operations within three (3) years from the effectivity of this Act.

SEC. 7. *Acceptance and Compliance.* — Acceptance of this franchise shall be given in writing within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.

SEC. 8. *Bond.* — The grantee shall file a bond issued in favor of the NTC, which shall determine the amount, to guarantee the compliance with and fulfillment of the conditions under which this franchise is granted. If after three (3) years from the date of the approval of its permit by the Commission, the grantee shall have fulfilled