

[REPUBLIC ACT NO. 8611, March 27, 1998]

AN ACT GRANTING THE DIGITAL ENTERTAINMENT CORPORATION A FRANCHISE TO ESTABLISH, CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES A DIRECT TRANSMITTING SATELLITE SYSTEM IN THE PHILIPPINES

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 Digital Entertainment Corporation, hereunder referred to as the grantee, its successors or assigns, a franchise to establish, construct, install, operate and maintain for commercial purposes and in the public interest, cable/community antennae television (CATV) systems and/or direct to user satellite systems throughout the Philippines, and between the Philippines and other countries and territories, through the reception of audio, visual and other signals from any broadcast station, program provider or any other source within and outside the Philippines, and the distribution or transmission of the same to homes, offices, condominiums, multiple dwelling units, subdivisions, hotels, restaurants, and other residential, commercial and industrial structures and other public and private conveyances within and outside the Philippines, by means of microwave or other electromagnetic waves, optics, satellite, or any kind of energy, force, variations, or impulses, radiated through space or transmitted through any other medium as may be allowed by law; to originate, store, distribute, transmit, re-transmit and receive through said systems, news and documentaries, entertainment, cultural, informational, and educational radio and television programs, both live and recorded; to construct, establish, install, operate, manage, lease, maintain and purchase transmitting, receiving and switching stations, both for local and international services, lines, fiber optics, microwave facilities, cables, satellite transmit and receive systems, control signals, audio and video systems, information service bureau, computer and interactive computer systems, pay TV and pay per view television, video on demand and public information on demand service, multi-disc read only memory network delivery, packet and frame relay and electronic mail services, and other value added services and all other related technologies as are at present available, or to be made available through technological advances or innovations in the future, as is or are convenient to or essential to efficiently carry out the purposes of this franchise.

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 the availability thereof.

SEC. 3. *Prior Approval of the National Telecommunications Commission.* - The grantee shall secure from the National Telecommunications Commission, hereinafter referred to as the Commission, the appropriate permits and licenses for the construction and operation of its stations, transmitters or facilities and shall not use any frequency in the radio and 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. *Ingress and Egress.* - For the purpose of erecting and maintaining poles or other supports for said wires or other conductors for the purpose of laying and maintaining underground wires, cables or other conductors, it shall be lawful for the grantee, its successors or assigns, with the prior approval of the Department of Public Works and Highways, to make excavations or lay conduits in any of the public places, highways, streets, lanes, alleys, avenues, sidewalks or bridges of said provinces, cities and/or municipalities: *Provided, however,* That any public place, highway, street, lane, alley, avenue, sidewalk or bridge disturbed, altered or changed by reason of the erection of poles or other supports or the underground laying of wires, other conductors or conduits, shall be repaired and replaced in a workmanlike manner by said grantee, its successors or assigns, in accordance with the standards set by the Department of Public Works and Highways. Should the grantee, its successors or assigns, after the ten days' notice from the said authority, fail, refuse or neglect to repair or replace any part of a public place, road, highway, street, lane, alley, avenue, sidewalk or bridge altered, changed or disturbed by said grantee, its successors or assigns, then the Department of Public Works and Highways shall have the right to have the same repaired and placed in good order and condition at double the expense to be charged against the grantee, its successors or assigns.

SEC. 5. *Responsibility to the Public.* - The grantee shall provide adequate public service time to enable the government, through its stations, to reach the population on important public issues; provide at all times sound and balanced programming; promote public participation such as in community programming; assist in the functions of public information and education; conform to the ethics of honest enterprise; and not use its stations for the transmission 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. 6. *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, transmitters or facilities of the grantee, to temporarily suspend the operation of any station, transmitter 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, transmitters or facilities during the period when they shall be so operated.