

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City, Metro Manila

SEVENTEENTH CONGRESS  
*First Regular Session*

HOUSE BILL No. 4302



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Introduced by Representative Benhur I. Salimbangon

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**EXPLANATORY NOTE**

Cebu Broadcasting Corporation (CBC) traces its roots to post-World War II operations of DYRC in Cebu, formerly known as KZRC under its former owners, Radio Corporation of the Philippines and the Heacock Company. KZRC, established in Cebu City in 1939, was the first radio station ever established outside of the National Capital Region.

Its first manager was Harry Fenton who initiated the first most popular "amateur hour" program. Being then the only radio station outside NCR, it became popularly called "The Voice of Cebu" and Fenton also became a household byword as amateur hour anchor. When the war broke out Fenton became one of the leaders of the Cebu guerrilla movement but lost control of the station until his execution before the end of the war.

In 1947, KZRC was revived by CBC and became the first post-war commercial radio station outside NCR. When the government required in 1949 that radio stations in the country should carry "DY" in its call sign, KZRC, became DYRC.

DYRC and CBC's provincial AM stations focus on News/Public Affairs/Commentary, Drama and Entertainment format using regional languages and dialects. CBC's other AM stations are DYSM Catarman, DYMS Catbalogan, DXKH Cagayan De Oro, DZSR Tuguegarao and DXZH Zamboanga.

To cater to its younger listeners, CBC owns and operates some of the leading FM stations nationwide- DZMB Manila, better known as "Love Radio" is its Manila flagship station. Its other FM stations are: DXMB Butuan City, DWLC Catarman, Northern Samar and DYSM Kalibo, Aklan. Broadening the format it offers, CBC also maintains FM stations in Bacolod, Baguio, Boracay, Davao, Cauayan, Cebu, Dumaguete, General Santos, Valencia, Bukidnon and Zamboanga City.

With its lead in the market in terms of listenership, Cebu Broadcasting Corporation plays a big role as government's partner in ensuring growth of the country's diverse arts and culture, including the local music industry. It is in faithful compliance with EO No. 255 (s. 1987)

Entertainment, however, is not the only role of the Cebu Broadcasting Company. In times of calamities, Cebu Broadcasting Company radio stations in and out of Metro Manila air important public announcements to help its listeners.

When Tropical Storm Ondoy hit the country in 2009, putting a big part of Metro Manila under water, the radio stations of Cebu Broadcasting Corporation were among the frontliners in facilitating post-calamity assistance to the typhoon victims. Cebu Broadcasting Corporation temporarily abandoned its regular programming and launched a "radiothon" to call on other radio networks to unite and help gather relief goods for those affected by the typhoon. It also called on its listeners to volunteer in the rescue and relief efforts of the government and NGOs doing relief missions.

Indeed, the radio stations of Cebu Broadcasting Company remain relevant in the lives of the listening public, providing not only entertainment but also other important forms of services that come easy, affordable and reliable even when the rest of modern forms communication are down.

The author encourages everyone to support the passage of this bill.



BENHUR L. SALIMBANGON

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AN ACT RENEWING THE FRANCHISE GRANTED TO CEBU BROADCASTING COMPANY UNDER REPUBLIC ACT 7963, TITLED "AN ACT GRANTING THE CEBU BROADCASTING COMPANY A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS WITHIN 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 1987 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to Cebu Broadcasting Company under Republic Act No. 7963 entitled "An Act Granting the Cebu Broadcasting Company a Franchise to Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations Within the Philippines, and for Other Purposes", 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 radio and television broadcasting stations in the Philippines with the corresponding technological auxiliaries or facilities, special broadcast and other broadcast distribution services and relay stations, and to construct, install, operate and maintain communication facilities for the grantee's private use in its broadcast services and relay stations in the Philippines, is hereby renewed for another twenty-five (25) years from the approval of this Act.

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 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 availability thereof.

SEC. 3. *Prior Approval of the National Telecommunications Commission.* – The grantee shall secure from the National Telecommunications Commission (NTC) 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 authorization from the NTC. The NTC, 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 station, 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 these shall be so operated.

SEC. 6. *Term of Franchise.* – This franchise shall be in effect for a period of twenty-five (25) years from the approval of this Act, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to operate continuously for two (2) years.

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

SEC. 8. *Dispersal of Ownership.* – In accordance with the constitutional provision to encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least thirty *per centum* (30%) or a 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 approval of this renewal: *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. Noncompliance therewith shall render the franchise *ipso facto* revoked.

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 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.

SEC. 10. *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 claims, 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.

SEC. 11. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – 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 other commercial or legal entity, nor merge with any other corporation or entity, nor shall the controlling interest of the grantee be transferred, whether as a whole or in parts, 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 lease, transfer, granting the usufruct of, sale or assignment of franchise or the rights and privileges acquired thereunder, or of the merger, or transfer of 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 the same conditions, terms, restrictions and limitations of this Act.

SEC. 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.

SEC. 13. *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, however*, That the foregoing shall neither apply to nor affect provisions of broadcasting franchises concerning territory covered by the franchise, the life span of the franchise, or the type of service authorized by the franchise: *Provided, further*, That the foregoing shall not apply to sale, lease, transfer, or grant of usufruct of legislative franchise with prior congressional approval.

SEC. 14. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SEC. 15. *Repealability and Non-Exclusivity Clauses.* – 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.

SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days sifter its publication in at least two (2) newspapers of general circulation.

Approved,