

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



SEVENTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. **4136**

Introduced by Representative Benhur L. Salimbangon

EXPLANATORY NOTE

Enshrined in the Philippines Constitution is the provision on communication and information in nation building. Article 2, Sec. 24, 1987 Philippines Constitution states:

"The State recognizes the vital role of communication and information in nation-building."

Development of technology, particularly the internet which is readily available almost in all places of the country, has led many to believe radio broadcast has become irrelevant. However, series of events have proven radio remains one of the most reliable communication tools in news and information. When Typhoon Yolanda hit the Philippines in 2013, none of the new communication technologies reached the simplicity and effectiveness of traditional radio in areas severely hit by the typhoon. Radio stations became the government's partner in information dissemination and mobilization of relief efforts for the typhoon victims.

Indeed, the relevance and importance of radio especially in times of disasters cannot be overemphasized. Radio broadcasts can provide real-time and crucial information when internet /mobile phone signals are down and phone and electricity lines are cut.

It is therefore imperative for the government to help sustain the radio broadcast media.

This bill seeks to renew the franchise granted to Manila Broadcasting Company under Republic Act 7816 entitled: "An Act Granting the Manila Broadcasting Company a Franchise to Construct, Install, Operate and Maintain Radio and Television Broadcasting Stations Within the Philippines, and for Other Purposes."

Manila Broadcasting has been in the forefront of the Philippine radio broadcast industry for decades. It owns and operates DZRH, the oldest radio station and the only station that reaches

all parts of the country with its eighteen (18) relay stations strategically located throughout the Archipelago.

DZRH first went on the air as **KZRH** on July 15, 1939, after being founded by Samuel Gaches, the owner of H. E. Heacock Company, a department store company based in Escolta, Binondo, Manila.

As the shadows of the Second World War loomed, radio highlighted the conflicting ideologies of the so-called "Japanese Prosperity Sphere" as against the democratic ideals embedded in the forbidden programs aired by defiant resistance forces on their underground stations which broadcast on different frequencies to avoid detection. Radio became an important source of news and information.

Then KZRH Station Manager Bertrand Silen was appointed Chief Coordinator for Information by the American High Commissioner. However, instead of destroying KZRH equipment as the USAFFE had done to other stations to prevent use by the Imperial Forces, Silen's staff brought a shortwave transmitter to Corregidor and built a makeshift radio station, which General Douglas Mac Arthur called The Voice of Freedom. It was on this station that 3rd Lt. Normal Reyes read the official announcement drafted by Capt. Salvador P. Lopez that Bataan had fallen.

The Japanese forces eventually found the equipment of KZRH hidden in the basement of Heacock building in Escolta and took over the station. It was here that General Jonathan Wainwright eventually announced the USAFFE surrender to the Japanese Imperial Army.

Later on, KZRH was rebranded PIAM ("Philippine Islands AM"), becoming a tool for the Second Republic's propaganda while bombarding listeners with music, language and literature of the Nippon.

After the War, three prominent businessmen—Maestro Frederico Elizalde and his brothers then-Ambassador JM and Manuel (also known as Don Manolo)—took over KZRH. With the help of station manager Bertrand Silen, KZRH re-established its operations, this time at the Insular Life Building on Plaza Cervantes in Binondo, Manila. In June 1946, the Elizalde family established the new network as Manila Broadcasting Company.

KZRH returned to the airwaves under MBC on July 1, 1946, and first covering the live inauguration of President Manuel Roxas under its new republic. In 1948, after the international telecommunications conference in the United States where the Philippines changed its first letter to "D", KZRH changed its call sign to **DZRH**, and has since then expanded to over 30 stations nationwide.

In 1949, DZRH began airing the first radio drama, *Gulong ng Palad* ("Wheel of Fortune"). Radio drama is one of the traditions of Philippine radio before the rise of television industry and continues until today this time on the FM band (only *Ito ang Palad Ko*, ("This is my fate"), one of the longest-running drama anthology series since 1973.

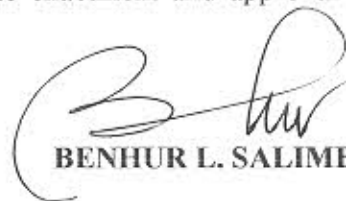
When Martial Law was declared in 1972, DZRH was temporarily closed for a few months. It was the only other time in DZRH's history since the Second World War that the station's broadcast operations were interrupted. When it resumed operation, DZRH launched *Operation Tulong* ("Help"), a socio-civic organization that helps the people in time of need.

DZRH in February 1986 covered the controversial snap elections and the ensuing People Power which peacefully deposed President Marcos and installed President Corazon Aquino.

In 1994, as part of its 55th anniversary, DZRH launched its own nationwide satellite radio broadcast reaching 97% of the Philippine populace. Thus, the slogan "One Nation, One Station".

Besides being a major part of the country's history, Manila Broadcasting Company, fully compliant with the conditions of its franchise, continues to be a partner of the government in relaying important information to the public- pre-disaster, post-disaster and even on ordinary times. DZRH was at the forefront of the assistance efforts when Ondoy hit the country in 2009. DZRH was likewise instrumental in connecting families here and abroad when the super typhoon Yolanda hit the country.

In view of the foregoing, the immediate enactment and approval of this bill is highly recommended.



BENHUR L. SALIMBANGON

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HOUSE BILL NO. **4136**

Introduced by **REP. BENHUR L. SALIMBANGON**

AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO MANILA BROADCASTING COMPANY UNDER REPUBLIC ACT 7816,
ENTITLED "AN ACT GRANTING THE MANILA BROADCASTING COMPANY A
FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN COMMERCIAL
TELEVISION AND RADIO 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:

1 SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the 1987
2 Philippine Constitution and applicable laws, rules and regulations, the franchise granted to
3 the Manila Broadcasting Company under Republic Act No. 7816 entitled "An Act Granting
4 the Manila Broadcasting Company a Franchise to Construct, Operate and Maintain
5 Commercial Television and Radio Broadcasting Stations Within the Philippines, and for
6 other Purposes", hereunder referred to as the grantee, its successors or assigns, a franchise to
7 construct, install, operate and maintain for commercial purposes and in the public interest
8 radio and television broadcasting stations in the Philippines with the corresponding
9 technological auxiliaries or facilities, special broadcast and other broadcast distribution
10 services and relay stations, and to construct, install, operate and maintain communication
11 facilities for the grantee's private use in its broadcast services and relay stations in the

1 Philippines, is hereby renewed for another twenty-five (25) years from the approval of this
2 Act.

3
4 *SEC. 2. Manner of Operation of Stations or Facilities.* – The stations or facilities of the
5 grantee shall be constructed and operated in a manner as will, at most, result only in the
6 minimum interference on the wavelengths or frequencies of existing stations or other stations
7 which may be established by law, without in any way diminishing its own privilege to use its
8 assigned wavelengths or frequencies and the quality of transmission or reception thereon as
9 should maximize rendition of the grantee's services and/or availability thereof.

10
11 *SEC. 3. Prior Approval of the National Telecommunications Commission.* – The grantee shall
12 secure from the National Telecommunications Commission (NTC) the appropriate permits
13 and licenses for the construction and operation of its stations and facilities and shall not use
14 any frequency in the radio/television spectrum without authorization from the NTC. The
15 NTC, however, shall not unreasonably withhold or delay the grant of any such authority.

16
17 *SEC. 4. Responsibility to the Public.* – The grantee shall provide adequate public service time
18 to enable the government, through the said broadcasting stations or facilities, to reach the
19 population on important public issues; provide at all times sound and balanced programming;
20 assist in the functions of public information and education; conform to the ethics of honest
21 enterprise; and not use its stations and facilities for the broadcasting of obscene and indecent
22 language, speech, act or scene, or for the dissemination of deliberately false information or
23 willful misrepresentation, to the detriment of the public interest, or to incite, encourage or
24 assist in subversive or treasonable acts.

25
26 *SEC. 5. Right of Government.* – A special right is hereby reserved to the President of the
27 Philippines in times of war, rebellion, public peril, calamity, emergency, disaster or
28 disturbance of peace and order, to temporarily take over and operate the stations or facilities
29 of the grantee, to temporarily suspend the operation of any station or facility in the interest of
30 public safety, security and public welfare, or to authorize the temporary use and operation
31 thereof by any agency of the government, upon due compensation to the grantee, for the use
32 of said stations during the period when these shall be so operated.

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

5
6 SEC. 7. *Acceptance and Compliance.* – Acceptance of this new franchise shall be given in
7 writing to the Congress of the Philippines, through the Committee on Legislative Franchises
8 of the House of Representatives and the Committee on Public Services of the Senate, within
9 sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee
10 shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise
11 void.

12
13 SEC. 8. *Public Ownership.*— In compliance with the constitutional mandate to democratize
14 ownership of public utilities, the herein grantee, its successors or assigns, shall continue to
15 maintain its status as a publicly-held corporation.

16
17 SEC. 9. *Self-regulation by and Undertaking of Grantee.* – The grantee shall not require any
18 previous censorship of any speech, play, act or scene, or other matter to be broadcast from its
19 stations: *Provided*, That the grantee, during any broadcast, shall cut off from the air the
20 speech, play, act or scene, or other matter being broadcast if the tendency thereof is to
21 propose and/or incite treason, rebellion or sedition; or the language used therein or the theme
22 thereof is indecent or immoral: *Provided, further*, That willful failure to do so shall constitute
23 a valid cause for the cancellation of this franchise

24
25 SEC. 10. *Warranty in Favor of National and Local Governments.* – The grantee shall hold
26 the national, provincial, city and municipal governments of the Philippines free from all
27 claims, accounts, demands or actions arising out of accidents or injuries, whether to property
28 or to persons, caused by the construction or operation of the stations of the grantee.

29
30 SEC. 11. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – The grantee shall not
31 lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges
32 acquired thereunder to any person, firm, company, corporation or other commercial or legal
33 entity, nor merge with any other corporation or entity, nor shall the controlling interest of the
34 grantee be transferred, whether as a whole or in parts, and whether simultaneously or

1 contemporaneously, to any such person, firm, company, corporation or entity without the
2 prior approval of the Congress of the Philippines: *Provided*, That Congress shall be informed
3 of any lease, transfer, granting the usufruct of, sale or assignment of franchise or the rights
4 and privileges acquired thereunder, or of the merger, or transfer of controlling interest of the
5 grantee, within sixty (60) days after the completion of said transaction: *Provided*,
6 *further*, That failure to report to Congress such change of ownership shall render the
7 franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to which this
8 franchise is sold, transferred or assigned shall be subject to the same conditions, terms,
9 restrictions and limitations of this Act.

10
11 SEC. 12. *General Broadcast Policy Law*. – The grantee shall comply with and be subject to
12 the provisions of a general broadcast policy law, which Congress may hereafter enact.

13
14 SEC. 13. *Equality Clause*. – Any advantage, favor, privilege, exemption, or immunity
15 granted under existing franchises, or which may hereafter be granted for radio and/or
16 television broadcasting, upon prior review and approval of Congress, shall become part of
17 this franchise and shall be accorded immediately and unconditionally to the herein
18 grantee: *Provided, however*, That the foregoing shall neither apply to nor affect provisions of
19 broadcasting franchises concerning territory covered by the franchise, the life span of the
20 franchise, or the type of service authorized by the franchise: *Provided, further*, That the
21 foregoing shall not apply to sale, lease, transfer, or grant of usufruct of legislative franchise
22 with prior congressional approval.

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

25 SEC. 15. *Repealability and Non-Exclusivity Clauses*. – This franchise shall be subject to
26 amendment, alteration, or repeal by the Congress of the Philippines when the public interest
27 so requires and shall not be interpreted as an exclusive grant of the privileges herein provided
28 for.

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

31 Approved,