

be approved in substitution of House Bill No. 3400 with Reps. Aurelio "Dong" D. Gonzales, Jr. and Franz E. Alvarez, as authors thereof.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'F. Alvarez', written over the printed name.

**FRANZ E. ALVAREZ**

Chairman

Committee on Legislative Franchises

THE HONORABLE SPEAKER  
HOUSE OF REPRESENTATIVES  
QUEZON CITY



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. 4463  
(In Substitution of House Bill No. 3400)

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Introduced by REPS. AURELIO "DONG" D. GONZALES, JR. and FRANZ E. ALVAREZ

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**AN ACT**

**EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST UNITED BROADCASTING CORPORATION (FUBC), PRESENTLY KNOWN AS GLOBAL SATELLITE TECHNOLOGY SERVICES INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8079, AS AMENDED, ENTITLED "AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION 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, the franchise granted to First United Broadcasting Corporation, presently known as Global Satellite Technology Services Inc., its successors or assignees and hereunder referred to as the grantee, to construct, install, operate and maintain for commercial purposes and in the public interest, radio, television and broadcasting stations throughout the Philippines, where frequencies and/or channels are still available for radio and/or television broadcasting, including digital television system, through microwave, over the top (OTT), uplink services or whatever means, including the use of any new technology in television and radio systems, with the corresponding technological auxiliaries and facilities, special broadcast and other program and distribution services and relay stations in the Philippines, including multi-channel microwave transmission, repeaters stations, translators, satellite transmission, and direct to home user satellite broadcast system, cable or community antennae television system (CATV), 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 purpose 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, is hereby extended for another twenty-five (25) years from the effectivity 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 or 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.

The grantee shall not dispose or lease its facilities except to entities with radio or television broadcasting franchise: *Provided*, That the grantee shall inform and secure written authorization to proceed from the NTC, and report the transaction to the NTC within sixty (60) days after its completion. *Provided, further*, That the NTC shall determine the corresponding sanction for any violation of this provision.

SEC. 4. *Responsibility to the Public.* - The grantee shall provide, free of charge, adequate public service time which is reasonable and sufficient to enable the government, through the broadcasting stations or facilities of the grantee, to reach the pertinent populations or portions thereof, on important public issues and relay important public announcements and warnings concerning public emergencies and calamities, as necessity, urgency or law may require; provide at all times sound and balanced programming; promote public participation; assist in the functions of public information and education; conform to the ethics of honest enterprise; promote audience sensibility and empowerment including closed captioning; and not use its stations or facilities for the broadcasting of obscene or 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.



1 Public service time referred herein shall be equivalent to a maximum aggregate of ten  
2 (10%) percent of paid commercials or advertisements which shall be allocated based on need to  
3 the Executive and Legislative branches, the Judiciary, Constitutional Commissions, and  
4 international humanitarian organizations duly recognized by statutes: *Provided*, That the NTC  
5 shall increase the public service time in case of extreme emergency or calamity. The NTC shall  
6 issue rules and regulations for this purpose, the effectivity of which shall commence upon  
7 applicability with other similarly situated broadcast network franchise holders.

8 SEC. 5. *Right of the Government.* - The radio spectrum is a finite resource that is part of  
9 the national patrimony and the use thereof is a privilege conferred upon the grantee by the State  
10 and may be withdrawn any time after due process.

11 A special right is hereby reserved to the President of the Philippines, in times of war,  
12 rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order: to  
13 temporarily take over and operate the stations or facilities of the grantee; to temporarily suspend  
14 the operation of any station or facility in the interest of public safety, security and public welfare;  
15 or to authorize the temporary use and operation thereof by any agency of the government, upon  
16 due compensation to the grantee, for the use of said stations or facilities during the period when  
17 they shall be so operated.

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

22 SEC. 7. *Renewal or extension of franchise.* - The grantee shall apply for the renewal or  
23 extension of its franchise five (5) years before its expiration wherein the reckoning date is fifteen  
24 (15) days after the publication of the franchise in the Official Gazette or a newspaper of general  
25 circulation.

26 SEC. 8. *Self-regulation by and Undertaking of Grantee.* - The grantee shall not require any  
27 previous censorship of any speech, play, act or scene, or other matter to be broadcast from its  
28 stations, but if any such speech, play, act or scene, or other matter should constitute a violation  
29 of the law or infringement of a private right, the grantee shall be free from any liability, civil or  
30 criminal, for such speech, play, act or scene, or other matter: *Provided*, That the grantee, during  
31 any broadcast, shall cut off the airing of speech, play, act or scene, or other matter being  
32 broadcast if the tendency thereof is to propose and/or incite treason, rebellion or sedition; or  
33 the language used therein or the theme thereof is indecent or immoral: *Provided, further*, That  
34 willful failure to do so shall constitute a valid cause for the cancellation of this franchise.

35 SEC. 9. *Warranty in Favor of National and Local Governments.* - The grantee shall hold the  
36 national, provincial, city, and municipal governments of the Philippines free from all claims,  
37 liabilities, demands, or actions arising out of accidents causing injury to persons or damage to  
38 properties, during the construction or operation of the stations of the grantee.



1           SEC. 10. *Commitment to Provide and Promote the Creation of Employment Opportunities.*  
2   – The grantee shall create employment opportunities and shall allow on-the-job trainings in their  
3 franchise operation: *Provided*, That priority shall be accorded to the residents of the place where  
4 their principal office is located: *Provided further*, That the grantee shall follow the applicable labor  
5 standards and allowance entitlement under existing labor laws, rules and regulations and similar  
6 issuances: *Provided, finally*, That the employment opportunities or jobs created shall be reflected  
7 in the General Information Sheet (GIS) to be submitted to Securities and Exchange Commission  
8 (SEC) annually.

9           SEC. 11. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The grantee  
10 shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the rights and  
11 privileges acquired thereunder to any person, firm, company, corporation or other commercial  
12 or legal entity, nor merge with any other corporation or entity, nor the controlling interest of the  
13 grantee be transferred, simultaneously or contemporaneously, to any such person, firm,  
14 company, corporation, or entity without the prior approval of the Congress of the Philippines.  
15 Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of  
16 franchise or the rights and privileges acquired thereunder, or of the merger or transfer of the  
17 controlling interest of the grantee, within sixty (60) days after the completion of the said  
18 transaction. Failure to report to Congress such change of ownership shall render the franchise  
19 *ipso facto* revoked. Any person or entity to which this franchise is sold, transferred, or assigned  
20 shall be subject to the same conditions, terms, restrictions, and limitations of this Act.

21           SEC. 12. *Dispersal of Ownership.* - In accordance with the constitutional provision to  
22 encourage public participation in public utilities, the grantee shall offer to Filipino citizens at least  
23 thirty percent (30%) or a higher percentage that may hereafter be provided by law of its  
24 outstanding capital stock in any securities exchange in the Philippines within five (5) years from  
25 the commencement of its operations: *Provided*, That in cases where public offer of shares is not  
26 applicable, the grantee shall apply other methods of encouraging public participation by citizens  
27 and corporations operating public utilities as allowed by law. Noncompliance therewith shall  
28 render the franchise *ipso facto* revoked.

29           SEC. 13. *Reportorial Requirement.* – The grantee shall submit an annual report to the  
30 Congress of the Philippines, through the Committee on Legislative Franchises of the House of  
31 Representatives and the Committee on Public Services of the Senate, on its compliance with the  
32 terms and conditions of the franchise and on its operations on or before April 30 of every year  
33 during the term of its franchise.

34  
35           The annual report shall include an update on the roll-out, development, operation and/or  
36 expansion of business; audited financial statements; latest GIS officially submitted to the SEC, if  
37 applicable; certification of the NTC on the status of its permits and operations; and an update on  
38 the dispersal of ownership undertaking, if applicable.  
39



1           The reportorial compliance certificate issued by Congress shall be required before any  
2 application for permit or certificate is accepted by the NTC.

3  
4           SEC. 14. *Fine.* – Failure of the grantee to submit the requisite annual report to Congress  
5 shall be penalized by a fine of Five hundred pesos (P500.00) per working day of noncompliance.  
6 The fine shall be collected by the NTC from the delinquent franchise grantee separate from the  
7 reportorial penalties imposed by the NTC and the same shall be remitted to the National  
8 Treasury.

9           SEC. 15. *Equality Clause.* - Any advantage, favor, privilege, exemption, or immunity  
10 granted under existing franchises, or which may hereafter be granted for radio and/or television  
11 broadcasting, upon prior review and approval of Congress, shall become part of this franchise  
12 and shall be accorded immediately and unconditionally to the herein grantee: *Provided*, That the  
13 foregoing shall neither apply to nor affect provisions of broadcasting franchises concerning  
14 territorial coverage, the term, or the type of service authorized by the franchise.

15           SEC. 16. *Repealability and Non-exclusivity Clause.* – This franchise shall be subject to  
16 amendment, alteration, or repeal by the Congress of the Philippines when the public interest so  
17 requires and shall not be interpreted as an exclusive grant of the privileges herein provided for.

18           SEC. 17. *Separability Clause.* – If any of the sections or provisions of this Act is held invalid,  
19 all other provisions not affected thereby shall remain valid.

20           SEC. 18. *Repealing Clause.* – All laws, decrees, orders, resolutions, instructions, rules and  
21 regulations, and other issuances or parts thereof which are inconsistent with the provisions of  
22 this Act are hereby repealed, amended, or modified accordingly.

23           SEC. 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the  
24 Official Gazette or in a newspaper of general circulation.

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 3400

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*Introduced by Rep. Aurelio D. Gonzales, Jr.*

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AN ACT

EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST UNITED BROADCASTING CORPORATION (FUBC), PRESENTLY KNOWN AS GLOBAL SATELLITE TECHNOLOGY SERVICES INC., AMENDING FURTHER FOR THE PURPOSE REPUBLIC ACT NUMBERED 8079 ENTITLED "AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES", AS AMENDED BY REPUBLIC ACT NUMBERED 8699

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

1           SECTION 1. Section 1 of Republic Act No. 8079, as amended by Republic Act No.  
2 8699, is hereby further amended to read as follows:

3  
4           "SECTION 1. *Nature and Scope of Franchise.* - Subject to the provisions of the  
5 Constitution and applicable laws, rules and regulations, **THE FRANCHISE** [there is hereby]  
6 granted to the First United Broadcasting Corporation (FUBC), **PRESENTLY KNOWN AS**  
7 **GLOBAL SATELLITE TECHNOLOGY SERVICES INC.**, its successors or assignEEs and  
8 hereunder referred to as the grantee, -its successors or assignEEs[, a franchise] to  
9 construct, install, operate and maintain for commercial purposes and in the public interest,  
10 radio, television and satellite broadcasting stations throughout the Philippines, **WHERE**  
11 **FREQUENCIES AND/OR CHANNELS ARE STILL AVAILABLE FOR RADIO AND/OR**  
12 **TELEVISION BROADCASTING, INCLUDING DIGITAL TELEVISION SYSTEM, THROUGH**  
13 **MICROWAVE, OVER THE TOP (OTT), UPLINK SERVICES OR WHATEVER MEANS,**  
14 **INCLUDING THE USE OF ANY NEW TECHNOLOGY IN TELEVISION AND RADIO**  
15 **SYSTEMS, WITH THE CORRESPONDING TECHNOLOGICAL AUXILIARIES AND**  
16 **FACILITIES, SPECIAL BROADCAST AND OTHER PROGRAM AND DISTRIBUTION**  
17 **SERVICES AND RELAY STATIONS IN THE PHILIPPINES,** including multi-channel  
18 microwave transmission, repeaters stations, translators, satellite transmission, and direct to



1 home user satellite broadcast system, cable or community antennae television system  
2 (CATV), [multi-point distribution system (MUDES), local multi-point distribution system  
3 (LMDS),] interactive system or station, transmitting receiving and switching stations, both for  
4 local and international services, lines, fiber optics, microwave, satellite, transmit and receive  
5 systems, control signals, audio and video systems, information service bureau, pay and pay  
6 per view television, video on demand and public information on demand services, multi-disc  
7 read only memory, memory network delivery, packet and frame relay and-electronic mail  
8 services and other value added services and all other technologies as are presently  
9 available through technical advances or innovations in the future, as is, or are convenient to  
10 or essential to efficiently carry out the purposes of this franchise and to install radio  
11 communication facilities for the grantee's private use in its broadcast services, means of  
12 distribution including the use of all new technologies in broadcasting as are at present  
13 available or to be made available through technological advances or innovations in the  
14 future, with the corresponding technological auxiliaries and facilities, special broadcast and  
15 other broadcast distribution services, [and to install radio communication facilities for the  
16 grantee's private use in its broadcast services], **IS HEREBY EXTENDED FOR ANOTHER  
17 TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT. "**  
18

19 SEC.2. Section 3 of Republic Act No. 8079 is hereby amended to read as follows:  
20

21 **"SEC.3 PRIOR APPROVAL OF THE NATIONAL TELECOMMUNICATIONS**  
22 **COMMISSION (NTC).** – The grantee shall secure from the NTC [National  
23 Telecommunication Commission] the appropriate permits and licenses for **THE**  
24 **CONSTRUCTION AND OPERATION OF** its stations **AND FACILITIES** and shall not use  
25 any frequency in the radio/television spectrum without **AUTHORIZATION** [having been  
26 authorized by the Commission] **FROM THE NTC.** The NTC [Commission], however, shall  
27 not unreasonably withhold or delay the grant of any such authority.  
28

29 **THE GRANTEE SHALL NOT DISPOSE NOR LEASE ITS FACILITIES EXCEPT TO**  
30 **ENTITIES WITH RADIO OR TELEVISION FRANCHISE: PROVIDED, THAT THE**  
31 **GRANTEE SHALL INFORM AND SECURE WRITTEN AUTHORIZATION TO PROCEED**  
32 **FROM THE NTC, AND REPORT THE TRANSACTION TO THE NTC WITHIN SIXTY (60)**  
33 **DAYS AFTER ITS COMPLETION: PROVIDED, FURTHER, THAT THE NTC SHALL**  
34 **DETERMINE THE CORRESPONDING SANCTION FOR ANY VIOLATION OF THIS**  
35 **PROVISION. "**  
36

37 SEC. 3. Section 4 of Republic Act No. 8079 is hereby amended to read as follows:

1  
2       **"SEC.4. RESPONSIBILITY TO THE PUBLIC.** - The grantee shall provide, **FREE OF**  
3 **CHARGE, ADEQUATE** public service **TIME WHICH IS REASONABLE AND SUFFICIENT**  
4 to enable the government, through the said broadcasting stations **OR FACILITIES OF THE**  
5 **GRANTEE,** to reach the **PERTINENT** populationS **OR PORTIONS THEREOF,** on  
6 important public issues **AND RELAY IMPORTANT PUBLIC ANNOUNCEMENTS AND**  
7 **WARNINGS CONCERNING PUBLIC EMERGENCIES AND CALAMITIES, AS**  
8 **NECESSITY, URGENCY OR LAW MAY REQUIRE;** provide at all **TIMES SOUND AND**  
9 **BALANCED** programming; **PROMOTE PUBLIC PARTICIPATION;** assist in the functions of  
10 public information and education; conform to the ethics of honest enterprise; **PROMOTE**  
11 **AUDIENCE SENSIBILITY AND EMPOWERMENT INCLUDING CLOSED CAPTIONING;**  
12 and not use its stations **OR FACILITIES** for the broadcasting of obscene **OR** indecent  
13 language, speech, act, or scene or for the dissemination of deliberately false information or  
14 willful misrepresentation, to the detriment of the public interest or to incite, encourage, or  
15 assist in subversive or treasonable actS.

16  
17       **PUBLIC SERVICE TIME REFERRED HEREIN SHALL BE EQUIVALENT TO A**  
18 **MAXIMUM AGGREGATE OF TEN PERCENT (10%) OF PAID COMMERCIALS OR**  
19 **ADVERTISEMENTS WHICH SHALL BE ALLOCATED BASED ON NEED TO THE**  
20 **EXECUTIVE AND LEGISLATIVE BRANCHES, THE JUDICIARY, CONSTITUTIONAL**  
21 **COMMISSIONS AND INTERNATIONAL HUMANITARIAN ORGANIZATIONS DULY**  
22 **RECOGNIZED BY STATUTES: PROVIDED, THAT THE NTC SHALL INCREASE THE**  
23 **PUBLIC SERVICE TIME IN CASE OF EXTREME EMERGENCY AND CALAMITY. THE**  
24 **NTC SHALL ISSUE RULES AND REGULATIONS FOR THIS PURPOSE, THE**  
25 **EFFECTIVITY OF WHICH SHALL COMMENCE UPON APPLICABILITY WITH OTHER**  
26 **SIMILARLY SITUATED BROADCAST NETWORK FRANCHISE HOLDERS."**

27  
28 SEC. 4. Section 5 of Republic Act No. 8079 is hereby amended to read as follows:  
29

30       **"SEC 5. RIGHT OF GOVERNMENT. – THE RADIO SPECTRUM IS A FINITE**  
31 **RESOURCE THAT IS PART OF THE NATIONAL PATRIMONY AND THE USE THEREOF**  
32 **IS A PRIVILEGE CONFERRED UPON THE GRANTEE BY THE STATE AND MAY BE**  
33 **WITHDRAWN ANYTIME AFTER DUE PROCESS.**

34  
35       **A SPECIAL RIGHT IS HEREBY RESERVED TO THE** President of the Philippines,  
36 in times of **WAR,** rebellion, public peril, calamity, emergency, disaster, or disturbance of  
37 peace and order: [may] **TO** temporarily take over and operate the stations **OR FACILITIES**



1 of the grantee; **TO** temporarily suspend the operation of any station or facility in the interest  
2 of public safety, security and public welfare; or **TO** authorize the temporary use and  
3 operation thereof by any agency of the government, Upon due compensation to the  
4 grantee, for the use of said stations **OR FACILITIES** during the period when [they] **THESE**  
5 shall be so operated.

6  
7 **SEC. 5.** Section 6 of Republic Act No. 8079, as amended by Republic Act No. 8699, is  
8 hereby further amended to read as follows:

9  
10 **"SEC.6. Term of Franchise.** This franchise shall be [for a term] **IN EFFECT FOR A**  
11 **PERIOD** of twenty-five (25) years from the [date of the effectivity] **APPROVAL** of this Act,  
12 unless-sooner revoked or cancelled. This franchise shall be deemed ipso facto revoked in  
13 the event the grantee fails to **OPERATE CONTINUOUSLY FOR TWO (2) YEARS.** [comply  
14 with any of the following conditions

15 **"(a)** commence operations within one (1) year from the approval of its permit by the  
16 National Telecommunications Commission  
17 **"(b)** Operate continuously for two (2) years; and  
18 **"(c)** Commence operations within three (3) years from the effectivity of this Act"]

19  
20 **SEC. 6.** Sections 7 and 8 of Republic Act 8079 are hereby repealed, and succeeding  
21 sections are renumbered accordingly.  
22

23 **SEC. 7.** Section 9 of Republic Act No. 8079 is hereby amended to read as follows:

24  
25 **"SEC.[9]7. SELF-REGULATION BY AND UNDERTAKING OF THE GRANTEE -**  
26 The grantee shall not require any previous censorship of any speech, play, act **OR** scene, or  
27 other matter to be broadcast and/or telecast from its stations, **BUT IF ANY SUCH SPEECH,**  
28 **PLAY, ACT OR SCENE, OR OTHER MATTER SHOULD CONSTITUTE A VIOLATION OF**  
29 **THE LAW OR INFRINGEMENT OF A PRIVATE RIGHT, THE GRANTEE SHALL BE FREE**  
30 **FROM ANY LIABILITY, CIVIL OR CRIMINAL, FOR SUCH SPEECH, PLAY, ACT OR**  
31 **SCENE, OR OTHER MATTER: Provided,** that the grantee, during any broadcast and/or  
32 telecast, shall cut off **THE AIRING OF** speech, play, act, **OR** scene, or other matter being  
33 broadcast if the tendency thereof is to **PROPOSE** and/or incite treason, rebellion or sedition,  
34 or the language used therein on the theme thereof is indecent or immoral: **PROVIDED,**  
35 **FURTHER, THAT [and] willful failure to do so shall constitute a valid cause for the**  
36 **REVOCATION OR cancellation of this franchise."**

1 SEC. 8. Section 10 of Republic Act No. 8079 is hereby amended to read as follows:

2  
3 **"SEC. [10]8.WARRANTY IN FAVOR OF THE NATIONAL AND LOCAL**  
4 **GOVERNMENTS.** - the grantee shall hold the national, provincial, city, and municipal  
5 governments of the philippines **FREE** from all claims, **LIABILITIES**, demands, or actions  
6 arising out of accidents. **CAUSING INJURY TO PERSONS OR DAMAGE TO**  
7 **PROPERTIES, DURING** the construction or operation of the stations of the grantee."  
8

9 SEC. 9. A new section is hereby inserted after renumbered Section 8 of Republic Act No.  
10 8079 to read as follows:

11 **"SEC. 9. COMMITMENT TO PROVIDE AND PROMOTE THE CREATION OF**  
12 **EMPLOYMENT OPPORTUNITIES.** – THE GRANTEE SHALL CREATE EMPLOYMENT  
13 OPPORTUNITIES AND SHALL ALLOW ON-THE-JOB TRAININGS IN THEIR  
14 FRANCHISE OPERATION: *PROVIDED*, THAT PRIORITY SHALL BE ACCORDED TO  
15 THE RESIDENTS WHERE THEIR PRINCIPAL OFFICE IS LOCATED: *PROVIDED*  
16 *FURTHER*, THAT THE GRANTEE SHALL FOLLOW THE APPLICABLE LABOR  
17 STANDARDS AND ALLOWANCE ENTITLEMENT UNDER EXISTING LABOR LAWS,  
18 RULES AND REGULATIONS AND SIMILAR ISSUANCES: *PROVIDED, FINALLY*, THAT  
19 THE EMPLOYMENT OPPORTUNITIES OR JOBS CREATED SHALL BE REFLECTED IN  
20 THE GENERAL INFORMATION SHEET (GIS) TO BE SUBMITTED TO SECURITIES AND  
21 EXCHANGE COMMISSION ANNUALLY."  
22

23 SEC. 10. Section 11 of Republic Act No. 8079 is hereby amended to read as follows:

24  
25 **"SEC. [11]10. SALE, LEASE, TRANSFER, GRANT OF USUFRUCT, OR**  
26 **ASSIGNMENT OF FRANCHISE.** - The grantee shall not **SELL**, lease, transfer, grant the  
27 usufruct of, [sell] nor assign this franchise or the rights and privileges acquired thereunder to  
28 any person, firm, company corporation or **OTHER COMMERCIAL OR LEGAL** entity, nor  
29 merge with **ANY** other corporation or entity, [without the prior approval of the Congress of  
30 the Philippines. Neither shall]**NOR** the controlling interest[in] of the grantee be transferred,  
31 [whether as a whole or in parts and whether] simultaneously or contemporaneously, to any  
32 such person, firm company, corporation, or entity without the prior approval of the Congress  
33 of the Philippines. **CONGRESS SHALL BE INFORMED OF ANY SALE, LEASE,**  
34 **TRANSFER, GRANT OF USUFRUCT, OR ASSIGNMENT OF FRANCHISE OR THE**  
35 **RIGHTS AND PRIVILEGES ACQUIRED THEREUNDER, OR OF THE MERGER OR**  
36 **TRANSFER OF THE CONTROLLING INTEREST OF THE GRANTEE, WITHIN SIXTY (60)**  
37 **DAYS AFTER THE COMPLETION OF THE SAID TRANSACTION. FAILURE TO REPORT**



1 TO CONGRESS SUCH CHANGE OF OWNERSHIP SHALL RENDER THE FRANCHISE  
2 *IPSO FACTO* REVOKED. Any person entity to which this franchise is [validly] sold,  
3 transferred, or assigned shall be subject to [all] the same conditions, terms, restrictions, and  
4 limitations of this Act."  
5

6 SEC. 11. Four new sections are hereby inserted after renumbered Section 10 of Republic  
7 Act No. 8079 to read as follows:  
8

9 "SEC. 11. *DISPERSAL OF OWNERSHIP.* - IN ACCORDANCE WITH THE  
10 CONSTITUTIONAL PROVISION TO ENCOURAGE PUBLIC PARTICIPATION IN PUBLIC  
11 UTILITIES, THE GRANTEE SHALL OFFER TO FILIPINO CITIZENS AT LEAST THIRTY  
12 PERCENT (30%) OR A HIGHER PERCENTAGE THAT MAY HEREAFTER BE PROVIDED  
13 BY LAW OF ITS OUTSTANDING CAPITAL STOCK IN ANY SECURITIES EXCHANGE IN  
14 THE PHILIPPINES WITHIN FIVE (5) YEARS FROM THE COMMENCEMENT OF ITS  
15 OPERATIONS: *PROVIDED*, THAT IN CASES WHERE PUBLIC OFFER OF SHARES IS  
16 NOT APPLICABLE, THE GRANTEE SHALL APPLY OTHER METHODS OF  
17 ENCOURAGING PUBLIC PARTICIPATION BY CITIZENS AND CORPORATIONS  
18 OPERATING PUBLIC UTILITIES AS ALLOWED BY LAW. NONCOMPLIANCE  
19 THEREWITH SHALL RENDER THE FRANCHISE *IPSO FACTO* REVOKED."  
20

21 "SEC. 12. *REPORTORIAL REQUIREMENT.* - THE GRANTEE SHALL SUBMIT  
22 AN ANNUAL REPORT TO THE CONGRESS OF THE PHILIPPINES, THROUGH THE  
23 COMMITTEE ON LEGISLATIVE FRANCHISES OF THE HOUSE OF REPRESENTATIVES  
24 AND THE COMMITTEE ON PUBLIC SERVICES OF THE SENATE, ON ITS COMPLIANCE  
25 WITH THE TERMS AND CONDITIONS OF THE FRANCHISE AND ON ITS OPERATIONS  
26 ON OR BEFORE APRIL 30 OF EVERY YEAR DURING THE TERM OF ITS FRANCHISE.  
27

28 THE ANNUAL REPORT SHALL INCLUDE AN UPDATE ON THE ROLL-OUT,  
29 DEVELOPMENT, OPERATION AND/OR EXPANSION OF BUSINESS; AUDITED  
30 FINANCIAL STATEMENTS; LATEST GENERAL INFORMATION SHEET OFFICIALLY  
31 SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION (SEC), IF  
32 APPLICABLE; CERTIFICATION OF THE NTC ON THE STATUS OF ITS PERMITS AND  
33 OPERATIONS; AND AN UPDATE ON THE DISPERSAL OF OWNERSHIP  
34 UNDERTAKING, IF APPLICABLE.  
35

1 THE REPORTORIAL COMPLIANCE CERTIFICATE ISSUED BY CONGRESS  
2 SHALL BE REQUIRED BEFORE ANY APPLICATION FOR PERMIT OR CERTIFICATE IS  
3 ACCEPTED BY THE NTC.”  
4

5 “SEC. 13. *FINE.* - FAILURE OF THE GRANTEE TO SUBMIT THE REQUISITE  
6 ANNUAL REPORT TO CONGRESS SHALL BE PENALIZED BY A FINE OF FIVE  
7 HUNDRED PESOS (P500.00) PER WORKING DAY OF NONCOMPLIANCE. THE FINE  
8 SHALL BE COLLECTED BY THE NTC FROM THE DELINQUENT FRANCHISE  
9 GRANTEE SEPARATE FROM THE REPORTORIAL PENALTIES IMPOSED BY THE NTC  
10 AND THE SAME SHALL BE REMITTED TO THE NATIONAL TREASURY.”  
11

12 “SEC. 14. *EQUALITY CLAUSE.* - EXCEPT FOR TAXES AND CUSTOMS DUTIES,  
13 ANY ADVANTAGE, FAVOR, PRIVILEGE, EXEMPTION, OR IMMUNITY GRANTED  
14 UNDER EXISTING FRANCHISES, OR WHICH MAY HEREAFTER BE GRANTED FOR  
15 RADIO AND/OR TELEVISION BROADCASTING, UPON PRIOR REVIEW AND  
16 APPROVAL OF CONGRESS, SHALL BECOME PART OF THIS FRANCHISE AND  
17 SHALL BE ACCORDED IMMEDIATELY AND UNCONDITIONALLY TO THE HEREIN  
18 GRANTEE: *PROVIDED*, THAT THE FOREGOING SHALL NEITHER APPLY TO NOR  
19 AFFECT THE PROVISIONS OF BROADCASTING FRANCHISES CONCERNING  
20 TERRITORIAL COVERAGE, THE TERM, OR THE TYPE OF SERVICE AUTHORIZED BY  
21 THE FRANCHISE.”  
22

23 SEC. 12. Section 12 of Republic Act No. 8079 is renumbered Section 16.  
24

25 SEC. 13. Section 13 of Republic Act No. 8079 is renumbered Section 15.  
26

27 SEC. 14. *Adoption of Provisions Not Inconsistent with this Act.* - All other provisions of  
28 Republic Act No. 8079, as amended by Republic Act No. 8699, which are not inconsistent  
29 with the provisions of this Act, shall continue to be in full force and effect.  
30

31 SEC. 15. *Repealing Clause.* - Sections 7, 8, 14, 15, and 16 of Republic Act No. 8079 and  
32 Section 4 of Republic Act No. 8699 are hereby repealed.  
33

34 All laws, decrees, orders, resolutions, instructions, rules and regulations, and other  
35 issuances or parts thereof which are inconsistent with the provisions of this Act are hereby  
36 repealed, amended, or modified accordingly.  
37



- 1 SEC. 16. *Effectivity Clause.* – This Act shall take effect fifteen (15) days **after** its publication  
2 in the Official Gazette or in a newspaper of general circulation.  
3  
4 Approved,

**FACT SHEET**

House Bill No. **4463**  
In substitution of House Bill No. 3400  
(As approved on September 4, 2019)

**AN ACT**

**EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST UNITED BROADCASTING CORPORATION (FUBC), PRESENTLY KNOWN AS GLOBAL SATELLITE TECHNOLOGY SERVICES INC., AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8079, AS AMENDED, ENTITLED "AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES"**

*Introduced by: HON. AURELIO "DONG" D. GONZALES, JR.*

*Committee Referral: LEGISLATIVE FRANCHISES*  
*Committee Chairperson: HON. FRANZ E. ALVAREZ*

**OBJECTIVE:**

- To continue the effective public service of the FIRST UNITED BROADCASTING CORPORATION (FUBC) through continuous radio/television broadcast.

**KEY PROVISIONS:**

- Updates the name of the grantee to GLOBAL SATELLITE TECHNOLOGY SERVICES INC. and allows the grantee to continuously operate and maintain radio and television broadcasting facilities in the Philippines for another twenty five (25) years;
- Requires the grantee to provide the government adequate public service time to enable it to reach the population on important public issues and assist in the functions of public information and education;
- Prohibits the grantee to use its stations for the broadcasting of obscene and indecent language, speech, act or scene or for the dissemination of deliberately false information or willful misrepresentation; or to incite, encourage or assist in subversive or treasonable acts;
- Gives the President of the Philippines the right 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 in



times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order;

- Requires the grantee to create employment opportunities and allow on-the-job trainings in their franchise operation for residents of the place where any of its offices is located subject to applicable labor standards and allowance entitlement under existing labor laws, rules and regulations and similar issuances;
- Prohibits the grantee from leasing, transferring, selling nor assigning the franchise or the controlling interest thereof without the prior approval of the Congress of the Philippines;
- Requires the grantee to offer to Filipino citizens at least thirty per cent (30%) of its outstanding stock in any security exchange in the Philippines or through other methods of encouraging public participation by citizens and corporations operating public utilities as allowed by law;
- Provides that the national and local governments shall not be held liable for any damage to properties or injury to persons caused by accidents during construction or operation of the stations;
- Requires the grantee to submit an annual report to the Congress of the Philippines on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year;
- Imposes a fine of Five hundred pesos per working day for non-compliance with the reportorial requirement of Congress; and
- Provides an equality clause which aims to grant existing and potential franchise grantees equal privilege.

#### **RELATED LAWS:**

- REPUBLIC ACT NO. 8079 - AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES
- REPUBLIC ACT NO. 8699 - AN ACT AMENDING REPUBLIC ACT NO. 8079, ENTITLED "AN ACT GRANTING THE FIRST UNITED BROADCASTING CORPORATION (FUBC) A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FOR COMMERCIAL PURPOSES RADIO AND TELEVISION BROADCASTING STATIONS ANYWHERE IN THE PHILIPPINES, AND FOR OTHER PURPOSES"