

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 3400



Introduced by Rep. Aurelio D. Gonzales

EXPLANATORY NOTE

Article III, Section 7 of the 1987 Constitution guarantees and recognizes the right of the people to information.

In cognizant of this right to information, the First United Broadcasting Corporation plays an important role in providing fast, current, relevant and reliable information to the people. The Broadcasting Company is a vital tool in influencing and shaping the views and opinions of their audiences as regards current issues.

As a backgrounder, First United Broadcasting Corporation or FUBC is a licensed corporation with a congressional franchise under RA 8699. It can operate a Direct - to-Home (DTH) Satellite service as well as radio and TV broadcast. FUBC had its licenses and permits from the National Telecommunications Commission which operates GSAT Direct to home TV.

In 2009 GLOBAL SATELLITE TECHNOLOGY SERVICES INC. (GSAT) was born with the passion, service and excellence of the Cable Television owners. It conquered Luzon, Visayas and Mindanao by bringing GSAT Direct to home satellite service to the whole Philippine archipelago. It is the best alternative source of international entertainment and information in areas beyond the reach of cable television. It was born out of response to the growing demand for a better direct-to-home satellite TV provider across the Philippines. GSAT started with 30 channels, then launched HD channels for a much clear and crisp picture quality. GSAT also is the first one to introduce the P99 peso package for the greater masses in the rural areas in order to have access to local and international programs at an affordable price. Local Channels include channels which are operated by the government including radio and

other program of government agencies such as the DOST. Now GSAT have 115 channels.

Capitalizing on the latest multi-media technology, GSAT aims to carry communication and entertainment services in an affordable package that would cater to the general public. Its programming is centered on offering wide range of genre to entertain, inform and educate the viewers. It also offers multi-cultural and international content geared at providing diverse source of viewing pleasure. Ultimately, GSAT envisions itself to be the biggest and widest satellite TV provider in the country - reaching every home and touching every heart – wherever you are.

In the near future, the Network will introduce technology that will destroy the barrier of idleness and make information and entertainment within the peoples' reach.

With this, the First United Broadcasting Corporation (FUBC) now known as the Global Satellite Technology Services Inc. would like to continue its services to the public with the same mission to maintain an unquestionable integrity that only the truth is heard.

To ensure the continuous and uninterrupted service to the Filipino people, early approval of this bill is earnestly sought.



Rep. Aurelio D. Gonzales

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

3400
HOUSE BILL NO. _____

Introduced by Rep. Aurelio D. Gonzales, Jr.

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 (MUDS), 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**
TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT."
17

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 teecast, 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.”

37

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,