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.

[Signature]

Rep. Aurelio D. Gonzales
Republic of the Philippines  
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EIGHTEENTH CONGRESS  
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HOUSE BILL NO. 3400  


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:  

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

“SECTION 1. Nature and Scope of Franchise. - Subject to the provisions of the Constitution and applicable laws, rules and regulations, THE FRANCHISE [there is hereby] granted to the First United Broadcasting Corporation (FUBC), PRESENTLY KNOWN AS GLOBAL SATELLITE TECHNOLOGY SERVICES INC., its successors or assignees and hereunder referred to as the grantee, -its successors or assignees[, a franchise] to construct, install, operate and maintain for commercial purposes and in the public interest, radio, television and satellite 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), [multi-point distribution system (MUDS), local multi-point distribution system (LMDS),] 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 purposes 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, [and to install radio communication facilities for the grantee’s private use in its broadcast services], IS HEREBY EXTENDED FOR ANOTHER TWENTY-FIVE (25) YEARS FROM THE EFFECTIVITY OF THIS ACT. “

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

“SEC.3 PRIOR APPROVAL OF THE NATIONAL TELECOMMUNICATIONS COMMISSION (NTC). – The grantee shall secure from the NTC [National Telecommunication Commission] 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 [having been authorized by the Commission] FROM THE NTC. The NTC [Commission], however, shall not unreasonably withhold or delay the grant of any such authority.

THE GRANTEE SHALL NOT DISPOSE NOR LEASE ITS FACILITIES EXCEPT TO ENTITIES WITH RADIO OR TELEVISION 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. 3. Section 4 of Republic Act No. 8079 is hereby amended to read as follows:
"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 said 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.

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

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

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

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: [may] 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 [they] THESE
shall be so operated.

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

"SEC. 6. Term of Franchise. This franchise shall be [for a term] IN EFFECT FOR A
PERIOD of twenty-five (25) years from the [date of the effectivity] 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. [comply
with any of the following conditions

"(a) commence operations within one (1) year from the approval of its permit by the
National Telecommunications Commission

"(b) Operate continuously for two (2) years; and

"(c) Commence operations within three (3) years from the effectivity of this Act"]

SEC. 6. Sections 7 and 8 of Republic Act 8079 are hereby repealed, and succeeding
sections are renumbered accordingly.

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

The grantee shall not require any previous censorship of any speech, play, act OR scene, or
other matter to be broadcast and/or telescast from its stations, BUT IF ANY SUCH SPEECH,
PLAY, ACT OR SCENE, OR OTHER MATTER SHOULD CONSTITUTE A VIOLATION OF
THE LAW OR INFRINGEMENT OF A PRIVATE RIGHT, THE GRANTEE SHALL BE FREE
FROM ANY LIABILITY, CIVIL OR CRIMINAL, FOR SUCH SPEECH, PLAY, ACT OR
SCENE, OR OTHER MATTER: Provided, that the grantee, during any broadcast and/or
teeast, shall cut off THE AIRING OF 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 on the theme thereof is indecent or immoral: PROVIDED,
FURTHER, THAT [and] willful failure to do so shall constitute a valid cause for the
REVOCATION OR cancellation of this franchise."
SEC. 8. Section 10 of Republic Act No. 8079 is hereby amended to read as follows:

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

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

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

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

"SEC. [11]10. SALE, LEASE, TRANSFER, GRANT OF USUFRUCT, OR ASSIGNMENT OF FRANCHISE. - The grantee shall not SELL, 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, [without the prior approval of the Congress of the Philippines. Neither shall] NOR the controlling interest[in] 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. CONGRESS SHALL BE INFORMED OF ANY SALE, LEASE, TRANSFER, GRANT OF USUFRUCT, OR ASSIGNMENT OF FRANCHISE OR THE RIGHTS AND PRIVILEGES ACQUIRED THEREUNDER, OR OF THE MERGER OR TRANSFER OF THE CONTROLLING INTEREST OF THE GRANTEE, WITHIN SIXTY (60) DAYS AFTER THE COMPLETION OF THE SAID TRANSACTION. FAILURE TO REPORT
TO CONGRESS SUCH CHANGE OF OWNERSHIP SHALL RENDER THE FRANCHISE
IPSO FACTO REVOKED. Any person entity to which this franchise is [validly] sold,
transferred, or assigned shall be subject to [all] the same conditions, terms, restrictions, and
limitations of this Act."

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

"SEC. 11. 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
PERCENT (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 THE COMMENCEMENT OF ITS
OPERATIONS: PROVIDED, THAT IN CASES WHERE PUBLIC OFFER OF SHARES IS
NOT APPLICABLE, THE GRANTEE SHALL APPLY OTHER METHODS OF
ENCOURAGING PUBLIC PARTICIPATION BY CITIZENS AND CORPORATIONS
OPERATING PUBLIC UTILITIES AS ALLOWED BY LAW. NONCOMPLIANCE
THEREWITH SHALL RENDER THE FRANCHISE IPSO FACTO REVOKED."

"SEC. 12. REPORTORIAL REQUIREMENT. - THE GRANTEE SHALL SUBMIT
AN ANNUAL REPORT 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, ON ITS COMPLIANCE
WITH THE TERMS AND CONDITIONS OF THE FRANCHISE AND ON ITS OPERATIONS
ON OR BEFORE APRIL 30 OF EVERY YEAR DURING THE TERM OF ITS FRANCHISE.

THE ANNUAL REPORT SHALL INCLUDE AN UPDATE ON THE ROLL-OUT,
DEVELOPMENT, OPERATION AND/OR EXPANSION OF BUSINESS; AUDITED
FINANCIAL STATEMENTS; LATEST GENERAL INFORMATION SHEET OFFICIALLY
SUBMITTED TO THE SECURITIES AND EXCHANGE COMMISSION (SEC), IF
APPLICABLE; CERTIFICATION OF THE NTC ON THE STATUS OF ITS PERMITS AND
OPERATIONS; AND AN UPDATE ON THE DISPERSAL OF OWNERSHIP
UNDERTAKING, IF APPLICABLE.
THE REPORTORIAL COMPLIANCE CERTIFICATE ISSUED BY CONGRESS SHALL BE REQUIRED BEFORE ANY APPLICATION FOR PERMIT OR CERTIFICATE IS ACCEPTED BY THE NTC."

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

"SEC. 14. EQUALITY CLAUSE. - EXCEPT FOR TAXES AND CUSTOMS DUTIES, 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, THAT THE FOREGOING SHALL NEITHER APPLY TO NOR AFFECT THE PROVISIONS OF BROADCASTING FRANCHISES CONCERNING TERRITORIAL COVERAGE, THE TERM, OR THE TYPE OF SERVICE AUTHORIZED BY THE FRANCHISE."

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

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

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

SEC. 15. Repealing Clause. – Sections 7, 8, 14, 15, and 16 of Republic Act No. 8079 and Section 4 of Republic Act No. 8699 are hereby repealed.

All laws, decrees, orders, resolutions, instructions, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.
SEC. 16. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,