Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

COMMITTEE REPORT NO. 9

Submitted by the Committee on Legislative Franchises on SEP. 9 2019.

Re: House Bill No. 4463

Recommending its approval in substitution of House Bill No. 3400


Mr. Speaker:

The Committee on Legislative Franchises to which was referred House Bill No. 3400, authored by Rep. Aurelio "Dong" D. Gonzales, Jr., entitled:

"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"

has considered the same and recommends that the attached House Bill No. 4463, entitled:

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

FRANZ E. ALVAREZ
Chairman
Committee on Legislative Franchises

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
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.
Public service time referred herein shall be equivalent to a maximum aggregate of ten
(10%) percent 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 duly recognized by statutes: Provided, That the NTC
shall increase the public service time in case of extreme emergency or 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. 5. Right of the 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 any time 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: 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 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 effectivity 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. Renewal or extension of franchise. – The grantee shall apply for the renewal or
extension of its franchise five (5) years before its expiration wherein the reckoning date is fifteen
(15) days after the publication of the franchise in the Official Gazette or a newspaper of general
circulation.

SEC. 8. 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, 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, 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 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. 9. 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,
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. 10. 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 of the place 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 (SEC) annually.

SEC. 11. Sale, Lease, Transfer, Grant ofUsufruct, or Assignment ofFranchise. – The grantee shall not sell, lease, transfer, grant the usufruct of, 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 the controlling interest of the grantee be transferred, 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 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. Dispersal ofOwnership. – 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. 13. 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 GIS officially submitted to the 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. 14. 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. 15. 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, That the foregoing shall neither apply to nor affect provisions of broadcasting franchises concerning territorial coverage, the term, or the type of service authorized by the franchise.

SEC. 16. Repealability and Non-exclusivity Clause. — 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. 17. 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. 18. Repealing Clause. — 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. 19. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.
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 DULY 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
REVCATION OR CANCELLATION OF THIS FRANCHISE.

FURTHER THAT [and] willful failure to do so shall constitute a valid cause for the

of the franchise, subject to a valid cause for the issue of the franchise, is material to the

revised. Provided, that the government shall, after due notice, afford the franchisee an

material fact, shall not constitute a valid cause for the

scene of such speech, play, act or

from any liability, civil or criminal, for such speech, play, act or

law or infringement of a private right, the franchisee shall be free

bereft of any speech, play, act or scene of

SEC. [97]. SELF-REGULATION BY AND UNDERSTANDING OF THE GRANTEE.

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

sections are renumbered accordingly.

SEC. 8. Sections 7 and 8 of Republic Act No. 8079 are hereby repealed and succeeding

section is hereby repealed and succeeding

(6) Commence operations within three (3) years from the effective date of this Act.

National Telecommunications Commission

(7) Commence operations within one (1) year from the approval of its permit by the

with any of the following conditions

PERIOD OF TWENTY-FIVE (25) YEARS from the date of the effectivity of the

[company].

The franchisee shall be deemed ipso facto revoked in

improper use and operation thereof by any agency of the government (as public welfare or

of the franchisee to temporarily suspend the operation of any station of facility in the interest

these

The operation thereof by any agency of the government, upon due compensation to the

operation of said stations or facilities during the period when [they] are

shall be so operated.

shall be so operated.
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[ion] 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
THEREWILL 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,
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”