AN ACT EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO FIRST UNITED BROADCASTING CORPORATION, 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 (FUBC), 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 and television 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 multichannel microwave transmission, repeater stations, translators, satellite transmission, and direct to home user satellite broadcast system, cable or community antenna 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, multidisc 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 the
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 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 the 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
gantee; 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 the stations or facilities during the period when these 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 in a newspaper of general circulation.

SEC. 8. Self-regulation by and Undertaking of the 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 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. 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 the Securities and Exchange Commission (SEC) annually.

SEC. 11. Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise. — 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 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 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. 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 franchisee separate from the reportorial penalties imposed by the NTC and the same shall be remitted to the Bureau of the 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 the provisions of broadcasting franchises concerning territorial coverage, the term, or the type of service authorized by the franchise.

SEC. 16. Repealability and Nonexclusivity 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.

Approved,