

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



COMMITTEE REPORT NO. 518

Submitted by the Committee on Legislative Franchises on July 23, 2026.

Re: House Bill No. 10210

Recommending its approval in substitution of House Bill No. 4587

Sponsors: Representatives Jeffrey P. Ferrer and Joel R. Chua

Mr. Speaker:

The Committee on Legislative Franchises to which was referred House Bill No. 4587, introduced by Rep. Joel R. Chua, entitled:

“AN ACT AMENDING, AND RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS, THE FRANCHISE GRANTED TO DOMESTIC SATELLITE PHILIPPINES, INCORPORATED UNDER PRESIDENTIAL DECREE 947, ENTITLED “A PRESIDENTIAL DECREE GRANTING DOMSAT A FRANCHISE TO INSTALL, MAINTAIN AND OPERATE TELECOMMUNICATIONS SERVICES, IN ANY PLACE IN THE PHILIPPINES STATIONS FOR PROVIDING TELECOMMUNICATION SERVICES THROUGH THE USE OF SATELLITES, TELECOMMUNICATIONS (RADIO, TELEGRAPH, TELEPHONE, AND TELEVISION SYSTEMS), LINES, CIRCUITS, WIRE AND/OR WIRELESS TO SERVE ALL THOSE NEEDING SUCH SERVICE ON LAND, AT SEA, AND IN THE AIR””

has considered the same and recommends that the attached House Bill No. 10210, entitled:

“AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO DOMESTIC SATELLITE PHILIPPINES, INC. UNDER PRESIDENTIAL DECREE NO. 947, ENTITLED “PRESIDENTIAL DECREE GRANTING THE DOMESTIC SATELLITE PHILIPPINES, INCORPORATED A FRANCHISE TO INSTALL, MAINTAIN AND OPERATE, IN ANY PLACE IN THE PHILIPPINES STATIONS FOR PROVIDING TELECOMMUNICATION SERVICES THROUGH THE USE OF SATELLITES, TELECOMMUNICATIONS (RADIO, TELEGRAPH, TELEPHONE AND

TELEVISION SYSTEMS), LINES, CIRCUITS, WIRE AND/OR WIRELESS TO
SERVE ALL THOSE NEEDING SUCH SERVICE ON LAND, AT SEA AND IN
THE AIR””

be approved in substitution of House Bill No. 4587 with Representatives Joel R. Chua
and Jeffrey P. Ferrer as authors thereof.

Respectfully submitted:

A handwritten signature in dark ink, appearing to read 'Jeffrey P. Ferrer', with a stylized flourish at the end.

REP. JEFFREY P. FERRER
Chairperson
Committee on Legislative Franchises

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. **10210**
(In substitution of House Bill No. 4587)

Introduced by Representatives Joel R. Chua and Jeffrey P. Ferrer

AN ACT
RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE
GRANTED TO DOMESTIC SATELLITE PHILIPPINES, INC. UNDER
PRESIDENTIAL DECREE NO. 947, ENTITLED “PRESIDENTIAL DECREE
GRANTING THE DOMESTIC SATELLITE PHILIPPINES, INCORPORATED A
FRANCHISE TO INSTALL, MAINTAIN AND OPERATE, IN ANY PLACE IN THE
PHILIPPINES STATIONS FOR PROVIDING TELECOMMUNICATION SERVICES
THROUGH THE USE OF SATELLITES, TELECOMMUNICATIONS (RADIO,
TELEGRAPH, TELEPHONE AND TELEVISION SYSTEMS), LINES, CIRCUITS,
WIRE AND/OR WIRELESS TO SERVE ALL THOSE NEEDING SUCH SERVICE
ON LAND, AT SEA AND IN THE AIR”

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 law, rules and regulations, there is hereby granted to DOMESTIC SATELLITE PHILIPPINES, INC., hereunder referred as the Grantee, its successors or assignees, a franchise to construct, establish, install, lease, co-use, purchase, operate and maintain, for commercial purposes and in the public interest, as carrier’s carrier or otherwise, any and all types of telecommunications or electronic communications services available through the use of State-of-the-Art, High Throughput Software Defined Satellite (HTSDS) or through means which in the future technologies and applications may be developed and utilized with authority to receive and transmit messages, impressions, pictures, music, entertainment, advertising and signal throughout the Philippines (including ships at sea, airplanes, and other conveyances) and between the Philippines and other countries and territories, including outer space, to contract with and furnish connectivity solutions, to both satellite and all terrestrial users, and to charge and receive compensation therefor for tolls and charges.

Section 2. *Manner of Operation of Stations or Facilities.*— This franchise includes the right and authority of the Grantee to construct, launch, procure, own, lease and operate

spaced based satellite infrastructure, and other ground facilities, as needed, to deliver telecommunications services to and from terrestrial communications systems and other network switching centers owned by domestic and international common carriers, television and radio broadcasting stations and networks, and terminals of specialized telecommunications network of government and/or private persons and/or corporations and/or Value Added Service Providers (VASP) such as computer/data communications systems and point-to-point or point-to-multi point switched broadband multimedia networks and the Internet. The Grantee may also assist, as required, in the development of nationwide television and radio purposes by the construction, operation and maintenance of necessary equipment and facilities. Further, the Grantee may, using its facilities, provide satellite telecommunications services as required to develop intra-regional communications of associations of which the Republic of the Philippines is a member country, utilizing existing or planned satellite systems as space relay devices provided that such provision of services does not conflict with the country's commitment as signatory to agreements of International Organizations.

Section 3. *Right of Eminent Domain.* - Subject to the limitations and procedures prescribed by law, the Grantee is authorized to exercise the rights of eminent domain insofar as may be reasonably necessary to further the establishment and efficient maintenance and operation of the telecommunication services, its system, lines, circuits and/or stations. The Grantee is authorized to construct and maintain its works of public utility and services over and across public property of the Philippines, including stations, highways, squares and reservations, and other similar property of the Philippines and its branches. The Grantee shall have a permanent utility right of way to make excavations, install posts or lay conduits in any of the public places, highways, streets, lanes, alleys, avenues, sidewalks, or bridges of provinces, cities and municipalities.

SEC. 4. *Authority of the National Telecommunications Commission.* - The Grantee shall secure from the National Telecommunications Commission (NTC) a Certificate of Public Convenience and Necessity or the appropriate permits and licenses for the construction, installation and operation of its telecommunications systems, satellite networks, and/or facilities. In issuing the certificate, the NTC shall have the power to regulate and impose such conditions relative to the construction, operation, maintenance, or service level of the telecommunications systems or facilities. Such certificate shall state the areas covered and the date the Grantee shall commence the service. The NTC shall not unreasonably withhold or delay the grant of frequency, authority, permit or license. Pending grant of frequency, the Grantee is authorized to use any radio frequency for short or intermittent periods without prior authorization provided that a) such operation is confined to the immediate vicinity of the station; b) the nature or duration of the requirement is such that the assignment of specific frequencies is impracticable; and c) all reasonable measures are taken before such frequencies are used to ensure that harmful interference will not be caused to authorized services.

In case of any violation of the provisions of this franchise, the NTC shall have the authority to revoke or suspend, after due process, the permits or licenses it issued pursuant to this

franchise. The NTC may recommend to Congress the revocation of the franchise for any violation of the provisions of this franchise.

SEC. 5. *Responsibility to the Public.* - The Grantee shall conform to the ethics of honest enterprise and not use its stations or facilities for obscene or indecent transmission, or for dissemination of deliberately false information, or willful misrepresentation, or assist in subversive or treasonable acts.

The Grantee shall operate and maintain all its stations, lines, cables, systems, and equipment for the transmission and reception of messages, signals, and pulses in a satisfactory manner at all times, and as far as economical and practicable, modify, improve, or change such stations, lines, cables, systems, and equipment to keep abreast with the advances in science and technology.

The Grantee shall improve and extend its services in areas not yet served, and in hazard and typhoon-prone areas that shall be determined by the National Disaster Risk Reduction and Management Council, or its legal successor, in coordination with the NTC. The Grantee shall also improve and upgrade its equipment, facilities and services, in order to ensure effective compliance with the objectives of Republic Act No. 10639 or the "Free Mobile Disaster Alerts Act." The Grantee may use any radio frequency in support of a response to disaster, emergency situation, public need, and/or situations where immediate danger exists to human life or property.

SEC. 6. *Rates for Services.* - The charges and rates for telecommunications services of the Grantee, except the rates and charges on those that may hereafter be declared or considered as nonregulated services, whether flat rates or measured rates or variation thereof, shall be subject to the approval of the NTC or its legal successor. The rates to be charged by the Grantee shall be unbundled, separable and distinct among the services offered and shall be determined in such a manner that regulated services do not subsidize the unregulated ones.

SEC. 7. *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 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, transmitters, facilities, or equipment of the Grantee; to temporarily suspend the operation of any station, transmitter, facility, or equipment 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, transmitters, facilities, or equipment during the period when these shall be so operated.

SEC. 8. *Term of Franchise.* - This franchise shall be in effect for a period of twenty-five (25) years from the expiration of the Grantee's previous franchise under Presidential

Decree No. 947, unless sooner cancelled. This franchise shall be deemed *ipso facto* revoked in the event the Grantee fails to operate continuously for two (2) years.

SEC. 9. *Renewal or Extension of Franchise.* - The Grantee shall apply for the renewal or extension of its franchise three (3) years before its expiration which shall be reckoned from fifteen (15) days after the publication of the franchise in the *Official Gazette* or in a newspaper of general circulation.

Section 10. *Right of Interconnection.* - The Grantee is hereby authorized to connect or demand connection of its telecommunications systems to any other telecommunications systems installed, operated and maintained by any other duly authorized person or entity in the Philippines for the purpose of providing telecommunications services to the public on such terms and conditions as may be prescribed from time to time by the NTC.

SEC. 11. *Mobile Number Portability.* - The Grantee shall provide mobile number portability (MNP) and its implementing mechanism, and shall interconnect, directly or indirectly, with the infrastructure, facilities, systems, or equipment of other telecommunications franchise grantees. It shall not install network features, functions, or capabilities that will impede the implementation of a nationwide MNP system. The NTC shall issue rules and regulations for this purpose, the effectivity of which shall commence upon applicability with other telecommunications franchise grantees.

SEC. 12. *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, accounts, demands, or actions arising out of accidents causing injury to persons or damage to properties, during the construction or operation of the stations, transmitters, facilities, or equipment of the Grantee.

Section 13. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* - The Grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, nor the rights or privileges acquired thereunder, to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other company or corporation organized for the same purpose, without the prior approval of the Congress, except (a) when such person, firm, company, corporation or entity has a valid and existing legislative franchise for telecommunications, or (b) where the Grantee is the surviving corporation: *Provided*, That the foregoing limitations shall not apply to: (1) any transfer of sale of shares of stock to a foreign investor or investors, (2) any issuance of shares to any foreign or local investors pursuant to or in connection with any increase in the Grantee's authorized capital stock which results in the dilution of the stockholdings of the Grantee's then existing stockholders; (3) any combination thereof where such transfer, sale, or issuance is effected in order to enable the Grantee to raise the necessary capital or financing for the provision of the services for which the Grantee has been incorporated or organized. Any person, firm, company, corporation or other commercial or legal entity to which this franchise is sold, transferred or assigned shall be subject to all the conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same

extent as if the franchise had been granted to the same person, firm, company, corporation or other commercial or legal entity.

Section 14. Equality Clause.— This franchise shall not be interpreted to mean an exclusive grant of the privileges herein provided for. However, in the event any individual, partnership or corporation shall receive a similar permit or franchise with terms and/or provisions more favorable than those herein granted or which tend to place the Grantee herein at any disadvantage, then such terms and/or provisions shall, *ipso facto*, become part hereof and shall operate equally in favor of the Grantee herein.

SEC. 15. 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%) of its common stocks, or a higher percentage that may hereafter be provided by law, in any securities exchange in the Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases where public offer of shares is not applicable, other methods of encouraging public participation by citizens and corporations operating public utilities must be implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.

Sec. 16. Commitment to Provide and Promote the Creation of Employment Opportunities. - The Grantee shall create employment opportunities and accept on-the-job-trainees in its franchise operations: *Provided*, That priority shall be accorded to the residents of the place where the principal office of the Grantee is located: *Provided further*, That the Grantee shall ensure that at least sixty percent (60%) of its employees are regular employees and in no case shall the percentage of contractual employees, job orders, casuals, and independent contractors combined, exceed forty percent (40%) of its total workforce: *Provided, finally*, That the Grantee shall comply with the applicable labor standards and allowance entitlement under existing labor laws, rules and regulations, and similar issuances.

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. In addition, the Grantee shall include in its annual report to Congress the number of its regularized employees and secure a compliance and clearance certificate from the Department of Labor and Employment and its relevant attached agencies.

SEC. 17. Reportorial Requirement - The Grantee shall submit an annual report on its compliance with the terms and conditions of the franchise and on its operations 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 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. 18. *Fine.* - Failure of the Grantee to submit the requisite annual report to Congress shall be penalized with a fine in the amount of One million pesos (P1,000,000.00) each working day of noncompliance, the effectivity of which shall commence upon applicability with other telecommunications franchise grantees: *Provided*, That in the interim, the Grantee shall be liable to pay the 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 Bureau of the Treasury.

SEC. 19. *Repealability and Nonexclusivity Clause.* — This franchise shall be subject to amendment, alteration, or repeal by Congress when the public interest so requires and shall not be interpreted as an exclusive grant of the privilege herein provided for.

SEC. 20. *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. 21. *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. 22. *Effectivity.* - 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. **10210**
(In substitution of House Bill No. 4587)
(Approved by the Committee on 3 June 2026)

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO DOMESTIC SATELLITE PHILIPPINES, INC. UNDER PRESIDENTIAL DECREE NO. 947, ENTITLED “PRESIDENTIAL DECREE GRANTING THE DOMESTIC SATELLITE PHILIPPINES, INCORPORATED A FRANCHISE TO INSTALL, MAINTAIN AND OPERATE, IN ANY PLACE IN THE PHILIPPINES STATIONS FOR PROVIDING TELECOMMUNICATION SERVICES THROUGH THE USE OF SATELLITES, TELECOMMUNICATIONS (RADIO, TELEGRAPH, TELEPHONE AND TELEVISION SYSTEMS), LINES, CIRCUITS, WIRE AND/OR WIRELESS TO SERVE ALL THOSE NEEDING SUCH SERVICE ON LAND, AT SEA AND IN THE AIR”

*Introduced by: **REPRESENTATIVES JOEL R. CHUA and JEFFREY P. FERRER***

*Committee Referral: **COMMITTEE ON LEGISLATIVE FRANCHISES**
Committee Chairperson: **HON. JEFFREY P. FERRER***

OBJECTIVE:

- To allow Domestic Satellite Philippines, Inc. to continue its efficient and effective telecommunications services nationwide.

KEY PROVISIONS:

- Renews the franchise of Domestic Satellite Philippines, Inc. to construct, install, establish, operate, and maintain telecommunications system for another twenty-five (25) years from the expiration of its existing franchise under Presidential Decree No. 947;
- Mandates the Grantee to secure the appropriate permits and licenses for the construction, installation and operation of its telecommunications systems or facilities from the NTC;
- Authorizes the Grantee to exercise the rights of eminent domain insofar as may be reasonably necessary to further the establishment and efficient maintenance and operation of the telecommunication services, its system, lines, circuits and/or stations, and to construct and maintain its works of public utility and services over and across public property of the Philippines, including stations, highways, squares and reservations, and other similar property of the Philippines and its branches;

- Mandates the Grantee to conform to the ethics of honest enterprise, operate its facilities in a satisfactory manner at all times, and to extend its services in compliance with Republic Act No. 10639 or the “Free Mobile Disaster Alerts Act”;
- 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;
- Provides for interconnection and equal privileges among telecommunications franchise grantees and requires the Grantee to support mobile number portability (MNP) in accordance with NTC rules;
- 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;
- Prohibits the Grantee to lease, transfer, sell, grant the usufruct or assign the franchise, rights or privileges, or its controlling interest without the prior approval of Congress, except (a) when such person, firm, company, corporation or entity has a valid and existing legislative franchise for telecommunications, or (b) where the Grantee is the surviving corporation; Provided also, that the foregoing limitations shall not apply to: (1) any transfer of sale of shares of stock to a foreign investor or investors, (2) any issuance of shares to any foreign or local investors pursuant to or in connection with any increase in the Grantee’s authorized capital stock which results in the dilution of the stockholdings of the Grantee’s then existing stockholders; (3) any combination thereof where such transfer, sale, or issuance is effected in order to enable the Grantee to raise the necessary capital or financing for the provision of the services for which the Grantee has been incorporate or organized;0
- 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;
- 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;
- Requires the Grantee to submit an annual report to Congress on its compliance with the terms and conditions of the franchise and its operation on or before April 30 of every year; and

- Imposes a fine in the amount of One million pesos (P1,000,000.00) per working day of noncompliance with the reportorial requirement of Congress, the effectivity of which shall commence upon applicability with other telecommunications franchise grantees, and provided that in the interim, the Grantee shall be liable to pay the fine of Five hundred pesos (P500.00) per working day of noncompliance.

RELATED LAWS:

- Republic Act No. 10639 - FREE MOBILE DISASTER ALERTS ACT
- Presidential Decree No. 947 - PRESIDENTIAL DECREE GRANTING THE DOMESTIC SATELLITE PHILIPPINES, INCORPORATED A FRANCHISE TO INSTALL, MAINTAIN AND OPERATE, IN ANY PLACE IN THE PHILIPPINES STATIONS FOR PROVIDING TELECOMMUNICATION SERVICES THROUGH THE USE OF SATELLITES, TELECOMMUNICATIONS (RADIO, TELEGRAPH, TELEPHONE AND TELEVISION SYSTEMS), LINES, CIRCUITS, WIRE AND/OR WIRELESS TO SERVE ALL THOSE NEEDING SUCH SERVICE ON LAND, AT SEA AND IN THE AIR