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LAWNUM: RA07293

DATE : 03/27/92

TITLE : AN ACT FURTHER AMENDING REPUBLIC ACT NUMBERED SIX THOUSAND THIRTY, AS AMENDED BY REPUBLIC ACT NUMBERED SIX THOUSAND FIVE HUNDRED

THIRTY-ONE, ENTITLED "AN ACT GRANTING THE PILIPINO TELEPHONE CORPORATION

A FRANCHISE TO INSTALL, OPERATE AND MAINTAIN TELEPHONE SYSTEMS IN CERTAIN

AREAS THROUGHOUT THE PHILIPPINES," EXTENDING THE TERM OF ITS FRANCHISE TO

ANOTHER TWENTY-FIVE YEARS FROM DATE OF ITS EXPIRATION, AND FOR OTHER PURPOSES

TEXT :

H. No. 34275

Republic of the Philippines  
Congress of the Philippines  
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila on Monday, the twenty-second day of July, nineteen hundred and ninety-one.

[REPUBLIC ACT No. 07293]

AN ACT FURTHER AMENDING REPUBLIC ACT NUMBERED SIX THOUSAND THIRTY, AS AMENDED BY REPUBLIC ACT NUMBERED SIX THOUSAND FIVE HUNDRED THIRTY-ONE, ENTITLED "AN ACT GRANTING THE PILIPINO TELEPHONE CORPORATION A FRANCHISE TO INSTALL, OPERATE AND MAINTAIN TELEPHONE SYSTEMS IN CERTAIN AREAS THROUGHOUT THE PHILIPPINES," EXTENDING THE TERM OF ITS FRANCHISE TO ANOTHER TWENTY-FIVE YEARS FROM DATE OF ITS EXPIRATION, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Amendment to the Title of Republic Act No. 6030, as Amended. - The title of Republic Act Numbered Six thousand thirty, as amended by Republic Act Numbered Six thousand five hundred thirty-one, is hereby further amended to read as follows:

"An Act granting the Pilipino Telephone Corporation a franchise to install, operate and maintain telecommunications systems and services in and between provinces, cities and municipalities throughout the Philippines and between the Philippines and other countries and territories."

SEC. 2. Amendment to Section One. - Section 1 of the same Act, as amended, is hereby further amended to read as follows:

SECTION 1. Subject to the conditions established in this Act and the provisions of Commonwealth Act Numbered One hundred forty-six, as amended, and of the Constitution, applicable thereto, there is hereby granted to the Pilipino Telephone Corporation, hereinafter called the grantee, its successors or assigns, for a period of twenty-five (25) years from the approval of this Act, the right, privilege and authority to install, operate and maintain telecommunications systems and services in and between provinces, cities and municipalities throughout the Philippines and between the Philippines and other countries and territories, as public interest may warrant. The grantee is authorized to carry on the business of transmitting and receiving messages, signals, conversations and pictures by means of electricity, laser beams, microwave, or other means now known to science or which in the future may be developed for the transmission of telecommunications, conversations, messages, pictures, and signals in and between the said provinces, cities and municipalities, and connect systems of other countries and for the purpose of operating said telephone systems and transmitting telecommunications, messages, conversations, pictures, and signals by means of electricity, laser beams, microwave, and other means now known to science or which in the future may be developed; to construct, maintain and operate and use all apparatus, conduits, appliances, receivers, transmitters, antennae, balloons, satellites, and equipment necessary for the transmission of messages, conversations, pictures, and signals by means of electricity, laser beams, microwave, and other means now known to science or which in the future may be developed; to erect poles, structures, string wires, build conduits, lay cables, float balloons; to construct, maintain, and use such other approved and generally accepted means of electrical, laser beams, microwave, and other means, conduction in, on, over, or under the public roads, government right-of-way, lands, bridges, rivers, streets, lanes and sidewalks of provinces, cities, and municipalities, and overhead or underground or submarine lines or on the surface of the ground or in the atmosphere as may be necessary and best adapted to said transmission and reception: Provided, however, That all cables laid, all poles erected and all conduits constructed or used by the grantee, its successors or assigns, shall be located in places designated by said grantee, with the approval of the provincial or municipal board or council of the province,

city or municipality concerned, and poles shall be erected in a workmanlike manner to the satisfaction of the said body: Provided, further, That the poles erected, wires and cables strung or conduits laid by virtue of this franchise shall be so placed as not to impair the efficient and effective transmission of messages and signals by any other company whose wires and cables are strung, or whose conduits are actually laid at the time that the poles are to be erected, wires and cables strung and conduits laid under and by virtue of this franchise: Provided, filially, That poles erected by the grantee shall be of such a height of at least ten feet (10) above the level of the ground providing a height of at least fifteen feet (15) in crossing roads or streets and shall be so placed as not to be a danger to public safety in accordance with a plan approved by the Secretary of Transportation and Communications."

SEC. 3. Amendment to Section Sixteen. - Section 16 of the same Act, as amended, is hereby further amended to read as follows:

"SEC. 16. The grantee or its successors may install, maintain, operate, purchase, lease, or manage such telephone stations, lines, cable or telecommunications systems and services as is or are, convenient or necessary to carry out the purpose of this franchise and for that purpose the grantee or its successors, for the duration of this franchise, is hereby authorized to acquire, own, operate and manage by management contract, purchase, merger, consolidation, exchange of its shares of stock, telecommunications systems and services now owned or may hereafter be owned by private persons, firms, corporations, or partnerships, provinces, cities, municipalities and government-owned or -controlled corporations which are all hereby given full power and authority to do and perform any and all acts to effect the authorized management, purchase, consolidation, merger, exchange of shares of stock or other means of acquisitions of the telecommunications systems and services respectively owned or operated by them by the grantee under such terms and conditions as they and the grantee may mutually agree upon: Provided, however, That the grantee, its successors or assigns, shall not, without the permission of the National Telecommunications Commission first had, install, maintain, manage, operate and purchase or lease such stations, lines, cables or telecommunications systems and services."

SEC. 4. Extension of Term of Franchise. - The term of the franchise granted to the Pilipino Telephone Corporation as herein amended is hereby extended, under the same terms and conditions therein prescribed except as herein provided, for twenty-five (25) years from August 3, 1994.

SEC. 5. Responsibility to the Public. - The grantee shall

supply telephone service in any municipality in the Philippines where it has established a local telephone exchange to any applicant therefor; and as between such applicant and other like applicants, in the order of the date of their applications up to the limit of the capacity of its telephone exchange as determined by the National Telecommunications Commission in a any application made by the grantee for the construction of the relevant telecommunications systems, and should the demand for the telephone service at any time increase beyond the capacity of its local telephone exchange to supply the same, the capacity of said telephone exchange shall be increased by the grantee to meet such demand, in accordance with the decision of the Commission: Provided, That, in case the point at which the telephone service to be supplied is more than fifty meters (50) from the local exchange operated by the grantee, the latter shall not be obliged to furnish said service, unless the applicant for the telephone service defrays the actual expenses for the installation of the telecommunications apparatus necessary for such service and in such cases the National Telecommunications Commission may extend the time within which the grantee shall furnish such service.

For the purpose of installing, operating and maintaining its telecommunications lines, it shall be lawful for the grantee to make excavations or lay conduits in any of the public places, highways, streets, lanes, alleys, avenues, sidewalks, and bridges of said municipalities, forest reserves and other similar property of the Government of the Philippines or any of its branches or instrumentalities: Provided, however, That any public place, highway, street, lane, alley, avenue, sidewalk or bridge disturbed, altered, or changed by reason of the installation, operation and maintenance of said telecommunications lines underground shall be repaired and replaced in a workmanlike manner by the said grantee to the satisfaction of the Department of Public Works and Highways. Should the grantee, its successors or assigns, after the lapse of thirty (30) days from receipt of notice from the proper authority, fail, refuse, or neglect to repair or replace any part of a public place, road, highway, street, lane, alley, avenue, sidewalk or bridge altered, changed, or disturbed by said grantee, then the Department of Public Works and Highways shall have the right to have the same repaired and placed in good order and condition at the cost and expense of the grantee.

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 whenever required by the National Telecommunications Commission in the interest of the public good and as far as practicable modify, improve or change such stations, lines, cables, systems, and equipment to keep abreast with the advances in science and technology.

SEC. 6. Tax Provisions. - The grantee shall be liable to pay the same taxes on its real estate, buildings, and personal property exclusive of this franchise as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee shall pay to the Bureau of Internal Revenue each year, within thirty (30) days after the audit and approval of the accounts, three per centum (3%) of all gross receipts of the telephone or other telecommunications businesses transacted under this franchise by the grantee, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: Provided, That the grantee shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72 unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

The grantee shall file the return with and pay the tax due thereon to the Commissioner of Internal Revenue or his duly authorized representative in accordance with the National Internal Revenue Code and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 7. Listing of Shares. - The grantee shall list, subject to the requirements of the Securities and Exchange Commission and the stock exchange concerned, and make a public offering through the stock exchange of the shares representing at least thirty per centum (30%) of its authorized capital stock in any securities exchange in the Philippines within five (5) years from the effectivity of this Act.

SEC. 8. Interconnection. - The grantee is hereby authorized to connect its 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 under such terms and conditions mutually agreed upon by the parties: Provided, That the terms and conditions of such interconnection shall be subject to the approval of the National Telecommunications Commission: Provided, further, That, if the parties fail to agree within a period of ninety (90) days from the initial date of interconnection proposal, any interconnection shall be made in accordance with such terms and conditions mandated by the National Telecommunications Commission.

SEC. 9. Warranty in Favor of National and Local Governments. - The grantee shall hold the national, provincial, city and municipal governments harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the installation and operation of the telecommunications systems of the grantee.

SEC. 10. Rates for Services. - The rates to be charged to the subscribers for telephone service and other telecommunications services, whether flat rates or measured rates, are subject to the approval of the National Telecommunications Commission.

SEC 11. Sale, Lease, Transfer, Assignment, Usufruct, etc. -The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise and the rights or privileges acquired thereunder to any person, firm, company, corporation, or legal entity, nor shall the controlling interest in the grantee be transferred whether as a whole or in parts and whether simultaneously or contemporaneously, to any such private person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines.

Any person or entity to which this franchise is sold, transferred or assigned shall be subject to all the conditions, terms, restrictions and limitations of this Act.

The grantee may install, operate, maintain, purchase or lease such telecommunications apparatus and systems as is or are convenient or essential to efficiently carry out the purpose of this franchise: Provided, That in such cases it has the permission of the National Telecommunications Commission first had.

SEC. 12. Annual Report to Congress. - The grantee shall file a detailed annual report to the Congress of the Philippines with respect to its programs, operations and/or compliance with the terms and conditions of the franchise.

SEC. 13. Right of Government. - The Government shall have the privilege of using without compensation the poles of the grantee to attach, install, operate and maintain wires of its telegraph system: Provided however, That the Bureau of Posts shall have the right to place additional crossarms and wires on the poles of the grantee by paying a compensation, the rate of which is to be agreed upon by the Postmaster General and the grantee: Provided, further, That, in case of disagreement as to the rate of contract rental, the same shall be fixed by the National Telecommunications Commission.

Municipalities shall also have the privilege of using, without compensation, the poles of the grantee to attach, install, operate and maintain wires of local police and fire alarm system; but the wires of such telegraph lines, police or fire alarm shall be placed and strung in such manner as to cause no interference with or damage to the wires or the telephone service of the grantee.

SEC. 14. Alteration or Repeal of Franchise. - This

franchise shall be subject to amendment, alteration or repeal by Congress. All lands or right to use or occupy lands secured by virtue of this franchise shall revert upon its termination to the national, provincial or municipal governments concerned which were the owners thereof on the date of the granting of this franchise.

SEC. 15. Effectivity Clause. - This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,

	NEPTALI A. GONZALES	RAMON V.
MITRA	President of the Senate	Speaker of the
House		of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on January 27, 1992 and January 23, 1992, respectively.

	ANACLETO D. BADOY, JR.	CAMILO L.
SABIO	Secretary of the Senate	Secretary
General		House of Representatives

Approved: March 27, 1992

CORAZON C. AQUINO  
President of the Philippines

Lapsed into law on March 27, 1992 without the President's signature in accordance with Art. VI, Sec. 27(1) of the Constitution.