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LAWNUM: RA07301

DATE : 03/26/92

TITLE : AN ACT GRANTING SATELLITE PAGING SYSTEMS PHILIPPINES, INC.,

A

FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN RADIO PAGING SYSTEMS AND TRUNKED RADIO SYSTEMS WITHIN THE PHILIPPINES FOR A PERIOD OF TWENTY-FIVE (25) YEARS, AND FOR OTHER PURPOSES

TEXT :

H. No. 26076

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. 07301]

AN ACT GRANTING SATELLITE PAGING SYSTEMS PHILIPPINES, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, OPERATE AND MAINTAIN RADIO PAGING SYSTEMS AND TRUNKED RADIO SYSTEMS WITHIN THE PHILIPPINES FOR A PERIOD OF TWENTY-FIVE (25) YEARS, 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 of the National Telecommunications Commission, there is hereby granted to Satellite Paging Systems Philippines, Inc., hereunder referred to as the grantee or its successors, a franchise to construct, establish, operate and maintain for commercial purposes and in the public interest, radio paging systems and mobile communication services limited to trunked radio technology within the Philippines and to install corresponding transmitting and receiving stations and communication facilities at such places in the Philippines as may be necessary and convenient.

SEC. 2. Prior Approval of the National Telecommunications Commission. - The grantee shall secure from the National

Telecommunications Commission the appropriate permits and licenses for its stations and shall not use any frequency in the radio spectrum without having been authorized by the Commission. The stations 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 the existing stations or other stations which may be established in accordance with law of other telecommunications services grantees, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception thereon as would maximize rendition of the grantee's services and/or the availability thereof.

SEC. 3. Responsibility to the Public. - The grantee shall conform to the ethics of honest enterprise and shall not use its stations for obscene or indecent transmissions or for the dissemination of deliberately false information or willful misrepresentation or assist in subversive or treasonable acts.

SEC. 4. Rates for Services. - The subscription charges and rates for services excluding the sale or lease of the equipment or unit that the grantee shall offer to the public shall be subject to the approval of the National Telecommunications Commission or its legal successors.

SEC. 5. Right of Government. - 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 take over and operate the stations, transmitter systems, facilities and equipment of the grantee or to authorize the temporary use and operation thereof by any department of the Government upon due compensation to the grantee, for the use of said stations, transmitter systems, facilities and equipment during the period when they shall be so operated.

SEC. 6. Term of Franchise. - This franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled. In the event the grantee fails to operate continuously for two (2) years or to commence operation within two (2) years from the date of effectivity of this Act, this franchise shall be deemed ipso facto revoked.

SEC. 7. Acceptance and Compliance. - Acceptance of this franchise shall be given in writing to the National Telecommunications Commission within sixty (60) days after the effectivity of this Act. The grantee shall operate the radio paging systems and mobile communication services based on trunked radio technology for which this franchise is granted within two (2) years from the date of its acceptance in writing of this franchise. Refusal or failure to accept

the franchise or to operate within the prescribed periods shall render the franchise void.

SEC. 8. Ownership. - In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make public offering through the stock exchanges of at least thirty percent (30%) of its common stocks within a period of three (3) years from the date of approval of this Act: Provided, That no single person or entity shall be allowed to own more than five percent (5%) of the stock offerings.

SEC. 9. Tax Provisions. - The grantee or its successors shall be liable to pay the same taxes on their 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 or its successors shall pay a franchise tax equivalent to three percent (3%) of all gross receipts of the business transacted under this franchise by the grantee or its successors, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof: Provided, That the grantee or its successors 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. 10. Warranty in Favor of National and Local Governments. - The grantee shall hold the national, provincial and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations, systems, facilities and equipment of the grantee.

SEC. 11. Sale, Lease, Transfer, Usufruct, etc. - The grantee shall not lease, transfer, grant the usufruct of, sell the franchise herein granted or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity without prior approval of the Congress of the Philippines. Any person or entity to which the franchise herein granted is sold or transferred shall be subject to the same conditions, terms, restrictions and limitations of this Act.

The herein grantee shall not contract out its management or its operations to another entity, natural or juridical, not

otherwise enfranchised by the law.

SEC. 12. Annual Report. - In addition to the terms and conditions of the franchise as provided herein, the Satellite Paging Systems Philippines, Inc., shall submit an annual report of its operations to the National Telecommunications Commission, copy furnished the Congress of the Philippines.

SEC. 13. Separability Clause. - If any of the sections or provisions of this Act is held invalid, all the other provisions not affected thereby shall remain valid.

SEC. 14. Repealing Clause. - The franchise herein granted 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. 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.

Approved,

MITRA  
House  
NEPTALI A. GONZALES  
President of the Senate

RAMON V.  
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 28, 1992 and January 23, 1992, respectively.

SABIO  
General  
ANACLETO D. BADOY, JR.  
Secretary of the Senate

CAMILO L.  
Secretary  
House of Representatives

Approved: March 26, 1992

CORAZON C. AQUINO  
President of the Philippines