

REPUBLIC ACT NO. 8117

AN ACT GRANTING TO SEALAND TELECOMMUNICATION
COMPANY, INC., A FRANCHISE TO ESTABLISH,
MAINTAIN AND OPERATE RADIO STATIONS FOR
INTERNATIONAL AND DOMESTIC SHIP-TO-SHORE
COMMUNICATIONS

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

SECTION 1. *Grant of Authority and Scope.* – Subject to the provisions of the Constitution and other applicable laws, there is hereby granted to Sealand Telecommunication Co., Inc., its successors or assigns, the right and privilege of constructing, installing, establishing and operating in the Philippines, for the reception and transmission of messages on radio stations in international and domestic public, fixed point-to-point and public based, coastal marine services with the corresponding relay stations for the reception and transmission of wireless messages on radiotelegraphy and/or radiotelephony, radio teletype, within the Philippines, and with vessels at sea within the Philippines.

SEC. 2. *Right of the State to Use; Instances.* – A special right is reserved to the President of the Philippines in times of war, rebellion, public peril, to take over and operate the said stations or to authorize the temporary use and operation thereof by any department of the government without compensating the grantee for the use of said stations during the aforementioned instances when they shall be so operated.

SEC. 3. *Term: Commencement within Two Years.* – This franchise shall continue for a period of twenty-five (25) years from the date of approval of this Act, and is granted upon the express condition that the same shall be void unless the operation of at least one (1) station be started within two (2) years from the date of the approval of this Act.

SEC. 4. Securing of License with National Telecommunications Commission: Its Authority to Change, Cancel or Modify. – (a) This franchise shall not take effect nor shall any power hereunder be exercised by the grantee until the NTC shall have given the authority to the grantee and allotted to the same the frequencies.

(b) The NTC on reasonable notice to the grantee may, at any time, change, cancel or modify the authority given to the grantee and/or, in whole or in part, any or all of the allotments of frequencies or wavelengths to be used. The NTC may take such actions, viz:

(1) Whenever in its judgment such frequencies have been used or there is danger that it will be used by the grantee to impair radio communications, or to obtain a monopoly in radio communications, or otherwise to violate existing laws or public policy of the Republic of the Philippines;

(2) Whenever in its judgment, public interest of the Republic of the Philippines require that such frequencies or wavelengths should be used for purposes other than those of the grantee, either by the Government of the Philippines or by other individuals or corporations licensed by it; and

(3) Whenever in its judgment, for any justifiable reason, public interest so requires.

SEC. 5. Use of Frequencies. – The stations of the grantee shall be so constructed and operated and the frequencies so selected as to avoid interference with existing stations and to permit expansion of the grantee's services.

SEC. 6. Nonliability of State and its Political Subdivision. – The grantee shall hold the national, provincial and municipal governments where the stations are located, free and 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 of the grantee.

SEC. 7. *Duty to Submit Records and Accounts to the Commission on Audit.* – The grantee shall keep an account of the gross receipts of his business and shall furnish the Commission on Audit (COA) with a copy of such account not later than the thirty-first (31st) day of January of each year of the succeeding year. All the books and accounts of the grantee pertaining to his business shall be subject to the official inspection of the COA or its duly authorized representatives, and the audit and approval of such accounts shall be final and conclusive evidence as to the amount of said gross receipts, except that the grantee shall have the right to appeal to the courts under the terms and conditions provided in the existing laws of the Republic of the Philippines.

SEC. 8. *Securing Approval of Congress in Case of Lease, Transfer, Merger, etc.* – The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired hereunder to any person(s), firm, company, corporation or other commercial or legal entity, nor merge with any other person(s), company or corporation organized for the same purpose, without the approval of the Congress of the Philippines first obtained. Any corporation to which this franchise may be sold, transferred or assigned shall be subject to all conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the same person, firm or company.

SEC. 9. *Applicability of Corporation Laws.* – The grantee, its successors or assigns, shall be subject to the Corporation Laws of the Philippines now existing or hereafter enacted.

SEC. 10. *Posting of Performance Bond.* – The grantee shall file a bond in the amount of Three hundred thousand pesos (P300,000), Philippine Currency, to guarantee the full compliance and fulfillment of the conditions under which this franchise is granted. If after two (2) years from the date of approval of this Act, the grantee shall have fulfilled said conditions, or soon thereafter as the grantee shall have fulfilled the same, the bond aforesaid shall be cancelled and returned by the government.

SEC. 11. *Payment of Franchise Tax and Other Taxes.* –
(a) The grantee shall be liable to pay the same taxes on its income,

business, real estate, buildings and personal property, exclusive of the franchise, as other person(s) or corporations which are now or hereafter may be required by law to pay.

(b) The grantee shall further pay to the Treasurer of the Philippines each year, within ten (10) days after the audit and approval of the accounts as prescribed by this Act, three percent (3%) of all gross receipts from the business transacted under this franchise by the said grantee.

SEC. 12. *Power of Congress to Amend, Alter, Modify or Repeal, When.* – The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when public interest so requires.

SEC. 13. *Nonexclusive Nature of the Franchise.* – This franchise shall not be interpreted to mean an exclusive grant of the privileges herein provided for.

SEC. 14. *Separability Clause.* – If any provision(s) herein or portion thereof be declared illegal, invalid or unconstitutional by final judgment, then all the remaining provisions herein shall in no case be affected thereby.

SEC. 15. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of national circulation.

Lapsed into law on July 9, 1995 without the President's signature, pursuant to Sec. 27(1), Article VI of the Constitution.