

[REPUBLIC ACT NO. 11089, October 18, 2018]

**AN ACT GRANTING STREAMTECH SYSTEMS TECHNOLOGIES INC.
A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE
AND MAINTAIN TELECOMMUNICATIONS SYSTEMS THROUGHOUT
THE PHILIPPINES**

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, there is hereby granted to Streamtech systems Technologies Inc., hereunder referred to as the grantee, its successors or assignees, a franchise to construct, install, establish, operate, and maintain for commercial purposes and in the public interest, an international gateway facility to serve and connect the Philippine to other countries and territories, wire and/or wireless telecommunications systems, international and national broadband system, mobile and cellular, including, but not limited to, fiber optics, multichannel multipoint distribution systems, switches, and their value-added services such as transmission of voice, data, facsimile, control signs, audio and video, information services and all other value added technologies as are available or will be made available through technological advances or innovations in the future; and/or construct, acquire, lease and operate, or manage transmitting and receiving stations, lines, cables, or systems as is or are convenient or essential to efficiently carry out the purpose of this franchise.

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 wavelenghts or frequencies of existing stations or other stations which may be established by law, without in any way diminishing its own privelege to use its assigned wavelenghts 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. *Authority of the National Telecommunications Commission.*- The grantee shall secure from the National Telecommunications Commission (NTC) a Certificate of Public Convenience and Necessity and the appropriate permits and licenses for the construction, installation, and operation of its telecommunications systems/facilities. In issuing the certificate, the NTC shall have the power to impose such conditions relative to the construction, operation, maintenance, or service level of the telecommunications systems. The NTC shall also have the authourity to regulate the construction and operation of the grantee's telecommunications systems. The grantee shall not use any frequency in the radio spectrum without authorization from the NTC. Such certificate shall state the areas covered and the date the grantee shall commence the service. The NTC, however, shall not unreasonably withhold or delay the grant of such authority, permit, or license.

SEC. 4. *Excavation and Restoration Works.*-For the purpose of erecting and maintaining poles or other supports for said wires or other conductors for the purpose of laying and maintaining underground wires, cables, or other conductor's, the grantee, its successors or assignees, shall be authorized to make excavations or lay conduits in any of the public places, roads, highways, streets, lanes, alleys, avenues, sidewalks, or bridges of the province, cities and/or municipalities, with the prior approval of the Department of Public Works and Highways (DPWH) and the local government unit (LGU) concerned, as may be appropriate: *Provided, however,* That a public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered or changed by reason of erection of poles or other supports or the underground laying of wires, other conductors of conduits, shall be repaired and replaced in workmanlike manner by the said grantee, its successors or assignees, in accordance with the standards set by the DPWH or the LGU concerned, Should the grantee, its successors or assignees, after the ten (10)-day notice from the said authority, fail, refuse, or neglect to repair or replace any part of public place, road highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered or changed by the said grantee, its successors or asigneess, then the DPWH or the LGU concerned shall have the right to have the same repaired and placed in good order and condition and charge the grantee, its successors or assignees, at double the amount of the costs and expenses for such repair or replacement.

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 served, and in hazard- and typhoon-prone areas that shall be determined by the National Disaster Risk Reduction and Management Council 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".

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.

SEC. 7. *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 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 said 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 date of the effectivity of this Act, unless sooner cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to comply with any of the following conditions:

- (a) Commence operations within one (1) year from the approval of its operating permit by the NTC;
- (b) Commence operations within three (3) years from the effectivity of this Act; and
- (c) Operate continuously for two (2) years.

SEC. 9. *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 residence in areas where any of its 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 annually.

SEC. 10. *Tax Provisions.*-The grantee, its successors or assignees, 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 which are now or thereafter may be required by law to pay, except radio telecommunications and electronic communications equipment, machinery, and spare parts needed in connection with the business of the grantee which shall be exempt from customs duties, tariffs and other taxes, as well as those declared exempt in this section. In addition thereto, the grantee, its successors or assignees, shall pay a value-added tax on all gross receipts of the business transacted under this franchise by the grantee, its successors or assignees, in the Philippines in lieu of any and all taxes of any kind, nature, or description levied, established, or collected by an authority whatsoever including, but not limited to city, municipal, provincial, or national, from which the grantee is hereby expressly exempted effective from the date of the effectivity of this Act: *Provided*, That the grantee, its successors or assignees, 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 amendment or repeal shall be applicable thereto.

The grantee shall file the return with and pay the tax 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. 11. *Bond.*-The grantee shall file a bond with the NTC, in the amount that the NTC shall determine, to guarantee compliance with and fulfillment of the conditions under which this franchise is granted. If, after three (3) years from the date of the