

[REPUBLIC ACT NO. 11151, December 14, 2018]

**AN ACT RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS
THE FRANCHISE GRANTED TO ISLA COMMUNICATIONS
COMPANY, INC., PRESENTLY KNOWN AS INNOVE
COMMUNICATIONS, INC. AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. NO. 7372 ENTITLED "AN ACT GRANTING THE
ISLA COMMUNICATIONS CO. A FRANCHISE TO INSTALL,
OPERATE AND MAINTAIN TELECOMMUNICATIONS SERVICE
WITHIN THE TERRITORY OF THE REPUBLIC OF THE
PHILIPPINES AND INTERNATIONAL POINTS AND FOR OTHER
PURPOSES**

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

SECTION 1. Republic Act No. 7372 is hereby amended to read as follows:

"SECTION 1. *Nature and Scope of Franchise.* - Subject to the conditions established in this Act and the provisions of the Constitution and the provisions of laws, orders or issuances not inconsistent herewith, there is hereby granted to the Isla. Communications Company. Inc., (ISLACOM), presently known as Innove Communications, Inc., its successors or assignees, the right, privilege and authority to construct, establish, install, lease, co-use, purchase, operate and maintain all types of mobile and fixed wireless telecommunications, including cellular, telephone system, broadband and internet services (such as. but not limited to. the transmission and reception of voice, data transmission, message service/messaging, electronic mail, data facsimile, audio and. video, and all other improvements and innovations and convergence of services pertaining to or as may be applicable to mobile telecommunications technology) and use all the apparatus, conduits, appliances, receivers, transmitters, antennas, satellites and equipment necessary for the transmission/reception of data, messages, videos and signals, with the corresponding technological auxiliaries, facilities, distribution or relay stations, throughout the Philippines, as well as multi-channel microwave, fiber optic and satellite distribution systems that may be required for the purpose of linking together said mobile, fixed or convergent telecommunications network internally and externally to other mobile telecommunications network and traditional wireline telephone systems, whether domestic or international, whether directly or indirectly, through networks and, generally, to provide by means of this telecommunications system a telephone service and such other telecommunications services such as there may be demand for in the Philippines.

"There is hereby granted to the grantee, its successors or assignees, a franchise to engage iii telecommunications services by installing,

maintaining and operating telecommunications plants, exchanges, nationwide and/or regional transmission (backbone) network; terrestrial and microwave systems, lines, instruments, landlines; international and domestic undersea cables, stations, apparatus, telephone services; long distance toll services; international gateway facilities/services; traditional wireline telephone systems, whether domestic or international, whether directly or indirectly through, networks: public calling offices (payphones); station or stations and associated equipment and facilities for international satellite communications, such ground facilities as needed to deliver telecommunications services from the communications satellite system and ground terminal or terminals and such ground facilities shall, not duplicate existing facilities of domestic common carriers and grantee shall operate as a carrier's carrier; any and all types of telecommunications services available through the use of space relay and repeater stations for domestic public communications with authority to receive and transmit messages, impressions, pictures, music, entertainment, advertising and signal throughout the Philippines and between the Philippines and ships at sea, airplanes and other conveyances; any and all kinds of equipment or maintenance for communications and the transmission of messages, data, video, pictures, impressions and signals; or any other means which may hereafter be used for communications in their stead; and to install, maintain, operate or lease, in whole or in part, telephone lines and systems and all other systems and lines of communications, within the territory of the Philippines and with other countries and territories.

"The grantee is authorized to carry on the business of providing to the public telecommunications *services* within the territory of the Republic of the Philippines and other countries and territories and, for the purpose of providing said telecommunications services, to construct, own and operate telecommunications system in and between provinces, cities and municipalities of the Republic of the Philippines and to lay, place and operate and maintain telecommunications lines *within* and between, the territory of the Republic of the Philippines and other countries, including the construction, operation and maintenance of an international digital gateway facility, and to construct, maintain *and* operate and use all telecommunications apparatus necessary for the provision of telecommunications services and to install, construct and maintain telecommunications apparatus in, on, over, or under the public roads, government rights-of-way, lands, bridges, rivers, waters, streets, lanes and sidewalks of said provinces, cities and municipalities, and to lay submarine telecommunications cables in the surrounding waters of the Philippines and for the purpose of connecting its telecommunications systems with other telecommunications systems operated by others within the Philippines and with the telecommunications systems of other countries, as may be necessary and best adapted to said provision of telecommunications services, and to connect and keep connected its telecommunications system to other telecommunications systems for the interconnection of telecommunications services within the territory of the Republic of the Philippines and between the Republic of the Philippines and other countries and territories."

"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 wavelengths or frequencies of existing stations or other stations which may be established by law, without, in any way diminishing its own privilege to use its assigned wavelengths 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. *Right of the Government.* - The radio spectrum is a finite resource that m 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.

"The President, of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, may temporarily take over and operate the stations, transmitter systems, facilities and equipment of the grantee, temporarily suspend the operation of any station in the interest of public safety, security and public welfare; or 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, transmitter systems, facilities and equipment during the period when these shall be so operated."

"SEC. 4. *Powers of the National Telecommunications Commission.* - The grantee shall not exercise any right or privilege under this franchise without first having obtained such Certificate of Public Convenience and Necessity and such other permits or licenses from the National Telecommunications Commission (NTC). This franchise shall not take effect nor shall any power to exercised by the grantee until the NT'C shall have allotted to the grantee the frequencies and wavelengths to be used, determined the stations to and from which each frequency and wavelength may be used, and issued to the grantee a license for such use. The NTC, however, shall not unreasonably withhold or delay the grant of any such authority, permits or licenses,

"The stations of the grantee shall be so constructed and operated and the wavelengths so selected as to avoid interference with existing stations and to permit the expansion of the grantee's services,

"The grantee may install, operate and maintain radio telecommunications system to provide a telephone service and other telecommunications services including mobile services within the territory of the Republic of the Philippines and between the Republic of the Philippines and ships at sea, aircraft in the air, and the telecommunications systems of other countries: *Provided*, That the location, installation or operation of any such radio telecommunications system must be previously approved by the NTC: *Provided, further*, That the NTC shall, have the authority to supervise and regulate the installation or operation of such radio telecommunications system."

"SEC. 5. *Excavation and Restoration Works.* -For the purpose of erecting and maintaining poles or other supports for wires or other conductors for laying and maintaining underground wires, cables or other conductors, 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, bridges of the provinces, 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 any public place, highway, road, 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 or conduits, shall be repaired and replaced in a workmanlike manner by said grantee, its successors or assignees, in accordance with the standards set by the DPWH and 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 a public place, road, highway, street, lane, alley, avenue, sidewalk or bridge disturbed, altered or changed by said grantee, its successors or assignees, 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. 6. *Term.* - 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 any event that the grantee fails to operate continuously for two (2) years, this franchise shall be deemed *ipso facto* revoked."

"SEC. 7. *Responsibility to the Public.* - The grantee shall conform to the ethics of honest enterprise and not use its stations/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'."

"SEC. 8. *Gross Receipts.* - The grantee, its successors or assignees, shall keep a separate account of the gross receipts of the telecommunications service business transacted by it and shall furnish the Commission on Audit (COA) and the National Treasurer a copy of such account not later than January 31 of each year for the preceding twelve (12) months."

"SEC. 9. *Tax Provisions.* — The grantee, its successors or assignees, shall be liable to pay the same taxes on their real estate, buildings and personal