

[REPUBLIC ACT NO. 9216, July 27, 2006]

AN ACT GRANTING THE PANAY TELEPHONE (PANTELCO II) CORPORATION II A FRANCHISE TO CONSTRUCT, ESTABLISH, INSTALL, MAINTAIN AND OPERATE LOCAL EXCHANGE NETWORK IN THE CITY OF PASSI, MUNICIPALITIES OF CALINOG, LAMBUNAO, DUEÑAS, SAN RAFAEL, SAN ENRIQUE AND POTOTAN, ALL IN THE PROVINCE OF ILOILO, INCLUDING THE MUNICIPALITIES OF SAN JOSE DE BUENAVISTA, HAMTIC AND SIBALOM, ALL IN THE PROVINCE OF ANTIQUE, AND THE MUNICIPALITY OF TAPAZ, PROVINCE OF CAPIZ

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 the Panay Telephone (Pantelco II) Corporation II, hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, establish, operate and maintain for commercial purposes and in the public interest, local exchange network, including public calling stations or pay telephone stations or wireless local loop and their value-added services in the City of Passi, municipalities of Calinog, Lambunao, Dueñas, San Rafael, San Enrique and Pototan, all in the Province of Iloilo, including the municipalities of San Jose de Buenavista, Hamtic, and the Municipality of Tapaz, province of Capiz, and for such purpose provide basic telephone service capable of accessing local, national, international and other networks.

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 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 right to use its selected 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. In no way shall be operator of the grantee, nor the radiated power of its stations or facilities, exceed that required to cover the areas where it is allowed to operate.

SEC. 3. *Authority of the National Telecommunications Commission.* — The grantee shall secure from the National Telecommunications Commission (NTC), hereinafter referred to as the Commission, a certificate of public convenience and necessity or the appropriate permits and licenses for the construction, installation and operation of its telecommunications systems/facilities. In issuing the certificate, the Commission shall have the power to impose such conditions relative to the construction, operation, maintenance or service level of the telecommunications system. The Commission shall have the authority to regulate the construction and

operation of its telecommunications systems. The grantee shall not use any frequency in the radio spectrum without having been authorized by the Commission. Such certificate shall state the areas covered and date the grantee shall commence the service. The Commission, however, shall not unreasonably withhold or delay the grant of any authority, permits or licenses.

SEC. 4. *Responsibility to the Public.* — The grantee shall conform to the ethics of honest enterprise and not use its stations/facilities for obscenity or indecent transmission or for dissemination of deliberately false information or willful misrepresentation, or assist in subversive or treasonable acts.

The grantee shall provide basic or enhanced telephone services in the City of Passi, municipalities of Calinog, Lambunao, Dueñas, San Rafael, San Enrique and Pototan, all in the province of Iloilo, including the municipalities of San Jose de Buenavista, Hamtic and Sibalom, all in the province of Antique, and the Municipality of Tapaz, Province of Capiz, where it has an approved certificate of public convenience and necessity for the establishment, operation and maintenance of a local exchange service, without discrimination to any applicant therefore, in the order of the date of their applications, up to the limit of the capacity of its local telephone service at any time increase beyond the capacity thereof, the grantee shall increase beyond the capacity thereof, the grantee shall increase the same to meet such demand: *Provided*, That in case the total demand to be satisfied by the expansion is less than the smallest viable local exchange available in the market as determined by the Commission, the grantee shall not be obliged to furnish such service unless the applicant for telephone service defrays the actual expenses for the installation of the telecommunications apparatus necessary for such services and in such case, the Commission may extend the time within which the grantee shall furnish such service.

The grantee shall operate and maintain all its stations, lines, cables, system 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.

SEC. 5. *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 non-regulated services, whether flat rates or measured rates or variation thereof, shall be subject to the approval of the Commission or its legal successor. The rates to be charged by the grantee shall be unbundled, separable and distinct among the services do not subsidize the unregulated ones.

SEC. 6. *Right of Government.* — A special right is hereby granted to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and operate the stations, transmitters, facilities or equipment of the grantee, 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 they shall be so operated.