

[REPUBLIC ACT NO. 9283, April 01, 2004]

**AN ACT EXPANDING THE AREA OF OPERATION OF THE
FRANCHISE OF EDISON C. ESPINOSA, AMENDING FOR THE
PURPOSE SECTION 1 OF REPUBLIC ACT NO. 8101 AND
CONVERTING THE GRANTEE INTO A CORPORATION**

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

SECTION 1. Section 1 of Republic Act No. 8101 entitled, "An Act Granting Edison C. Espinosa A Franchise To Establish, Install, Operate And Maintain Public Radiotelephone Coastal Stations in Region VI To Be Based in Iloilo City and Bacolod City For The Transmission And Reception Of Radiotelephone Communications Within And Outside The Philippines," is hereby amended to read as follows:

"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 Edison C. Espinosa, hereunder referred to as the grantee, its successors or assigns a franchise to establish, install, operate and maintain for commercial purpose and in the public interest, public radiotelephone coastal stations in the Philippines for the transmission and reception of radiotelephone communications with vessels at sea within and outside of the Philippines."

SEC. 2. *Conversion to a Corporation.* — The grantee shall transfer the ownership of the franchise to a corporation within six (6) months from the approval of this Act: Provided, That the grantee shall retain majority ownership thereof. Noncompliance therewith shall render the franchise ipso facto revoked.

SEC. 3. *Tax Provisions.* — The grantee, its successors or assigns, shall be subject to the payment of all taxes, duties, fees or charges and other impositions under the National Internal Revenue Code (NIRC) of 1997, as amended, and other applicable laws: *Provided*, That nothing herein shall be construed as repealing any tax exemptions, incentives or privileges granted under any relevant law: *Provided, further*, That all rights, privileges, benefits and exemptions accorded to existing and future telecommunications franchises shall likewise be extended to the grantee.

The grantee shall file the return with the city or province where its principal office is located and pay the taxes due thereon to the Commission of Internal Revenue or his duly authorized representatives in accordance with the NIRC and the return shall be subject to audit by the Bureau of Internal Revenue.

SEC. 4. *Dispersal of Ownership.* — In accordance with the constitutional provision to encourage the public participation in public utilities, the grantee shall offer at least thirty per centum (30%) of its outstanding capital stock or a higher percentage that may hereafter be provided by law in any securities exchange in the Philippines