

**[ REPUBLIC ACT NO. 7783, July 26, 1994 ]**

**AN ACT GRANTING THE MAJOR TELECOMS, INC., A FRANCHISE TO ESTABLISH, INSTALL, MAINTAIN, LEASE AND OPERATE WIRE AND/OR WIRELESS TELECOMMUNICATIONS SYSTEMS, LINES, CIRCUITS AND STATIONS THROUGHOUT THE PHILIPPINES FOR PUBLIC DOMESTIC AND INTERNATIONAL COMMUNICATIONS, AND FOR OTHER PURPOSES**

*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 Major Telecoms, Inc., its successors or assigns and hereunder referred to as the grantee, a franchise to establish, install, maintain, lease and operate for commercial purposes and in the public interest wire and/or wireless telecommunications systems, lines, circuits and stations throughout the Philippines for public domestic and international record and/or voice communications and their value-added services including but not limited to pay television and/or program services, and to install corresponding transmitting and receiving stations at such places in the Philippines as it may consider necessary and convenient.

Sec. 2. *Manner of Operation of Stations.* - The stations 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 the existing stations or other stations which may be established in accordance with law of other telecommunication services grantees without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception thereon as would 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, hereinafter referred to as the Commission, a certificate of public convenience or appropriate permits and licenses for the location, construction, installation and operation of its telecommunications systems. 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 systems. 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.

Sec. 4. *Responsibility to the Public.* - The grantee shall provide basic or enhanced

telephone service in any municipality in the Philippines where it has an approved certificate of public convenience for the establishment, operation and maintenance of a local exchange service, without discrimination to any applicant therefor, in the order of the date of their applications up to the limit of the capacity of its local telephone exchange and should the demand for the telephone service at any time 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 may be determined by the Commission, the grantee shall not be obliged to furnish said service, unless the applicant for telephone service defrays the actual expenses for the installation of the telecommunication apparatus necessary for such services and in such cases 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, 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.

Sec. 5. *Eminent Domain*. - The grantee may acquire such private property as is actually necessary for the realization of the purposes for which this franchise is granted: *Provided*, That in case the owner refuses to sell or allow the use thereof, the proper condemnation proceedings shall be instituted: *Provided, further*, That just compensation is paid.

Sec. 6. *Ingress and Egress*. - For the purpose of installing, operating and maintaining its telecommunication lines, it shall be lawful for the grantee to make excavation or lay conduits in any of the public places, highways, streets, lanes, sidewalks, bridges or infrastructure in any provinces and municipalities: *Provided, however*, That any public place, highway, street, lane, sidewalk, bridge or infrastructure disturbed, altered, or changed thereby shall be repaired and replaced in a workmanlike manner by the grantee to the satisfaction of the Department of Public Works and Highways or the local engineering office, as the case may be, and/or in accordance with existing laws or rules on excavations and reconstitution of such public civil works.

Sec. 7. *Interconnection*. - The grantee is authorized to connect or demand connection of its telecommunications systems to any other telecommunications systems installed, maintained and operated by any other duly authorized person or entity in the Philippines for the purpose of providing extended and improved telecommunication services to the public under such terms and conditions mutually agreed upon by the interconnection and the same shall be subject to the review or modification of the Commission.

Sec. 8. *Equality Clause*. - If any subsequent franchise for telecommunication service is awarded or granted by the Congress of the Philippines with terms, privileges and conditions more favorable and beneficial than those contained in this Act, then the same privileges or advantages shall, ipso facto, accrue to the herein grantee and be deemed part of this Act.

Sec. 9. *Rates for Services*. - The subscription charges and rates for services,