

[REPUBLIC ACT NO. 7082, August 03, 1991]

AN ACT FURTHER AMENDING ACT NO. 3436, AS AMENDED, ENTITLED "AN ACT GRANTING TO THE PHILIPPINE LONG DISTANCE TELEPHONE COMPANY A FRANCHISE TO INSTALL, OPERATE AND MAINTAIN A TELEPHONE SYSTEM THROUGHOUT THE PHILIPPINE ISLANDS." CONSOLIDATING THE TERMS AND CONDITIONS OF THE FRANCHISE GRANTED TO THE PHILIPPINE LONG DISTANCE TELEPHONE COMPANY, AND EXTENDING THE SAID FRANCHISE BY TWENTY-FIVE (25) YEARS FROM THE EXPIRATION OF THE TERM THEREOF AS PROVIDED IN REPUBLIC ACT NO. 6146

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

SECTION 1. Act No. 3436, as amended by Commonwealth Act No. 407, Republic Act No. 6146 and Presidential Decree No. 1528 are hereby consolidated and amended to read as follows:

"SECTION 1. Subject to the provisions of the Constitution, the Philippine Long Distance Telephone Company (PLDT), its successors or assigns, and hereunder referred to as the grantee, is hereby granted the right, privilege, and authority to carry on the business of providing basic and enhanced telecommunications services in and between provinces, cities and municipalities in the Philippines and between the Philippines and other countries and territories and, for this purpose, to establish, operate, manage, lease, maintain and purchase telecommunications systems, including mobile, cellular and wired or wireless telecommunications systems, fiber optics, multichannel transmission distribution systems, satellite transmit and receive systems, and other telecommunications systems and their value-added services such as but not limited to transmission of voice, data, facsimile, control signals, audio and video, information service bureau and all other telecommunications systems technologies as are at present available or be made available through technical advances or innovations in the future, or construct, acquire, lease and operate or manage transmitting and receiving stations and switching stations, both for local and international services, lines, cables or systems, as is or are, convenient or essential to efficiently carry out the purposes of this franchise: *Provided, however,* That the grantee, its successors or assigns shall not, without the permission of the National Telecommunications Commission or its legal successor first had, install, maintain, operate, purchase or lease such stations, lines, cables or systems.

"SEC. 2. The grantee shall not begin any construction nor exercise any right or privilege under this franchise without first obtaining a certificate of public

necessity and convenience from the National Telecommunications Commission or its legal successor of the form and character provided for under existing laws. The National Telecommunications Commission or its legal successor shall have the power to issue such certificate of public necessity and convenience whenever it shall, after due hearing, determine that such construction, or such exercise of the right, privilege or franchise, is necessary and proper for the public convenience, and the Commission shall have the power in so approving to impose such conditions as to construction, equipment, maintenance, service or operation as the public convenience and interest may reasonably require.

"SEC. 3. The rates for the telecommunications services which are regulated under the law that the grantee shall offer to the public shall be subject to the approval of the National Telecommunications Commission or its legal successor.

"SEC. 4. The President of the Philippines, or the duly authorized instrumentality of the Government, shall have the power and authority to permit the construction of said stations or any of them on any land of the public domain upon such terms and conditions as he may prescribe.

"SEC. 5. The grantee shall secure from the National Telecommunications Commission the appropriate permits and licenses for its stations and shall not use any frequency in the radio spectrum without having been authorized by the Commission. 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 telecommunications 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. 6. For the purpose of erecting and maintaining poles or other supports for said wires or other conductors or for the purpose of laying and maintaining underground said wires, cables, or other conductors, it shall be lawful for the grantee, its successors or assigns, with the prior approval of the Department of Public Works and Highways, to make excavations or lay conduits in any of the public places, highways, streets, lanes, alleys, avenues, sidewalks, or bridges of said provinces: Provided, however, That any public place, highway, street, lane, alley, avenue, sidewalk or bridge disturbed, altered, or changed by reason of the 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 assigns, in accordance with the standards set by the Department of Public Works and Highways. Should the grantee, its successors or assigns, after the ten days' notice from 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 altered, changed, or disturbed by said grantee, its successors or assigns, then the Department of Public Works and Highways shall have the right to have the same repaired and placed in good order and condition at double the expense of the grantee, its successors or assigns.

"SEC. 7. All telecommunications lines and systems for telecommunications services owned, maintained, operated or managed by the grantee, its successors or assigns shall be operated and maintained at all times in a satisfactory manner, and it shall be the further duty of said grantee, its successors or assigns, whenever required to do so by the National Telecommunications Commission or its legal successor, to modify, improve, and change such telecommunications systems in such manner and to such extent as the progress in science and improvements in the telecommunications services may make reasonable and proper.

"SEC. 8. The grantee shall hold the national, provincial, city and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or persons, caused by the construction or operation of the stations of the grantee.

"Subject to the limitations and procedures prescribed by law, the grantee is authorized to exercise the right of eminent domain insofar as may be reasonably necessary for the efficient maintenance and operation of services. The grantee is authorized to install and maintain its ducts, wires and other facilities over and across public property, including streets, highways, forest reserves and other similar property of the Government of the Philippines, its branches or any of its instrumentalities.

"SEC. 9. 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 proper condemnation proceedings shall have been instituted and just compensation paid.

"SEC. 10. 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 take over and operate the transmitting, receiving and switching stations or to authorize the temporary use and operation thereof by any department of the Government upon due compensation to the grantee for the use of said stations during the period when they shall be so operated.

"SEC. 11. The grantee shall keep an account of the gross receipts of its business and shall furnish the Commissioner on Audit and the National Telecommunications Commission with a copy of such accounts not later than the thirty-first day of January of each year for the preceding year. All the books and accounts of the grantee pertaining to its business shall be subject to the official inspection of the Commission on Audit or its authorized representatives, and the audit and approval of such accounts shall be final and conclusive evidence as to the amount of said gross receipts, except that the grantee shall have the right to appeal to the courts under the terms and conditions provided in the laws of the Philippines.

"The grantee shall maintain separate accounts for the different services it operates so defined by such certificates of public convenience and necessity as it may have.

"SEC. 12. The grantee, its successors or assigns shall be liable to pay the same