

[REPUBLIC ACT NO. 4161, June 20, 1964]

**AN ACT GRANTING THE PHILIPPINE TELEGRAPH AND
TELEPHONE CORPORATION A FRANCHISE TO ESTABLISH,
INSTALL, MAINTAIN AND OPERATE WIRE AND/OR WIRELESS
TELECOMMUNICATIONS SYSTEMS, LINES, CIRCUITS AND
STATIONS THROUGHOUT THE PHILIPPINES, FOR PUBLIC
DOMESTIC AND INTERNATIONAL COMMUNICATIONS.**

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

SECTION 1. Subject to the provisions of the Constitution and the provisions of Act Numbered Three thousand eight hundred and forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands, and for other purposes;" Act Numbered Three thousand nine hundred ninety-seven, known as the Radio Broadcasting Law; Commonwealth Act Numbered One hundred forty-six, known as the Public Service Act, and their amendments, and other applicable laws, there is hereby granted to the Philippine Telegraph and Telephone Corporation hereinafter referred to as the "grantee" a franchise to establish, install, operate and maintain in the Philippines, at such places as the said grantee may select, telecommunications (radio, telegraph and telephone) systems, lines, circuits and/or stations, wire and/or wireless, for international and domestic public communications with the authority to receive and transmit messages, impressions, pictures, music, entertainment, advertising and signals throughout the Philippines and between the Philippines and foreign countries, including ships at sea, airplanes and other conveyances, by means of electricity, electromagnetic waves or 'any other kind of energy, force, variations or impulses whether conveyed by wires, radiated through space or transmitted through any other medium, to supply facilities for such purposes and to charge and receive compensation therefor by tolls and charges.

SEC. 2. Subject to the limitations and procedure prescribed by law, the grantee is authorized to exercise the right of eminent domain, insofar as may be reasonably necessary to further the establishment and efficient maintenance and operation of its telecommunications systems, lines, circuits and/or stations and connecting them to one another. The grantee is authorized to construct and maintain its works of public utility and service over and across public property of the Philippines, including streets, highways, squares and reservations, and other similar property of the Government of the Philippines and its branches.

SEC. 3. This franchise shall continue for a period of twenty-five years from the date the said telecommunications systems, lines, circuits and/or stations shall be put in operations, and is made upon the express condition that the same shall be void unless at least one international circuit and/ or station or one domestic telecommunication system, circuit and/or station be begun within two years from

the date of the approval of this Act and be completed within four years from said date.

SEC. 4. (a) This franchise shall not take effect nor shall any powers thereunder be exercised by the grantee until the Secretary of Public Works and Communications shall have allotted to the grantee the frequencies and wavelengths to be used thereunder and determined the stations to and from which each such frequencies and wave lengths may be used, and issued to the grantee a license for such use, unless the grantee shall use existing channels, circuits and/or stations of communications duly licensed by the Philippine Government.

(b) The Secretary of Public Works and Communications on reasonable notice to the grantee, may at any time change, or cancel, or modify, in whole or in part, any or all the allotments of frequencies or wave lengths to be used. He may take such action (1) whenever in his judgment such frequencies and wave lengths have been used, or there is danger that they will be used by the grantee to impair electrical communication, or stifle competition, or to obtain a monopoly in electrical communication, or to secure unreasonable rates for such communication, or otherwise to violate the laws or public policy of the Republic of the Philippines; (2) whenever in his judgment the public interests of the Philippines require that such frequencies or wave lengths should be used for other purposes than those of the grantee, either by the Government of the Philippines or by other individuals or corporations licensed by it; and (3) whenever in his judgment for any reason the public interests of the Philippines so require.

(c) The Secretary of Public Works and Communications is authorized to appoint, employ or make use of such boards, commissions, or agents as in his discretion he may select, to investigate and determine the facts upon which he may act as aforesaid, and such boards, commissions and agents shall have the right by the compulsory process of *subpoena*, to summon witnesses, administer oaths and take evidence.

SEC. 5. (a) The telecommunications systems and stations of the grantee shall be so constructed and operated that a minimum of interference will result and the wave lengths selected with a view to avoiding interference with existing stations and to permit the expansion of the grantee's services.

(b) The operations of the telecommunications systems, circuits and/or stations of the grantee shall be in strict accordance with the provisions of the Philippine communication laws and regulations and of those of international communications laws, regulations and agreements to which the Republic of the Philippines is a signatory.

SEC. 6. A special right is hereby reserved to the President of the Philippines in time of war, rebellion, public peril or other national emergency and when public safety requires, to cause the closing of the grantee's circuits and/ or stations or to authorize the use or possession thereof by any department of the Government without compensation to the grantee for the use of said stations during the continuance of the national emergency.

SEC. 7. The operation and activities of the telecommunications systems, lines, circuits and/or stations of the grantee shall contribute to the public welfare; shall