

[REPUBLIC ACT NO. 3776, June 22, 1963]

**AN ACT GRANTING DIONISIO PARULAN A FRANCHISE TO
INSTALL, OPERATE AND MAINTAIN A TELEPHONE SYSTEM IN
THE CITY OF GINGOOG.**

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

SECTION 1. Subject to the conditions established in this Act, and the provisions of Commonwealth Act Numbered One hundred and forty-six, as amended, and of the Constitution, applicable thereto, there is hereby granted to Dionisio Parulan, hereinafter called the grantee, his successors or assigns, for a period of twenty-five years from the approval of this Act, the right and privilege to construct, maintain and operate in the City of Gingoog, a telephone system to carry on the business of the electrical transmission of conversations and signals in said city. For this purpose, the grantee is hereby authorized to use all streets and public thoroughfares of the said city for the construction, maintenance and operation of all apparatus, conductors and appliances necessary for the electrical transmission of conversations and signals, to erect poles, string wires, build conduits, lay cables and to construct, maintain and use such other approved and generally accepted means of electrical conduction in, on, over, or under the public roads, highways, lands, bridges, streets, lanes and sidewalks of said city, and overhead or underground lines or on the surface of the ground as may be necessary and best adapted to said transmission.

SEC. 2. All poles erected and all conduits constructed or used by the grantee shall be located in places designated by the grantee with the approval of the city council of the City of Gingoog: *Provided*, That all poles erected and used by the grantee, his successors or assigns, shall be of such appearance as not to disfigure the streets and wires and cables carried by said poles and the underground cables shall be strung and laid in accordance with professional standards approved by the Public Service Commission and said poles shall be of such height as to maintain the wires and cables stretched on the same at a height of at least fifteen feet above the level of the ground, and said wires and cables shall be so placed as not to imperil the public safety, in accordance with a plan approved by the Public Service Commission: *Provided, further*, That whenever twenty-five or more pairs of wires or other conductors are carried on one line of poles in any place of the city, said wires or conductors shall be placed in one cable, and whenever more than eight hundred pairs of wires or other conductors are carried on one line of poles, said wires or conductors shall be placed underground by the grantee, his successors or assigns, whenever ordered to do so by the Public Service Commission.

SEC. 3. For the purpose of erecting and placing the poles or other supports of such

wires or other conductors or laying and maintaining underground said wires, cables or other conductors, it shall be lawful for the grantee, his successors or assigns, to make excavations or lay conduits in any of the public places, highways, streets, alleys, lanes, avenues, sidewalks or bridges in the City of Gingoog: *Provided, however,* That any public place, street, alley, avenue, sidewalk or bridge disturbed, altered or changed by reason of the erection of poles or other supports, or the laying underground of wires or other conductors, or of conduits, shall be repaired and restored to the satisfaction of the engineer of the city, removing from the same all rubbish, dirt, refuse, or other material which may have been placed there or taken up in the erection of said poles or the laying of said underground conduits, leaving them in as good condition as they were before the work was done.

SEC. 4. Whenever any person has obtained permission to use any of the streets of the city for the purpose of removing any building or in the prosecution of any municipal work or for any other cause whatsoever, making it necessary to raise or remove any of said wires or conduits which may obstruct or hinder the prosecution of said work, the said grantee, upon notice by the city council, served upon said grantee at least forty-eight hours in advance, shall raise or remove any of said wires or conduits which may hinder the prosecution of such work or obstruct the removal of said building, so as to allow the free and unobstructed passage of said building and the free and unobstructed prosecution of said work, and the person or entity at whose request the wires or poles or other structures have been removed, shall pay one-half of the actual cost of replacing the poles or raising the wires and other conductors or structures. The notice shall be in the form of a resolution duly adopted by the city council concerned served upon the grantee or his duly authorized representative or agents by a person competent to testify as witness in a civil action, and in case of refusal or failure of the grantee to comply with such notice, the city mayor with the proper approval of the City Council of the City of Gingoog first had, as the case may be, shall order such wires or conduits to be raised or removed at the expense of the grantee, for the purpose aforesaid.

SEC. 5. All apparatus and appurtenances used by the grantee, his successors or assigns, shall be modern and first class in every respect, and all telephone lines or installations used, maintained and operated in connection with this franchise by the grantee, his successors or assigns, shall be kept and maintained at all times in satisfactory manner, so as to render an efficient and adequate telephone service, and it shall be the further duty of said grantee, his successors or assigns, whenever required to do so by the Public Service Commission modify, improve and change such telephone system for the electrical transmission of conversations and signal by means of electricity in such manner and to such extent as the progress of science and the improvements in the methods of electrical transmission of conversations and signals by means of electricity may make reasonable and proper.

SEC. 6. The grantee, his successors or assigns, shall keep a separate account of the gross receipts of his telephone business, and shall furnish the Auditor General and the Treasurer of the Philippines a copy each of such account not later than the thirty-first day of July of each year for the twelve months proceeding the first day of July.

SEC. 7. The grantee, his successors or assigns, shall be liable to pay the same taxes on his real estate, buildings and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay.

In addition, the grantee, his successors or assigns, shall pay to the Treasurer of the Philippines each year, within ten days after the audit and approval of the accounts as prescribed in Section six of this Act, one *per centum* of all gross receipts of the telephone business transacted under this franchise by the grantee, his successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or its earnings.

SEC. 8. Within sixty days from the approval of the Act, the grantee shall file with the Public Service Commission his application for a certificate of convenient and public necessity. In case of failure to make said application within the period established, this franchise shall become null and void.

SEC. 9. The grantee shall not commence any construction whatsoever, pursuant to this franchise without first obtaining a certificate of convenience and public necessity from the Public Service Commission of the form and character provided for in Commonwealth Act Numbered One hundred and forty-six, as amended, specifically authorizing such construction. The grantee shall not exercise any right or privilege under this franchise without first having obtained such certificate of convenience and public necessity from the Public Service Commission. The Public Service Commission shall have the power to issue such certificate of convenience and public necessity whenever it shall, after due hearing, determine that such construction or such exercise of the rights and privileges under this franchise is necessary and proper for the public convenience, and the Commission shall have the power in issuing such certificate to impose such conditions as to construction, equipment, maintenance, service or operation as the public convenience and interest may reasonably require, and such certificate shall state the date in which the grantee shall commence construction and the period within which work shall be completed. In order to avail of the rights granted by such certificate of convenience and public necessity, the grantee shall file with the Public Service Commission, within such period as said Commission shall fix, his written acceptance of the terms and conditions of this franchise and of the certificate, together with the document evidencing the deposit required in Section ten has been made. In the event that the grantee shall not commence the telephone service referred to in the certificate obtained and filed as herein provided within such period as the Public Service Commission shall have the power, said Commission may declare said certificate null and void and the deposit made pursuant to Section ten of this Act forfeited to the National Government unless the grantee shall have been prevented from doing so by fortuitous cause or *force majeure*, usurpation by military power, martial law, riot, uprising or other inevitable cause: *Provided, however*, That if the grantee shall have been prevented by any of said causes from commencing the telephone service within the period specified, the time during which he shall have been so prevented shall added to said period: *Provided, further*, That failure the part of the grantee to accept conditions of franchise and those imposed in the certificate of convenience and public necessity shall automatically void this franchise.

SEC. 10. Upon the written acceptance of the terms and conditions of this franchise, the grantee shall deposit with the Treasurer of the Philippines five thousand pesos or negotiable bonds of the Government of the Philippines or other securities approved by the Secretary of Public Works and Communications of the face value of five thousand pesos, as an earnest of good faith in accepting this franchise and a guaranty that, within six months from the date of the granting by the Public Service Commission of a certificate of convenience and public necessity authorizing