

## [ Act No. 3436, November 28, 1928 ]

### **AN ACT GRANTING TO THE "PHILIPPINE LONG DISTANCE TELEPHONE COMPANY" A FRANCHISE TO INSTALL, OPERATE, AND MAINTAIN A TELEPHONE SYSTEM THROUGHOUT THE PHILIPPINE ISLANDS.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:*

SECTION 1. Subject to the conditions established in this Act and the provisions of Act Numbered Thirty-one hundred and eight, as amended, there is hereby granted to the "Philippine Long Distance Telephone Company," its successors or assigns, for a period of fifty years from the approval of this Act, the right, privilege, and authority to construct, maintain and operate telephone systems covering the most feasible following routes: Manila-Baguio, including all provinces traversed; Manila-Iloilo-Negros-Cebu, including the provinces and islands traversed. It being understood that the grantee is authorized to construct, operate and maintain such branch tributary lines within the provinces traversed to connect with the main lines, as the public interest may warrant. The grantee is authorized to carry on the business of the electrical transmission of messages, pictures, and signals in and between provinces and respective municipalities, and for the purpose of operating said telephone systems and transmitting impressions, messages, pictures, and signals by means of electricity, to construct telephone lines in and between said provinces and municipalities and to lay, place, operate, and maintain telephone cables between the Philippine Islands and other countries, and to construct, maintain, and operate and use all apparatus, conduits, and appliances necessary for the electrical transmission of impressions, messages, pictures, and signals, and to erect poles, structures, 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, Government right-of-ways, lands, bridges, rivers, waters, streets, lanes, and sidewalks of said provinces and municipalities, and overhead or underground lines or on the surface of the ground, and to lay submarine telephone cables in the surrounding waters of the Philippine Islands and for the purpose of making connection with telephone systems of other countries, as may be necessary and best adapted to said transmission: *Provided, however,* That all cables laid, all poles erected and all conduits constructed or used by the grantee, its successors or assigns, shall be located in places designated by the Secretary of Commerce and Communications and poles shall be erected in a work-manlike manner to the satisfaction of said official: And : *provided, further,* That upon reasonable notice of the Secretary of Commerce and Communications the grantee, its successors or assigns may be required to relocate poles or remove or raise wires or other conductors so as to permit the passage of buildings or other structures from one place to another, one-half the actual cost of such relocation of poles or raising or removal of wires or other conductors to be paid by the person at whose instance the building or structure is moved; and, at the expense of the grantee, its successors or assigns, to relocate conduits, poles, and wires and to raise or remove wires or other conductors when the Secretary of Commerce and Communications so orders and when the public interest so requires: *Provided, finally,* That from any order to relocate conduits, poles, or wires, or to raise or remove wires or other conductors, the said grantee, its successors or assigns, shall

have the right of appeal to the Governor-General, whose decision in the matter shall be final.

Should the grantee, its successors or assigns, fail, refuse, or neglect within a period of ten days after notice to relocate its poles, conduits, wires, or other conductors, or to raise its wires or other conductors when so directed by the Secretary of Commerce and Communications then this official may relocate said poles, conduits, wires, or other conductors or raise said wires or other conductors at the expense of the grantee, its successors or assigns: *Provided*, That the installation of all instruments, inside wiring, and all outside construction work shall be done in accordance with the rules and regulations, prescribed by the Secretary of Commerce and Communications: *Provided, further*, That whenever twenty-five or more pairs of wires or other conductors are carried on one line of poles in any city or municipal center, said wires or conductors shall be placed in one cable and that whenever more than eight hundred pairs of wires or other conductors are carried on one line of poles, said cables shall be placed-, underground by the grantee, its successors or assigns, whenever ordered so to do by the Secretary of Commerce and Communications: *Provided, further*, That the poles erected, wires and cables strung, or conduits laid by virtue of this franchise shall be so placed as not to impair the efficient and effective transmission of messages or signals by any other company whose poles are erected, whose wires and cables are strung, or whose conduits are actually laid at the time that poles are to be erected, wires and cables are to be strung, or conduits are to be laid under and by virtue of this franchise: *And provided, finally*, That the poles erected by the grantee shall be of such a height as to maintain the wires stretched on the same at a height of at least ten feet above the level of the ground providing a height of at least fifteen feet in crossing roads or streets, and shall be placed so as not to be a danger to the public safety, in accordance with a plan approved by the Secretary of Commerce and Communications.

SEC. 2. The grantee may install, maintain, and operate radio-telephone equipment to furnish an economical medium of telephonic communications in the routes mentioned in section one of this Act and between the Philippine Islands, vessels, and telephone systems of other countries: *Provided*, That the location, installation or operation of any such radio-telephonic or picture equipment must be previously approved by the Governor-General upon recommendation of the Secretary of Commerce and Communications: *And provided, further*, That the Secretary of Commerce and Communications, subject to the approval of the Governor-General, shall have authority to supervise, and regulate the installation or operation of such radio-telephonic or picture equipment. This privilege to install, maintain, and operate radio-telephonic or picture equipment shall not be construed to authorize the broadcasting of any commercial message, or the transmission of any facsimile message for hire by radiographic equipment or the transmission of radio-telegraphic messages for hire.

SEC. 3. The grantee shall supply telephone service in any municipality covered by the routes mentioned in section one where it may have established a local telephone exchange to any applicant for the same, within thirty days after the date of their application, and as between such applicant and other like applicants, in the order of the date of their applications, up to the limit of the capacity of the telephone system of said grantee, to be determined by the Public Service Commission on the application of said grantee, and should the demand for telephone service at any

time increase beyond the capacity of the local telephone system of said grantee to supply the same, the capacity of said telephone system shall be increased by said grantee to meet such demand, in accordance with decision of the Public Service Commission or its legal successor: *Provided*, That in case the point at which the telephone service is to be supplied, is more than fifty meters from the local exchange lines operated by said grantee, the latter shall not be obliged to furnish said service, unless the applicant for telephone service defrays the actual expenses for the poles and wires and installation thereof necessary for such service and in such cases the Public Service Commission may extend the time within which the grantee must furnish such service beyond the said period of thirty days.

SEC. 4. 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 Secretary of Commerce and Communications, 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 laying underground of wires, or other conductors, or of conduits shall be repaired and replaced in a workmanlike manner by said grantee, its successors or assigns, to the satisfaction of the Secretary of Commerce and Communications. 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 Secretary of Commerce and Communications, shall have the right to have the same repaired and placed in good order and condition at the cost and expense of the grantee, its successors or assigns.

SEC. 5. All telephone lines and systems for the transmission of messages and signals owned, maintained, or operated 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 Public Service Commission, to modify, improve, and change such telephone system or systems, for the transmission of messages and signals by means of electricity, in such manner and to such extent as the progress of science and improvements in the method of transmission of messages and signals by means of electricity may make reasonable and proper.

SEC. 6. The grantee, its successors or assigns, shall keep a separate account of the gross receipts of the telephone and electrical transmission business transacted by it in each of the municipalities of the various provinces and shall furnish to the Insular Auditor and the Insular Treasurer a copy of such account not later than the thirty-first day of July of each year for the twelve months preceding the first day of July.

SEC. 7. The grantee, its successors or assigns, shall be liable to pay the same taxes on their 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, its successors or assigns, shall pay to the Insular Treasurer each year, within ten days after the audit and approval of the accounts as prescribed in section six of the franchise, one per centum of all gross receipts of the telephone

or other electrical transmission business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or earnings thereof.

SEC. 8. The grantee shall not begin any construction whatever pursuant to this franchise without first obtaining a Certificate of Public Necessity and Convenience from the Public Service Commission, of the form and character provided for in Act Numbered Thirty-one hundred and eight, 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 Public Necessity and Convenience from the Public Service Commission. The Public Service Commission 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 interests may reasonably require, and such certificate shall state the date the grantee commences construction work and the period within which the work shall be completed. In order to avail itself of the rights granted by such Certificate of Public Necessity and Convenience the grantee must file with the Public Service Commission, within such period as said Commission shall fix, its acceptance in writing of the terms and conditions of said certificate, together with the document evidencing the fact that the deposit required by said certificate has been made. In the event that the grantee shall not commence the furnishing of telephone service referred to in the certificate obtained and filed as herein provided within such period as the Public Service Commission shall have fixed, said Commission may declare such certificate null and void and the deposit made pursuant to section nine of this Act forfeited to the Insular Government unless the grantee shall have been prevented from doing so by act of God, force majeure, usurped or military power, martial law, riot, uprising, or other cause beyond its control: *Provided, however,* That, if the grantee shall have been so prevented by one or more or all of such causes from commencing to furnish telephone service within the period specified, the time during which it shall have been so prevented shall be added to said period.

SEC. 9. The grantee shall be required by the Public Service Commission for each Certificate of Public Necessity and Convenience obtained by it, to make within such period as the said Commission shall fix, a deposit of not less than one thousand pesos, Philippine currency, or negotiable bonds of the United States, or other securities approved by the Public Service Commission, of the par value of not less than one thousand pesos, Philippine currency, in the Insular Treasury as a guaranty of good faith that the grantee, within the period also specified by the Public Service Commission, shall commence and terminate the necessary work and shall be provided with all the equipment necessary to commence furnishing telephone service in the corresponding province, or provinces. The Public Service Commission shall order the return of the deposit hereby required to the grantee upon the termination of the work for the furnishing of telephone service in accordance with the terms and conditions of the certificate obtained, and the Insular Treasurer shall return said deposit immediately upon presentation to him of a certified copy of the order of the Public Service Commission.

SEC. 10. Within forty days after the approval of this Act, the grantee shall file with