

[Act No. 3513, December 08, 1928]

AN ACT GRANTING TO THE "MACKAY RADIO AND TELEGRAPH COMPANY OF CALIFORNIA," UNITED STATES OF AMERICA, A FRANCHISE TO CONSTRUCT, MAINTAIN, AND OPERATE IN THE PHILIPPINE ISLANDS STATIONS FOR THE RECEPTION AND TRANSMISSION OF WIRELESS LONG DISTANCE MESSAGES, AND PRESCRIBING THE CONDITIONS OF THE SAME.

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. There is hereby granted to the "Mackay Radio and Telegraph Company of California," its successors or assigns, hereinafter referred to as the "grantee," a franchise to construct, maintain and operate in the Philippine Islands at such places as the said grantee may select, subject to the approval of the Secretary of Commerce and Communications, stations for the transmission and reception of wireless messages for the following purpose:

(a) The sending of commercial wireless telegraphic messages from points within the Philippine Islands to points exterior thereto, including airplanes, airships and vessels, even though such airplanes, airships or vessels be located within the territorial limits of the Philippine Islands, and the receiving of commercial wireless messages from such exterior points.

Each station may consist of two plants, a sending station and a receiving station.

SEC. 2. Subject to the limitations and procedure prescribed by law, the grantee is authorized to exercise the right of eminent domain, in so far as may be reasonably necessary to further the establishment and efficient maintenance and operation of its radio stations and connecting them one to another, and, with the prior approval of the Governor-General, the grantee is authorized to construct and maintain its works of public utility and service over and across public property of the United States, including streets, highways, squares, and reservations, and other similar property of the Government of the Philippine Islands and its branches.

SEC. 3. This grant and concession shall continue for a period of fifty years from the date the said stations shall be put in operation, and is made upon the express condition that the same shall be void unless the construction of at least one station be begun within one year from the date of the approval of this Act and be completed within two years from said date.

SEC. 4. With the exception of the privileges of transmitting and receiving wireless communications to or from points exterior to the Philippine Islands as herein before granted, all wireless communication between points or stations within the Philippine Islands is expressly reserved to the Government of the Philippine Islands.

SEC. 5. This franchise shall not take effect nor shall any powers thereunder be exercised by the grantee until the Governor-General shall have allotted to the grantee the frequencies and wave lengths to be used thereunder and determined the stations to and from which each such frequency and wave length may be used,

and issued to the grantee a license for such use.

The Governor-General on reasonable notice to the grantee, may at any time change or cancel or modify in whole or in part any or all of the allotments of frequencies or wave lengths hereunder as well as any license issued hereunder to use such frequencies or wave lengths to and from any or all stations to and from which they may be used. He may take such action (a) 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 these Islands; (b) whenever in his judgment the public interest of these Islands requires that such frequencies or wave lengths should be used for other purposes than those of the grantee, either by the Government of the Philippine Islands or by other individuals or corporations licensed by it; (c) whenever in his judgment for any reason the public interests of these Islands so require.

The Governor-General 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 compulsory process of subpoena, to summon witnesses, administer oaths and take evidence.

SEC. 6. The 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 of the expansion of the grantee's services.

SEC. 7. A special right is reserved to the Government of the United States, in time of war, insurrection, or domestic trouble, to take over and operate the said stations upon the order and direction of any authorized department of the Government of the United States, the United States Government paying and compensating the grantee for the use of said stations during the period when they shall be so operated by the said Government.

A similar right is hereby reserved to the Government of the Philippine Islands, under similar circumstances and upon similar conditions, upon the order and direction of the Governor-General.

SEC. 8. The right is hereby reserved to the Government of the Philippine Islands, through the Public Service Commission or such other officer as may be thereunto duly authorized, to fix the maximum and minimum rates to be charged by the grantee.

SEC. 9. The grantee shall keep a separate account of the gross receipts of the business transacted by it in the Philippine Islands, and shall furnish to the Insular Auditor and the Insular Treasurer a copy of such account not later than the thirty-first day of January of each year for the preceding year. For the purpose of auditing accounts so rendered to the Insular Auditor and Insular Treasurer, all of the books and accounts of the grantee, or duplicates thereof, so far as they relate to the business transacted in the Philippine Islands, shall be kept in the Philippine Islands, and shall be subject to the official inspection of the Insular Auditor or his authorized