

**[Commonwealth Act No. 386, September 05,
1938]**

**AN ACT GRANTING TO THE PHILIPPINE PRESS WIRELESS, INC.,
A FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE IN THE
PHILIPPINES STATIONS FOR THE RECEPTION AND
TRANSMISSION OF WIRELESS LONG DISTANCE MESSAGES,
PICTURES OR OTHER MATTER PERTAINING TO THE PRESS.**

Be it enacted by the National Assembly of the Philippines:

SECTION 1. There is granted to the Philippine Press Wireless, Inc., its successors or assigns, a franchise to construct, maintain and operate in the Philippines at such places as the said company may select, subject to the approval of the Secretary of Public Works and Communications, a station or stations for the wireless reception and transmission of wordage, pictures or other matter intended for publication, either in the public press or by means of broadcast radio-news, to and from points within the Philippines, to and from points exterior thereto, including airplanes, airships and vessels even though such airplanes, airships and vessels be located within the territorial limits of the Philippines. Each station may consist of two plants, a sending station and a receiving station: *Provided*, That the Philippine Press Wireless, Inc., may establish in any province in the Philippines a station for the master receiving and transmitting plant, and if, due to lack of facilities or other reason, the said company is unable to avail itself of the use of land line service, it may establish, in Manila or other nearby points where such service is available, such smaller plant or plants as may be necessary for the handling of wireless traffic relayed to and from the master station, which handling of traffic shall not be construed as engaging in domestic business in the Philippines, but merely a part of the circuit in bringing press material to Manila from points exterior to the Philippines.

SEC. 2. The President of the Philippines shall have power and authority to permit the location of said stations or any of them on the public domain upon such terms as he may prescribe.

SEC. 3. This grant and concession shall continue for a period of fifty years from the date of the issuance of the license required in section five hereof and is made upon the express condition that the same shall be void unless the construction of the master station be started within one year from the date of the issuance of said license and be completed within two years.

SEC. 4. The said company shall not engage in domestic business in the Philippines without further special assent of the National Assembly, it being understood that the purpose of this franchise is to secure to the said company the right to conduct the business of long distance wireless communication with points outside the Philippines, by receiving and transmitting wordage, pictures or other matter for publication, either in the public press or by means of broadcast radio news.

SEC. 5. This franchise shall not take effect until the President of the Philippines 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 grantee shall begin operation under this franchise within three years from the date on which said license shall have been issued by the president of the Philippines.

SEC. 6. The President of the Philippines 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 or 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 of public policy of the Philippines; (b) whenever in his judgment the public interest of the Philippines requires that such frequencies or wave-lengths should be used for other purposes than those of the grantee, either by the Commonwealth of the Philippines or by other individuals or corporations licensed by it; (c) whenever in his judgment for any reason the public interest of the Philippines so requires.

The President of the Philippines 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. 7. The grantee, its successors or assigns, shall so . construct and operate its wireless station or stations as not to interfere with the operation of other radio stations maintained and operated in the Philippines.

SEC. 8. A special right is reserved to the President of the United States, in time of war, insurrection, or domestic ' trouble, to take over and operate the said station upon the order and direction of the State Department of the Republic of the United States, the United States Government paying and compensating the grantee for the use of said station during the period when they shall be so operated by the said Government.

A similar right is hereby reserved to the Commonwealth of the Philippines, under similar circumstances and upon similar conditions, upon the order and direction of the President of the Commonwealth.

SEC. 9. The right is hereby reserved to the Government of the Commonwealth of the Philippines through the Public Service Commissioner or such other officer as may be thereunto duly authorized, to fix the maximum rates to be charged by the said company, its successors or assigns.

SEC. 10. The grantee, its successors or assigns, shall keep an account of the gross receipts of the business transacted by it and shall furnish to the Auditor General and the Treasurer of the Philippines 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 Auditor General and the Treasurer of the Philippines, all of the books and accounts of the grantee, its successors or assigns, shall be subject to the official inspection of the Auditor General, or his authorized representative,