

Title:

Philippine Global Communications, Inc. vs. Hon. Benjamin Relova, et al.

Facts:

Philippine Global Communications, Inc. (Petitioner) filed an application on May 10, 1976, with the Board of Communications (BOC), now the National Telecommunications Commission (NTC), to establish a branch station in Cebu City for rendering international telecommunication services. This application faced opposition from private respondents - Philippine Telegraph and Telephone Corporation, Capitol Wireless, Inc., and Radio Communications of the Philippines, Inc.

Following a BOC Memorandum Circular No. 77-13 issued on March 24, 1977, naming Metropolitan Manila as the sole 'gateway' for communications, and while the petitioner's application was pending, the BOC provisionally authorized the petitioner on January 16, 1979, to establish a station in Cebu City with conditions relating to interfacing with domestic carriers post-upgrade. Final authority was granted on May 24, 1979, which was contested by respondents through a joint motion for reconsideration.

Amidst pending reconciliation, respondents pursued a declaratory judgment from the Court of First Instance of Manila regarding petitioner's franchise construction, specifically R.A. No. 4617. The court denied petitioner's dismissal motion and was upheld by the Supreme Court.

Without factual disputes, the lower court decided the case based on pleadings and memoranda, ruling against the petitioner. The petitioner then approached the Supreme Court seeking review.

Issues:

1. Whether the petitioner is authorized under R.A. No. 4617 to establish stations outside Metropolitan Manila.
2. Whether such establishment is considered "domestic service" under the petitioner's franchise.
3. The propriety of issuing declaratory judgment based solely on pleadings without considering actual factual issues.

Court's Decision:

The Supreme Court reversed the lower court's decision, holding that the petitioner is authorized, under its legislative franchise (R.A. No. 4617) and subsequent legal and

administrative interpretations, to establish branches or stations outside Metropolitan Manila for international communications. It concluded the lower court wrongly interpreted the franchise's provisions and disregarded the relevant administrative guidelines and interpretations supporting the petitioner's position.

Doctrine:

The case reiterates the doctrines of statutory construction, emphasizing the importance of considering a statute in its entirety to ascertain legislative intent. It also underlines the doctrine of contemporaneous construction, where executive interpretations, especially by those tasked with implementing the statute, are given significant weight unless shown to be clearly erroneous.

Class Notes:

- **Statutory Construction**: The interpretation of statute must consider the statute as a whole, to ensure harmony among its parts and effectuate legislative intent.
- **Contemporaneous Construction**: Courts usually defer to the interpretation of statutes by executive officers responsible for their execution, unless such interpretation is clearly erroneous.
- **Legislative Franchise for Telecommunications**: Specific provisions in the franchise (such as R.A. 4617) can empower the grantee to construct and operate communication systems across national and international bounds, based on approvals from designated authorities.

Historical Background:

This case showcases the regulatory and legal challenges faced by telecommunications companies in expanding their operations within the Philippines, against the backdrop of evolving technology and policy interpretations. It reflects the tension between the national policy designating a single 'gateway' for international communications and the statutory privileges granted to companies like the petitioner to operate beyond such limitations for global connectivity.