

AN ACT GRANTING THE CITY GOVERNMENT OF BASILAN A FRANCHISE TO INSTALL, OPERATE AND MAINTAIN TELEPHONE SYSTEM IN THE CITY OF BASILAN.

REPUBLIC ACT NO. 6520, July 22, 1972

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

SECTION 1. Subject to the provisions of the Constitution and of Commonwealth Act Numbered One hundred forty-six, as amended, there is hereby granted to the City Government of Basilan City, hereinafter called the grantee, its successors or assigns, for a period of twenty-five years from the approval of this Act, the right privilege, and authority to construct, operate and maintain telephone system in the City of Basilan. The grantee is authorized to construct, operate and maintain exchanges and branches tributary lines within the city and municipal districts traversed to connect with the main system, as the public interest may warrant.

For the purpose of operating said telephone system, the grantee is authorized to construct, operate and maintain and use all apparatus, conduits, appliances, receivers, transmitters, antennas, and equipment necessary for the transmission of messages and to erect poles, structures, string wires, build conduits, lay cables, and to construct, operate and maintain and use such other approved and generally accepted means of electrical conduction in, on over, under the public roads, government right-of-ways, lands, bridges, rivers, waters, streets, lanes and sidewalks of said city and municipal districts and overhead or underground or submarine lines or on the surface of the ground, as may be necessary and best adapted to said transmission: Provided, however, That all cables laid, all poles erected and all conduit constructed or used by the grantee, its successors or assigns, shall be located in places designated by the Secretary of Public Works and communications and poles erected and all conduits and Communications and poles shall be erected in workmanlike manner to the satisfaction of said official: Provided, further, That upon reasonable notice of the Secretary of Public Works and Communications the grantee, its successors and 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, and one-half the actual cost of such relocation of poles or raising or removing of wires or other conductors when the Secretary of Public Works and Communications so orders and when public interest so requires: And, provided, finally, That from any order to relocate conduits, poles or wires, or to raise or remove wires or other conductors, to be paid by the person at whose instance the building or structures is moved; and, at the expense of the grantee, its successors or assigns, to relocate conduits, poles, and wires, or to raise or remove wires or other conductors, the said grantee, its successors, or assigns, shall have the right to appeal to the President of the Philippines, whose decision in the matter shall be final.

Should the grantee, its successors or assigns, fail, refuse or neglect within a period of ninety 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 Public Works 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. The installations 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 Public Works and Communications. Whenever

twenty-five or more pairs of wires or other conductors are carried on in one line of poles in any city or municipal district 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 cable shall be placed underground by the grantee, its successors or assigns, whenever ordered to do so by the Secretary of Public Works and Communications.

The poles erected, wires and cable strong or conduit laid by virtue of this franchise shall be so placed so as not to impair the efficient and effective transmission of messages or signals by any other company where poles are erected, whose wires and cables are strung or whose conduits are actually laid at the time that the poles are to be erected, wires and cables strung and conduits laid under and by virtue of this franchise. The poles erected by the grantee shall be of such 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 in accordance with a plan approved by the Secretary of Public Works and Communications.

SEC. 2. The grantee may install operate and maintain radiotelephone equipment to furnish an economical medium of telephone communications in and between the city and the municipal districts mentioned in Section one of this Act and between telephone systems of other franchise grantees within the Philippines. The location of such radiotelephonic equipment and its operation must be previously approved by the President of the Philippines upon the recommendation of the Secretary of Public Works and Communications. The said Secretary, subject to the approval of the President of the Philippines, shall have the authority to supervise and regulate the installation or operation of such radiotelephone equipments. The privilege to install, operate and maintain radiotelephone equipment shall not be construed to authorize the broadcasting of any commercial message, or the transmission of any messages for hire by radiographic equipment or the transmission of radiotelegraphic messages for hire.

SEC. 3. The grantee shall supply telephone service in said city and municipal districts 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 applications, 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 such grantee and should demand for telephone service at any time increased beyond the capacity of the 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 the decision of the Public Service Commission or its legal successor.

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 expense for the poles and wires and installation thereof necessary for such service and in such case the Public Service Commission may extend the' time 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 Public Works, and Communications to make excavations or lay conduits in any of the public places highways, streets, lanes, alleys, avenues, sidewalks, or bridges of said cities and municipal districts. Any public place, highly, 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 Public Works and Communications. Should the grantee, its successors or assigns (to the satisfaction of the Secretary of Public

Works and Communication) after ten days notice from said authority, fail, refuse or neglect to replace any part of a public place, road, highway, street, lane, alley, avenue, side-walk or bridge altered, changed or disturbed by said grantee, its successors or assigns, then the Secretary of Public Works 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 system for 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 system 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 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 July.

SEC. 7. The grantee, its successors or assigns, shall be liable to pay the same taxes on its 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 successor 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, two per centum of all the gross receipts of the telephone or other electrical transmission business transacted under this franchise by the grantee, its successors or assigns.

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 Commonwealth Act Numbered One hundred and forty-six, as amended, specially authorizing such construction. The grantee shall not exercise any right or privilege under the franchise without first having attained 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. 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 interest may reasonably require. Such certificate shall state the date that 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, together with the document evidencing the act that the deposit required by said certificate has been made, in writing. 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 fix, deposit made pursuant to Section nine of this Act shall be forfeited to the National Government unless the grantee shall have been prevented from doing so by an act of God, force majeure, usurpation, by military power, martial law, riot, uprising, or other, cause beyond its control. 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 specified period, 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 its subsequent to the date of this Act, to make within such period as the said Commission, shall fix a deposit of not less than ten thousand pesos, Philippine currency or negotiable bonds of the Government of the Philippines, or other securities approved by the Public Service Commission, shall and terminate the necessary work and shall be provided with all the equipment necessary to commence furnishing telephone service in the corresponding city, and/or municipal district.

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. The Treasurer of the Philippines 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 the Secretary of Public Works and Communications, its written acceptance of this franchise and all the terms and conditions hereof, and in default of such acceptance, within the time so limited, this franchise shall become null and void.

SEC. 11. The books and accounts of the grantee, its successors or assign, shall always be open to the inspection of the district auditors or their authorized representatives and it shall be the duty of the grantee to submit to the Auditor General quarterly reports in duplicate showing the gross receipts and the net receipts for the quarter past and the general condition of business.

SEC. 12. The rights herein granted shall not be exclusive, and the rights and powers to grant to any corporation, association or person other than the grantee, franchise for the telephone or electrical transmission of messages or signals shall not be impaired or affected by the granting of this franchise. The poles or antennae erected, wires strung or cable or conduits laid by virtue of any franchise for telephone, or other electrical transmission of messages and signals granted subsequent to this franchise, should be so placed as not to impair the efficient and effective transmission of messages or signals under this franchise by means of poles or antennas erected, wires strung, or cable or conduits actually laid and in existence at the time of the granting of said subsequent franchise. The Public Service Commission, after hearing both, parties interested, may compel the grantee of this franchise or its successors or assigns to remove relocate or replace its poles, wires or conduits out in such case the reasonable cost of the removal, relocation or replacement shall be paid by the grantee of the subsequent franchise or his successors or assigns to the grantee of this franchise or its successors or assigns.

SEC. 13. The grantee its successors or assignee shall hold the national, city and municipal governments harmless from all claims, account demands or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the telephone, radiotelephone or electrical transmission system of the said grantee, its successors or assigns.

SEC. 14. All rates for the telephone service, flat rates, toll rates as well as measure rates are subject to, the approval of the said Public Service Commission.

SEC. 15. The grantee shall not, without, the previous and explicit approval of the Congress of the Philippines directly or indirectly, transfer, sell or assign this franchise to any person, association, company, or corporation or other mercantile or legal entity.

SEC. 16. The grantee, may install, operate, maintain, purchase or lease such telephone, stations, lines, cables or telecommunication system as is, or are, convenient or essential to efficiently carry out the purpose of this franchise, but the grantee, its successors or assigns, shall not, without the permission of the Public Service Commission first had, install operate, maintain, purchase, or lease such stations, lines, cables or systems.

SEC. 17. The Phil. Govt., including any and all of its departments and bureaus, shall have the privilege without compensation, of using such space on the poles of the grantee for wire attachments as will not impair public safety, employee's safety, or service requirements of the grantee. The municipalities shall also have the privilege, without compensation of using; the poles of the grantee for local police and fire alarm systems under the same terms and conditions. If the requirements of the Philippine Government or of a municipality for the use of the grantee's poles exceed the limitations named above in respect to public safety, employee's safety or service (requirements of the grantee the municipalities shall also have the privilege, without compensation, of using the poles of the grantee for local police) impairments, mutual arrangements may be entered into between the Government, entities and the grantee for pole replacements or other construction. The cost of said construction shall be borne by the govt. entities concerned or if undertaken by the grantee, to be amortized on a basis of fair compensation to the grantee. In case of disagreement as to pole replacement or other construction and/or compensation therefor or the absorption of cost, the same shall be fixed by the Public Service Commission of the Philippines. Written request providing a ninety-day advance notice of needs will be filed with the grantee ahead of any attachment by the Phil. Government or any municipality to grantee's poles.

SEC. 18. The grantee, its successors or assigns, shall not issue stock or bonds under this franchise except in exchange for actual cash or property at a fair valuation equal to the market value of the stock, or bonds so issued.

SEC. 19. This franchise is granted upon the condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines, when the public interest so requires. All public lands or rights of use or occupation of lands secured by virtue of this franchise shall revert upon its termination, revocation, or nullification to the national, provincial or municipal governments which were the owners thereof on the date when this franchise was granted.

SEC. 20. The grantee after that should the National Government desire to maintain and operate for itself the system and enterprise herein authorized, the grantee shall surrender its franchise and certificate of public necessity and convenient in the aforesaid territory and turn over to the National Govt. all serviceable equipment at replacement cost, less depreciation to be fixed by the Public Service Commission.

SEC. 21. Where ever in this franchise the term "grantee" is used, it shall be held and understood to mean and represent the City Government of Basilan City, its representatives successors or assigns.

SEC. 22. This Act shall take effect upon its approval.

Approval, July 22, 1972.

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