

AN ACT GRANTING ISLAND TRANSPORT COMPANY, INCORPORATED, A FRANCHISE TO ESTABLISH, MAINTAIN AND OPERATE A FERRY SERVICE FOR PASSENGERS AND FREIGHT VEHICLES BETWEEN THE BARRIO OF ...

REPUBLIC ACT NO. 5118, June 17, 1967

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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 conditions established in this Act and the provisions of the Constitution and the Public Service Act, there is granted to the Island Transport Company, Inc., for a period of twenty-five years from the approval of this Act, the right, privilege and authority to establish, maintain and operate a vehicular, freight and passenger ferry service between the Barrio of Pajo, Lapulapu City and Mandawe (Bantayan sa Hari) Barrio of Lo-oc, Municipality of Mandawe, Province of Cebu; Barrio of Maribago, Mactan Island, and Barrio Pajo, Olango Island, Province of Cebu; Municipality of Mandawe, Province of Cebu, alternating to the Municipality of Clarin, Province of Bohol and Municipality of Bato, Province of Southern Leyte; Municipality of Guihulngan, Province of Negros Oriental, alternating to the Municipalities of Dumanjug and Barili, Province of Cebu; Municipality of Escalante, Province of Negros Occidental, alternating to the municipalities of Tuburan, San Remigio, and Tabuelan (Bantayan Island), Province of Cebu; Municipality of Placer, Province of Masbate, alternating to the Municipality of Estancia, Province of Iloilo and Municipality of Escalante, Province of Negros Occidental; and the municipalities of Tabuelan (Bantayan Island) and San Remigio, Province of Cebu; and to establish a schedule of rates therefor, which shall at all times be subject to regulations by the Public Service Commission: Provided, That this franchise shall be null and void unless the grantee, within two years from the date of the approval of this Act, files with the Public Service Commission its acceptance of the terms and conditions stipulated in this Act.

SEC. 2. Within two years after the acceptance of the franchise granted hereunder and in accordance with the conditions herein stipulated, the grantee shall put in operation an adequate and efficient ferry service between the municipalities and the islands mentioned in the preceding section. The ferryboats operated by the grantee and the equipment thereof shall meet the requirements prescribed by the Public Service Commission, and the grantee shall, whenever the Public Service Commission shall determine that public interest reasonably requires it, change or improve any of said ferryboats or the equipment thereof at its expense.

SEC. 3. The grantee binds itself to provide in its ferryboats a suitable and adequate place for the mails and shall carry them in the manner stipulated between the Postmaster General and the said grantee, for such consideration as may be agreed upon between them, and in case of failure to arrive at an agreement as to the rate of compensation and the manner in which such mails shall be carried, the Public Service Commission shall fix the manner of and compensation for, carrying said mails, after hearing and considering the arguments of the said Postmaster General and grantee: Provided, That in case the Government requires the transportation of troops, ammunition or funds for the public good, the grantee shall take the necessary steps to comply therewith and shall receive a reasonable compensation for such service.

SEC. 4. The books, records and accounts of the grantee shall always be open to inspection by the Provincial

Treasurer of Cebu or his authorized representatives, and it shall be the duty of the grantee to submit to the Provincial Treasurer quarterly reports in duplicate showing the gross receipts for passengers and freight for the quarter past and the general condition of the business, one copy of which shall be forwarded by the Provincial Treasurer to the Auditor General, who shall keep the same on file.

SEC. 5. The grantee shall be liable to pay the same taxes on its real property, buildings and personal property as other persons or corporations are now or hereafter may be required by law to pay. The grantee shall further be liable to pay all other taxes imposable under the National Internal Revenue Code by reason of this franchise.

SEC. 6. The grantee, after obtaining approval of the Congress of the Philippines, may sell, lease, grant, convey, assign, give in usufruct, or transfer this franchise and all property and right acquired thereunder to any individual, co-partnership, private, public or quasi-public association, corporation or joint-stock company competent to operate the business hereby authorized, but transfer of title to the franchise or any right of ownership or interest acquired under such sale, lease, grant, conveyance, assignment, gift in usufruct, or transfer shall not be effective, even after such approval shall have been obtained, until there shall have been filed in the Office of the Public Service Commission an agreement in writing by which the individual, co-partnership, private, public or quasi-public association, corporation or joint-stock company in whose favor such sale, lease, grant, conveyance, assignment, gift in usufruct or transfer is made, shall be firmly bound to comply with all the terms and conditions imposed upon the grantee by this franchise and to accept the same, subject to all existing terms and conditions.

SEC. 7. The Public Service Commission shall have the power, after a reasonable written notice to the grantee and a hearing of the interested parties, to declare the forfeiture of this franchise and all rights inherent in the same for failure on the part of the grantee to comply with any of the terms and conditions thereof, unless such failure shall have been directly and primarily caused by act of God, force majeure, usurped right, uprising or other cause beyond the grantee's control. Against such declaration of forfeiture by the Public Service Commission, the grantee may apply for the remedies provided in Sections thirty-four and thirty-six of the Public Service Act. The remedy provided by existing laws for the forfeiture of this franchise.

SEC. 8. In the event of any competing individual, association of the persons, or corporation receiving from the Congress of the Philippines a similar franchise in which there shall be any term or terms more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms shall ipso facto become part of the terms hereof and shall operate equally in favor of the grantee as in the case of said competing individual, association of persons or corporation.

SEC. 9. Whenever in this franchise the term "grantee" is used, it shall be held and understood to mean and represent the Island Transport Company, Inc., its representatives, successors or assigns.

SEC. 10. This franchise shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when the public interest so requires, and shall not be interpreted to mean an exclusive grant of the privilege herein provided.

SEC. 11. This Act shall take effect upon its approval.

Enacted without Executive approval, June 17, 1967.

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