

PRESIDENTIAL DECREE GRANTING THE DOMESTIC SATELLITE PHILIPPINES, INCORPORATED A FRANCHISE TO INSTALL, MAINTAIN AND OPERATE, IN ANY PLACE IN THE PHILIPPINES STATIONS FOR PROVIDIN...

PRESIDENTIAL DECREE NO. 947, June 17, 1976

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WHEREAS, there is a need to develop a nationwide telecommunications network which can provide various telecommunications services to domestic carriers, television and radio network and specialized service networks;

WHEREAS, it is necessary to introduce the latest technology into existing networks in order to make available the most modern services in various areas of the Archipelago;

WHEREAS, the use of these telecommunications services for educational, informational, agricultural, industrial, law enforcement, government and military purposes will catalyze the social, economic and political advancement of the Philippines;

WHEREAS, the Domestic Satellite Philippines, Inc. has been specifically organized to provide throughout the Republic of the Philippines telecommunication services through the use of communication satellites and other modern media;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

SECTION 1. There is hereby granted to Domestic Satellite Philippines, Inc., herein referred to as the Grantee, a franchise to establish, install, operate and maintain in the Philippines, and at such places as the Grantee may select, as a carrier's carrier, any and all types of telecommunications services available through the use of space relay and repeater stations for domestic public communications with authority to receive and transmit messages, impressions, pictures, music, entertainment, advertising, and signal throughout the Philippines and between the Philippines and ships at sea, airplanes and other conveyances, contract with and furnish channels of communication, both satellite and terrestrial to authorized users; and to charge and receive compensation therefor by tools and charges.

SEC. 2. This franchise includes the right and authority of the Grantee to construct, maintain and operate such ground and other facilities, as needed, to deliver telecommunications services to and from the communications satellite system and the telephone, telegraph, telex and other network switching centers owned by domestic common carriers, television and radio broadcasting stations and networks, and terminals of specialized telecommunications network of government and/or private persons and/or corporations such as computer/data communications systems and point-to-point or switched voice networks. The Grantee may also assist, as required, in the development of nationwide television and radio coverage for education, information and entertainment purposes by the construction, operation and maintenance of necessary equipment and facilities. Further, the Grantee may, using its facilities, provide satellite telecommunications services as required to develop intra-regional communications of associations of which the Republic of the Philippines is a member country,

utilizing existing or planned satellite systems as space relay devices provided that such provision of services does not conflict with the country's commitment as signatory to agreements of International Organizations.

SEC. 3. Subject to the limitations and procedures prescribed by law, the Grantee is authorized to exercise the rights of eminent domain insofar as may be reasonably necessary to further the establishment and efficient maintenance and operation of the telecommunication services, its system, lines, circuits and/or stations. The Grantee is authorized to construct and maintain its works of public utility and services over and across public property of the Philippines, including stations, highways, squares and reservations, and other similar property of the Philippines and its branches.

SEC. 4. This franchise shall continue for a period of (50) years from the date the said telecommunication services shall be put in actual commercial operations and is made upon the express condition that the same shall be void, unless work of the telecommunication system be begun within two years from the date of the effectivity of this Decree and that system be in operation within four years from said date. Said period may, however, be extended on justifiable grounds by the Secretary of Public Works, Transportation and Communications.

SEC. 5. A special right is hereby reserved to the President of the Republic of the Philippines in time of war, rebellion, public peril, or other national emergencies and when public safety required, to cause the closing of the Grantee's circuits and/or stations or to authorize the use or possession thereof by any Department of the government without compensation to the Grantee for the use of the said station during the continuance of the national emergency.

SEC. 6. In consideration of the franchise and rights hereby granted, the Grantee shall pay to the Republic of the Philippines during the life of this franchise a tax of one-half per cent of gross earnings derived by the Grantee from its operation under this franchise and which originate from the Philippines. Such tax shall be due and payable annually within ten days after the audit and approval of the accounts by the Commission on Audit as prescribed in Section 11 hereof and shall be in lieu of all taxes, assessments, charges, fees, or levies of any kind, nature, or description, levied, established or collected by any municipal, provincial, or national authority including but not limited to customs duties, taxes, wharfage and all other charges, imports, or fees on any and all equipments, machineries, vehicles, and spare parts needed in the installation and/or operation of the business of the Grantee, except that the Grantee shall pay the tax on its real property in conformity with existing law.

SEC. 7. The Grantee shall be subject to the pertinent laws, rules and regulations of the Philippines and pertinent international agreements to which the Philippines is or will be a signatory, now existing or hereafter enacted.

SEC. 8. The franchise hereby granted shall be subject to amendment, alteration or repeal by competent authority, and the rights to occupy public property and places hereby granted shall revert to the government upon the termination of this franchise, or by such repeal or forfeiture thereof or by its expiration in due course.

SEC. 9. The operation and activities of the telecommunications systems, lines, circuits and/or stations of the Grantee shall contribute to the public welfare; shall conform to the ethics of honest enterprise; shall assist in the functions of public information and education; and shall not be used for the dissemination of deliberately false information, or willful misrepresentation, or to the detriment of the public health, or to incite, encourage or assist in subversive or treasonable acts.

SEC. 10. The right is hereby reserved to the government of the Philippines, through the Board of Communications, or such other office as may be hereunto duly authorized, to fix the minimum and maximum rates to be charged by the Grantee.

SEC. 11. The Grantee shall keep a separate account of the gross receipts of business transacted by it in the

Philippines and shall furnish the Commission on Audit with a copy of such account not later than the last day of February of each year for the preceding year. For the purpose of auditing the accounts surrendered to the Commission on Audit, all the books and accounts of the Grantee, or duplicates thereof, so far as they relate to the business transacted in the Philippines, shall be subject to the official inspection of the Commission on Audit or his authorized representatives, and the audit or approval of such accounts shall be final and conclusive evidence as to the amount of said gross receipts, except that the Grantee shall have the right to appeal to the Courts of the Philippines, under the terms and conditions provided in the laws of this country.

SEC. 12. As a condition of the granting of this franchise, the Grantee shall execute a bond in favor of the Government of the Philippines, in the sum of fifty thousand pesos in form and with sureties satisfactory to the Secretary of Public Works, Transportation and Communications, conditioned upon the faithful performance of the Grantee's obligations hereunder during the first four years of the life of this franchise or the extension that may be granted under Section 4 hereof. If, within the four years from the date of the effectivity of this Decree or during the aforesaid extension, if any, the Grantee shall have fulfilled said obligations or so soon thereafter as the Grantee shall have fulfilled the same, the bond aforesaid shall be cancelled by the Secretary of Public Works, Transportation and Communications.

SEC. 13. Acceptance of the franchise shall be given in writing within one year after the effectivity of this Decree. When so accepted the Grantee and upon the approval of the bond aforesaid by the Secretary of Public Works, Transportation and Communications, the Grantee shall be empowered to exercise the privileges granted hereby.

SEC. 14. The Grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise, nor the rights or privileges acquired thereunder, to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other company or corporation organized for the same purpose, without the prior approval of the President of the Philippines. Any person, firm, company, corporation or other commercial or legal entity to which this franchise is sold, transferred or assigned shall be subject to all the conditions, terms, restrictions and limitations of this franchise as fully and completely and to the same extent as if the franchise had been granted to the same person, firm, company, corporation or other commercial or legal entity.

SEC. 15. This franchise shall not be interpreted to mean an exclusive grant of the privileges herein provided for. However, in the event any competing individual, partnership or corporation shall receive a similar permit or franchise with terms and/or provisions more favorable than those herein granted or which tend to place the Grantee herein at any disadvantage, then such terms and/or provisions shall, ipso facto, become part hereof and shall operate equally in favor of the Grantee herein.

SEC. 16. This Decree shall take effect immediately.

Done in the City of Manila, this 17th day of June, in the year of Our Lord, nineteen hundred and seventy-six.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

JACOBO C. CLAVE

Presidential Executive Assistant

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