

AN ACT GRANTING THE OLONGAPO TELEPHONE COMPANY, INCORPORATED, A FRANCHISE TO CONSTRUCT, OPERATE, AND MAINTAIN A TELEPHONE COMMUNICATION SYSTEM WITHIN THE MUNICIPALITY OF OLONGAP...

REPUBLIC ACT NO. 3450, June 18, 1961

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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 imposed by this Act, there is hereby granted the Olongapo Telephone Company, Incorporated, hereinafter called the grantee, its successors or assigns, for a period of fifty years from the approval of this Act, the right and privilege to construct, operate and maintain in the Municipality of Olongapo, Province of Zambales, a telephone system to carry on the business of the electrical transmission of conversations and signals in said municipality. For this purpose, the grantee is hereby authorized to use all streets and public thoroughfares of the municipality for the construction, operation and maintenance of all apparatus, conductors and appliances necessary for the electrical transmission of conversations and signals, to erect poles, string wires, build conduits, lay cables and to construct, maintain and use such other approved and generally accepted means of electrical conduction in, on, over or under the public loads, highways, lands, bridges, streets, lanes and sidewalks of said municipality, and overhead or underground lines or on the surface of the ground as may be necessary and best adapted to said transmission.

SEC. 2. For the purpose of erecting and placing the poles or other supports of such wires or other conductors or of laying and maintaining underground wires, cables or other conductors, it shall be lawful for the grantee, its successors or assigns, to make excavations or lay conduits in any of the public places, highways, streets, alleys, lanes, avenues, sidewalks or bridges in the municipality: Provided, however, That the grantee may make use of the poles of other public utilities already existing in the locality to install, operate and maintain such wires, apparatus, conductors and appliances necessary for the electrical transmission of conversations and signals as the grantee may deem best adapted for the purpose upon arrangement with said public utilities.

SEC. 3. The grantee, its successors or assigns, shall keep a separate account of the gross receipts of its telephone business, and shall furnish the Auditor General and the Treasurer of the Philippines a copy of such account not later than the fifteenth day of April of each year for the preceding calendar year.

SEC. 4. 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: Provided, however, That the grantee, its successors or assigns, shall be exempt from paying taxes of whatever nature on the machineries, equipment, conductors, apparatus, poles, and other appurtenances and paraphernalia used in connection with the operation of the telephone system under this franchise. The grantee, its successors or assigns, shall pay to the Treasurer of the Philippines each year within ten days after audit and approval of the accounts as prescribed in Section three of this Act, one per centum of all gross receipts of the telephone business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes on this franchise or its earnings.

SEC. 5. The Public Service Commission shall have the power to regulate the construction, equipment, maintenance, service or operation under this franchise as public convenience and interests may reasonably require. In order to avail itself of the rights granted by this franchise, the grantee, its successors or assigns, shall file with the Public Service Commission its written acceptance of the terms and conditions of this franchise.

SEC. 6. The grantee, its successors or assigns, shall deposit with the Treasurer of the Philippines one thousand pesos, or negotiable bonds of the Government of the Philippines or other securities approved by the Secretary of Public Works and Communications of the face value of one thousand pesos, as an earnest of good faith in accepting this franchise and a guaranty that, within the period determined by the Public Service Commission, the grantee, its successors or assigns, shall commence construction, maintenance and installation of the telephone communication system under this franchise. If the deposit is made in money the same shall be deposited at interest in some interest-paying bank approved by the Secretary of Public Works and Communications, and all interest accruing and due on such deposit shall be payable to the grantee, its successors or assigns, on demand. The grantee shall furnish the Public Service Commission with necessary document evidencing the fact that the deposit herein required has been made.

Should the said grantee, its successors or assigns, for any other cause than an act of God, public enemy, usurpation by military power, martial law, riot, civil commotion or other justifiable causes, fail, refuse or neglect to begin, within the period determined by the Public Service Commission, the operation of the telephone service under this franchise in the Municipality of Olongapo, Province of Zambales, then the deposit made under this section shall become the property of the National Government as liquidated damages caused to the Government by such failure, refusal or neglect, and thereafter no interest on said deposit shall be paid to the grantee, its successors or assigns; otherwise, the said deposit shall be returned by the National Government to the grantee, its successors or assigns, upon the recommendation of the Public Service Commission, as soon as the telephone service has been installed and readied for operation in accordance with the terms of this franchise: Provided, however, That all the time which the grantee, its successors or assigns, may be prevented from carrying out the terms and conditions of this franchise by any of the causes hereinabove mentioned shall be excluded in the counting of the period allowed by this franchise for compliance with its provisions.

SEC. 7. The books and accounts of the grantee, its successors or assigns, shall always be open to the inspection of the Auditor General or his authorized representative.

SEC. 8. The rates for the telephone service, flat rates as well as measured rates, shall be subject to the approval of the Public Service Commission.

SEC. 9. The grantee, its successors or assigns, may, subject to the prior approval of the Public Service Commission, install, maintain, operate, purchase or lease such telephone stations, lines, cables or system, as is, or are, convenient or essential to efficiently carry out the purpose of this franchise.

SEC. 10. It is expressly provided that in the event the Philippine Government should desire to maintain and operate for itself the system and enterprise herein authorized, the grantee, its successors or assigns, shall surrender its franchise and will turn over to the Government said system and all serviceable equipment therein, at cost, less reasonable depreciation.

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

Enacted, without Executive approval, June 18, 1961.

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