

AN ACT GRANTING THE PHILIPPINE COMMUNICATIONS SATELLITE CORPORATION A FRANCHISE TO ESTABLISH AND OPERATE GROUND SATELLITE TERMINAL STATION OR STATIONS FOR TELECOMMUNICATION WITH...

REPUBLIC ACT NO. 5514, June 21, 1969

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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 to the provisions of Act Numbered Thirty-eight hundred and forty-six, entitled "An Act providing for the regulation of radio stations and radio communications in the Philippine Islands and for other purposes" as amended, there is hereby granted to the Philippine Communications Satellite Corporation, hereinafter referred to the "grantee", a franchise to establish, construct, maintain and operate in the Philippines, at such places as the grantee may select, station or stations and associated equipment and facilities for international satellite communications. The grantee may, as required, construct and operate such ground facilities as needed to deliver telecommunications services from the communications satellite system and ground terminal or terminals. Such ground facilities shall duplicate existing facilities of domestic common carriers and said grantee shall operate as a carrier's carrier.

Said grantee shall further be authorized to lease or acquire facilities, channels or circuits in the pursuance of its business.

SEC. 2. Insofar as may be reasonably necessary to the establishment, maintenance and operation of its stations, the grantee is hereby authorized to exercise the right of eminent domain. In no case shall private property be taken without proper condemnation proceedings and just compensation paid or tendered therefor: Provided, That the President of the Philippines may reserve any portion of the public domain or any lands belonging to the Government for the use of the grantee.

SEC. 3. Unless earlier terminated, the franchise and rights hereby granted shall cease upon the expiration of twenty-five years after the approval of this Act.

SEC. 4. The President of the Philippines shall, through I the proper government agency, exercise such supervision and control over relationship of the grantee with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and policies. He shall take all necessary steps to insure appropriate utilization of the grantee's facilities for general governmental purposes whenever necessary.

SEC. 5. The Public Service Commission shall have no jurisdiction over the grantee: Provided, however, That for its voice or data services the grantee shall not charge rates higher than those authorized by the Public Service Commission to overseas telecommunications carriers.

SEC. 6. A special right is reserved to the Government, in time of war, insurrection, or national emergency, upon direction and order of the President, to take over and operate the said station or stations without compensating the

grantee for the use of said stations during the period when they are operated by the Government.

SEC. 7. The grantee, its successors or assigns, keep a separate account of the gross receipts of its satellite transmission, business and shall furnish to the Auditor General and the Treasurer of the Philippines a copy of such account not later than the thirtieth day of April, of each year for the twelve months preceding the first of April.

SEC. 8. 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 successors or assigns, shall pay to the Treasurer of the Philippines each year, within thirty days after the audit and approval of the accounts as prescribed in Section seven of this Act, five per centum of all gross receipts of its satellite transmission business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all other taxes. The grantee shall, from the time it was organized and for the duration of this franchise, be exempt from the payment of customs duties, tariffs, and charges on the machineries, equipment, supplies, and spare parts that shall be imported for the construction and maintenance of the permanent earth station or stations.

SEC. 9. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise to any person or entity except any branch or instrumentality of the Government, without the previous approval of the Congress of the Philippines: Provided, That the grantee may enter into management contract with any person or entity, with the approval of the President of the Philippines: Provided, That such person or entity with whom the grantee enter into management contract shall be a citizen of Philippines and in case of an entity or a corporation, at least sixty per centum of the capital or capital stock of which is owned by citizens of the Philippines.

SEC. 10. The grantee shall hold the national, provincial and municipal governments of the Philippines harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

SEC. 11. The grantee shall be subject to the corporation law of the Philippines now existing or hereafter enacted.

SEC. 12. The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines when public interest so requires.

SEC. 13. 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 a form and with sureties satisfactory to the Secretary of Public Works and Communications, conditioned upon the faithful performance of the grantee's obligations hereunder during the first three years of the life of this franchise. If, after three years from the date of acceptance of this franchise, the grantee shall have fulfilled said obligations or as soon thereafter as the grantee shall have fulfilled the same, the bond aforesaid shall be cancelled by the Secretary of Public Works and Communications.

SEC. 14. Acceptance of this franchise by the grantee shall be given in writing within six months after approval of this Act. Upon acceptance by the grantee and upon approval of the bond aforesaid by the Secretary of Public Works and Communications, the grantee shall be empowered to exercise the privileges granted thereby.

SEC. 15. This Act shall take effect upon its approval.

Approved, June 21, 1969.

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