

**[ REPUBLIC ACT NO. 8196, July 07, 1996 ]**

**AN ACT GRANTING THE ERMITA ELECTRONICS, INCORPORATED,  
A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, MAINTAIN  
AND OPERATE RADIO COMMUNICATIONS SYSTEMS IN THE  
PHILIPPINES**

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

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to Ermita Electronics, Incorporated, hereunder referred to as the grantee, its successors or assigns a franchise to construct, establish, install, maintain, and operate for commercial purposes and in the public interest, radio stations for the reception and transmission of messages in the foreign and domestic public fixed point-to-point, public base, aeronautical, and land mobile and including coastal marine service with the corresponding relay stations for the reception and transmission of wireless messages on radiotelegraph and/or radiotelephone, radio teletype, radiophoto, facsimile, advertisements, and such other types of emission from or to foreign countries and within the Philippines and with vessels at sea and aircrafts over the air, irrespective of whether such vessels and aircrafts are within or without the Philippines.

SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or facilities of the grantee shall be constructed and operated in a manner as will, at most, result only in the minimum interference on the wavelengths or frequencies of the existing stations or other stations which may be established by law, without in any way diminishing its own right to use its selected wavelengths or frequencies and the quality of transmission or reception thereon as should maximize rendition of the grantee's services and/or the availability thereof.

SEC. 3. *Authority of the National Telecommunications Commission.* – The grantee shall secure from the National Telecommunications Commission, hereinafter referred to as the Commission, a certificate of public convenience or appropriate permits and licenses for the location, construction, installation and operation of its telecommunications systems. In issuing the certificate, the Commission shall have the power to impose such conditions relative to the construction, operation, maintenance, or service level of the telecommunications system. The Commission shall have the authority to regulate the construction and operation of its telecommunications systems. The grantee shall not use any frequency in the radio spectrum without having been authorized by the Commission. Such certificate shall state the areas covered and date the grantee shall commence the service.

SEC. 4. *Responsibility to the Public.* – The grantee shall conform to the ethics of honest enterprise and shall not use its stations for obscene or indecent transmission

or for dissemination of deliberately false information or willful misrepresentation, or assist in subversive or treasonable acts.

The grantee shall operate and maintain all its stations, lines, cables, systems and equipment for the transmission and reception of messages, signals and pulses in a satisfactory manner at all times, and as far as economical and practicable, modify, improve or change such stations, lines, cables, systems and equipment to keep abreast with the advances in science and technology.

SEC. 5. *Rates for Services.* – The charges and rates for telecommunications services of the grantee except the rates and charges on those that may hereafter be declared or considered as non-regulated services, whether flat rates or measured rates or variation thereof, shall be subject to the approval of the National Telecommunications Commission or its legal successors. The rates to be charged by the grantee shall be unbundled, separable and distinct among the services offered and shall be determined in such a manner that regulated services does not subsidize the unregulated ones.

SEC. 6. *Right of Government.* – A special right is reserved to the President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, to temporarily take over and operate the stations, transmitters, facilities or equipment of the grantee, to temporarily suspend the operation of any station, transmitter, facility or equipment in the interest of public safety, security and public welfare, or authorize the temporary use and operation thereof by any agency of the government, upon due compensation to the grantee for the use of the said stations, transmitters, facilities or equipment during the period when they shall be so operated.

The radio spectrum is a finite resource that is a part of the national patrimony and the use thereof is a privilege conferred upon the grantee by the State and may be withdrawn anytime, after due process.

SEC. 7. *Term of Franchise.* – This franchise shall be for a term of twenty-five (25) years from the date of effectivity of this Act, unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto* revoked, in the event the grantee fails to comply with any of the following conditions:

- (a) Commence operations within three (3) years from the approval of its permit by the National Telecommunications Commission;
- (b) Operate continuously for two (2) years; and
- (c) Commence operations within five (5) years from the effectivity of this Act.

SEC. 8. *Acceptance and Compliance.* – Acceptance of this franchise shall be given in writing within sixty (60) days after effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Non-acceptance shall render the franchise void.

SEC. 9. *Bond.* – The grantee shall file a bond issued in favor of the National Telecommunications Commission, which shall determine the amount, to guarantee the compliance with and fulfillment of the conditions under which this franchise is