

**[ REPUBLIC ACT NO. 7939, March 01, 1995 ]**

**AN ACT GRANTING THE ISLAND COUNTRY  
TELECOMMUNICATIONS, INC., A FRANCHISE TO ESTABLISH,  
INSTALL, MAINTAIN, LEASE AND OPERATE WIRE AND/OR  
WIRELESS TELECOMMUNICATION SYSTEM AND SERVICES,  
LINES, CIRCUITS AND STATIONS WITHIN AND WITHOUT THE  
PHILIPPINES, AND FOR OTHER PURPOSES**

*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 on public telecommunications, the Island Country Telecommunications, Inc., its successors or assigns and hereunder referred to as the grantee, is hereby granted the right, privilege and authority to carry on the business of providing telecommunications services throughout the Philippines and between the Philippines and other countries and territories and, for this purpose, to establish, operate, manage, lease, maintain and purchase telecommunications systems, including mobile, cellular, and wired or wireless telecommunication systems and their value-added services such as, but not limited to, transmission of voice, data, facsimile, control signs, audio and video, information service bureau, and all other telecommunications systems technologies as are at present available or to be made available through technical advances or innovations in the future, or construct, acquire, lease, and operate or manage transmitting and receiving stations and switching stations, lines, cables, or systems, as is, or are, convenient or essential to efficiently carry out the purpose of this franchise.

SEC. 2. *Manner of Operation of Stations or Facilities.* - The grantee shall construct and operate its stations in a manner as will at most result only on the minimum interference on the wavelengths and frequencies of existing stations or other stations which may hereafter be established in accordance with law by other telecommunication services grantees, 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 availability thereof.

SEC. 3. *Authority from 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 telecommunication 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 systems. The grantee shall not use any frequency in the radio spectrum without having been authorized by the

Commission. The Commission, however, shall not unreasonably withhold or delay the grant of any such authority. Such certificate shall state the areas covered and the date the grantee shall commence the service.

SEC. 4. *Responsibility to the Public.* - The grantee shall render services to the public in accordance with the ethics of honest enterprise and shall not use its stations for obscene or indecent transmissions or for the dissemination of deliberately false information or willful misrepresentation or assist in subversive or treasonable acts.

SEC. 5. *Eminent Domain.* - The grantee may acquire such private property as is actually necessary for the realization of the purposes for which this franchise is granted: Provided, That in case the owner refuses to sell or allow the use thereof, the proper proceedings shall be instituted: Provided, further, That just compensation is paid.

SEC. 6. *Ingress and Egress.* - For the purpose of installing, operating and maintaining its telecommunication lines, it shall be lawful for the grantee to make excavations or lay conduits in any of the public places, highways, streets, lanes, sidewalks, bridges or infrastructure in any of the provinces and municipalities: Provided, That any public place, highway, street, lane, sidewalk, bridge or infrastructure disturbed, altered, or changed thereby shall be repaired and replaced in a workmanlike manner by the grantee to the satisfaction of the Department of Public Works and Highways or the local engineering office, as the case may be, and/or in accordance with existing laws or rules on excavations and reconstitution of such public civil works.

SEC. 7. *Interconnection.* - The grantee is authorized to connect or demand connection of its telecommunications systems to any other telecommunications systems installed, maintained and operated by any other duly authorized person or entity in the Philippines for the purpose of providing extended and improved telecommunications services to the public, under such terms and conditions mutually agreed upon by the interconnection and the same shall be subject to the review or modification of the Commission.

SEC. 8. *Equality Clause.* - If any subsequent franchise for telecommunications service is awarded or granted by the Congress of the Philippines with terms, privileges and conditions more favorable and beneficial than those contained in this Act, then the same privileges or advantages shall ipso facto accrue to the herein grantee and be deemed part of this Act.

SEC. 9. *Sale, Lease, Transfer, Usufruct, etc.* - The grantee shall not lease, transfer, grant the usufruct of, sell nor assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest of the grantee be transferred, whether as a whole or in parts and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: Provided, That the foregoing limitations shall not apply to: (1) any transfer or issuance of shares of stock in the implementation of requirement for the dispersal of the grantee's ownership pursuant to Section 12 of this Act; (2) any transfer or sale of shares of stock to a foreign investor or investors; (3) any issuance of shares to any foreign or local investor pursuant to or in