

[REPUBLIC ACT NO. 7372, April 10, 1992]

**AN ACT GRANTING THE ISLA COMMUNICATIONS CO., A
FRANCHISE TO INSTALL, OPERATE AND MAINTAIN
TELECOMMUNICATIONS SERVICES WITHIN THE TERRITORY OF
THE REPUBLIC OF THE PHILIPPINES AND INTERNATIONAL
POINTS AND FOR OTHER PURPOSES**

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

SECTION 1. Subject to the conditions established in this Act and the provisions of the Constitution and the provisions of laws, orders or issuances not inconsistent herewith, there is hereby granted to the Isla Communications Co. (ISLACOM), its successors or assigns the right, privilege and authority to construct, operate and maintain all types of mobile telecommunications, including cellular, personal communications network, paging and trunk radio services (such as but not limited to the transmission and reception of voice, data facsimile, audio and video, and all other improvements and innovations pertaining to or as may be applicable to mobile telecommunications technology) as well as multi-channel microwave, fiber optic and satellite distribution systems that may be required for the purpose of linking together said mobile telecommunications network internally and externally to other mobile telecommunications network and traditional wireline telephone systems, whether domestic or international, whether directly or indirectly, through networks and, generally, to provide by means of this telecommunications system a telephone service and such other telecommunications services such as there may be demand for in the Philippines.

The grantee is authorized to carry on the business of providing to the public telecommunications services within the territory of the Republic of the Philippines and other countries and territories and, for the purpose of providing said telecommunications services, to construct, own and operate telecommunications system in and between provinces, cities and municipalities of the Republic of the Philippines and to lay, place and operate and maintain telecommunications lines in and between the territory of the Republic of the Philippines and other countries, including the construction, operation and maintenance of an international digital gateway facility, and to construct, maintain and operate and use all telecommunications apparatus necessary for the provision of telecommunications services and to install, construct and maintain telecommunications apparatus in, on, over, or under the public roads, government rights-of-way, lands, bridges, rivers, waters, streets, lanes and sidewalks of said provinces, cities and municipalities, and to lay submarine telecommunications cables in the surrounding waters of the Philippines and for the purpose of connecting its telecommunications systems with other telecommunications systems operated by others within the Philippines and with the telecommunications systems of other countries, as may be necessary and

best adapted to said provision of telecommunications services, and to connect and keep connected its telecommunications system to other telecommunications systems for the interconnection of telecommunications services within the territory of the Republic of the Philippines and between the Republic of the Philippines and other countries and territories.

SEC. 2. The President of the Philippines, in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order, may take over and operate the stations, transmitter systems, facilities and equipment of the grantee, temporarily suspend the operation of any station 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 said stations, transmitter systems, facilities and equipment during the period when they shall be so operated.

SEC. 3. The grantee may install, operate and maintain radio telecommunications system to provide a telephone service and other telecommunications services including mobile services within the territory of the Republic of the Philippines and between the Republic of the Philippines and ships at sea, aircraft in the air, and the telecommunications systems of other countries: *Provided*, That the location, installation or operation of any such radio telecommunications system must be previously approved by the National Telecommunications Commission: *Provided, further*, That the National Telecommunications Commission shall have the authority to supervise and regulate the installation or operation of such radio telecommunications system.

SEC. 4. For the purpose of installing, operating and maintaining its telecommunications lines, 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, lanes, alleys, avenues, sidewalks, bridges of said provinces, cities and municipalities: *Provided, however*, That any public place, highway, street, lane, alley, avenue sidewalk or bridge disturbed, altered or changed by reason of the installation, operation and maintenance of said telecommunications lines underground shall be repaired and replaced in a workmanlike manner by said grantee, its successors or assigns to the satisfaction of the National Telecommunications Commission. Should the grantee, its successors or assigns, after thirty (30) days notice from the proper authority, fail, refuse or neglect to repair or replace any part of a public place, road, highway, street, lane, alley, avenue, sidewalk or bridge altered, changed or disturbed by said grantee, its successors or assigns, then the Secretary of Transportation and Communications shall have the right to have the same repaired and placed in good order and condition at the cost and expense of the grantee, its successors and assigns.

SEC. 5. 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. In any event that the grantee fails to operate continuously for two (2) years, this franchise shall be deemed *ipso facto* revoked.

SEC. 6. Acceptance of this franchise shall be given in writing within sixty (60) days after the effectivity of this Act. The grantee shall operate the telecommunications systems for which this franchise is granted within four (4) years from the date of its acceptance in writing of this franchise. Refusal or failure to accept the franchise or

to operate within the prescribed period shall render the franchise void.

SEC. 7. All telecommunications systems owned, operated or maintained by the grantee, its successors or assigns shall be maintained and operated at all times in a satisfactory manner, and it shall be the further duty of said grantee, its successors or assigns, whenever required to do so by the National Telecommunications Commission, to modify, improve and change such telecommunications systems in such manner and to such extent as the progress of science and improvements in the method of conveyance of telecommunications messages by means of said systems may make reasonable, proper and economically feasible.

SEC. 8. The grantee, its successors or assigns shall keep a separate account of the gross receipts of the telecommunications service business transacted by it and shall furnish the Commission on Audit and the National Treasurer a copy of such account not later than the thirty-first day of January of each year for the preceding twelve (12) months.

SEC. 9. The grantee shall not exercise any right or privilege under this franchise without first having obtained such certificate of public convenience and necessity from the National Telecommunications Commission. This franchise shall not take effect nor shall any power be exercised by the grantee until the National Telecommunications Commission shall have allotted to the grantee the frequencies and wavelengths to be used and determined the stations to and from which each frequency and wavelength may be used, and issued to the grantee a license for such use.

SEC. 10. The stations of the grantee shall be so constructed and operated and the wavelengths so selected as to avoid interference with existing stations and to permit the expansion of the grantee's services.

SEC. 11. No private property shall be taken for any purpose by the grantee without proper condemnation proceedings and just compensation paid or tendered therefor, and any authority to take and occupy land contained herein shall not apply to the taking, use or occupation of any land except such as is required for the actual and necessary purposes for which this franchise is granted.

SEC. 12. As a guaranty that this franchise has been accepted in good faith, the grantee, its successors or assigns shall file, after the granting of the certificate of public convenience and necessity by the National Telecommunications Commission, with the National Treasurer, a surety bond in such amount as may be fixed by the proper government authority to guarantee full compliance and fulfillment of the conditions under which this franchise is granted.

Should the said grantee, its successors or assigns, for any other cause than the act of God or the public enemy, usurpation of military power, martial law, riot, civil commotion or inevitable cause, fail, refuse or neglect to begin, within two (2) years from the date of the granting of said certificate of public convenience and necessity, the business of providing telecommunications service or fail, refuse or neglect to be fully equipped and ready to operate, within two (2) years from the date of granting of said certificate of public convenience and necessity, a telecommunications system as have been agreed with competent authority, according to the terms of this franchise, then the bond prescribed by this section to be filed with the National