

[REPUBLIC ACT NO. 7633, July 20, 1992]

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NO. 3259, AS AMENDED, ENTITLED "AN ACT GRANTING THE INTERNATIONAL COMMUNICATIONS CORPORATION A FRANCHISE TO ESTABLISH RADIO STATIONS, FOR DOMESTIC TELECOMMUNICATIONS, RADIOPHONE," EXTENDING THE TERM OF THE FRANCHISE BY TWENTY-FIVE (25) YEARS FROM AUGUST 9, 1996 AS PROVIDED IN REPUBLIC ACT NO. 4905, AND FOR OTHER PURPOSES

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

SECTION 1. Section One of Republic Act No. 3259 is hereby amended to read as follows:

SECTION. 1. Subject to the provisions of the Constitution and the provisions of laws, orders or issuances not inconsistent herewith, the International Communications Corporation, its successors or assigns, hereunder referred to as the grantee, is hereby granted the right, privilege and authority to construct, maintain and operate stations for telecommunications systems including radio, telegraph, telephone, facsimile, data, voice, audio and video services, lines, circuits, satellites and/or stations, wire and/or wireless for international and domestic public communications, with authority to receive and transmit information, messages, impressions, pictures, music, entertainment and advertising signals, throughout the Philippines and foreign countries, including ships at sea, airplanes and other conveyances, by means of electricity, electromagnetic waves, optics or any other kind of energy, force, variations or impulses, radiated through space or transmitted through any other medium."

SEC. 2. Section Four of Republic Act No. 3259, as amended by Republic Act No. 4905, is hereby further amended to read as follows:

"SEC. 4. The franchise of the grantee, as herein amended, is hereby extended by twenty-five (25) years from the expiration thereof on August 9, 1996."

SEC. 3. The grantee shall not begin any construction nor exercise any right or privilege under this franchise without first obtaining a certificate of public convenience and necessity from the National Telecommunications Commission or its legal successor of the form and character provided for under existing laws. The National Telecommunications Commission or its legal successor shall have the power to issue such certificate of public convenience and necessity whenever it shall, after

due hearing, determine that such construction or such exercise of the right, privilege or franchise is necessary and proper for the public convenience, and the Commission shall have the power in so approving to impose such conditions as to construction, equipment, maintenance service or operation as the public convenience and interest may reasonably require.

SEC. 4. The rates for the telecommunications services that the grantee shall offer to the public shall be subject to the approval of the National Telecommunications Commission or its legal successor.

SEC. 5. In compliance with the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make public utilities offering to the stock exchanges at least thirty percent (30%) of its common stock within a period of three (3) years from the date of effectivity of this Act: *Provided*, That no single person or entity shall be allowed to own more than five percent (5%) of the stock.

SEC. 6. The grantee shall secure from the National Telecommunications Commission the appropriate permits and licenses for its stations and shall not use any frequency in the radio spectrum without having been authorized by the Commission. The stations of the grantee shall be constructed and operated in a manner as win at most result only in the minimum interference on the wavelengths or frequencies of the existing stations or other stations which may be established in accordance with law of other telecommunications 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 the availability thereof.

SEC. 7. All telecommunications lines and systems for telecommunications services owned, maintained, operated or managed by the grantee, its successors or assigns shall be operated and maintained 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 or its legal successors to modify, improve and change such telecommunications system in such manner and to such extent as the progress of science and improvements in the telecommunications services may make reasonable and proper.

SEC. 8. The grantee shall hold the national, provincial, city and municipal governments of the Philippines harmless from all claims, accounts, demands or actions arising out of accidents or injuries, whether to property or persons, caused by the construction or operation of the stations of the grantee.

SEC. 9. 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 transmitting, receiving and switching stations Or authorize the temporary use and operation thereof by any department of the Government, upon due compensation to the grantee, for the use of said stations during the period when they shall be so operated.

SEC. 10. The grantee shall keep an account of the gross receipts of its business and shall furnish the Commissioner on Audit and the Treasurer of the Philippines with a copy of such accounts not later than the thirty-first day of January of each year for the preceding year. All the books and accounts of the grantee pertaining to its