

[REPUBLIC ACT NO. 6849, February 08, 1990]

**AN ACT PROVIDING FOR THE INSTALLATION, OPERATION, AND
MAINTENANCE OF PUBLIC TELEPHONES IN EACH AND EVERY
MUNICIPALITY IN THE PHILIPPINES, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES**

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

SECTION 1. *Title.*—This Act shall be known as the "Municipal Telephone Act of 1989."

SEC. 2. *Declaration of National Policy.*—Recognizing that the benefits of modern communication, technology are as important to rural development as they are to urban areas, the State shall pursue and foster in an orderly, purposive and vigorous manner, the interconnection of all municipalities in the country through the establishment and early realization of a nationwide network of public calling stations.

SEC. 3. *Projects Office.*—For purposes of administering the provisions of this Act, there is hereby created a Municipal Telephone Projects Office in the Department of Transportation and Communications (DOTC) with the following functions:

- a. Develop, in coordination with all other agencies concerned, a plan for providing public calling stations with technology capable of voice and data transmission in every municipality and, when feasible, in such barangay not otherwise served by an existing telephone exchange using appropriate technology and for this purpose formulate or cause to be formulated, engineering studies;
- b. Undertake the implementation of the said plans and programs and toward this end, to enter into contracts subject to existing laws and regulations for the procurement of equipment, construction of facilities and the installation of the system;
- c. Arrange for funding from any source, private, government, foreign or domestic, including official development assistance, bilateral and multilateral loans subject to applicable laws and regulations;
- d. Prescribe and ensure compatibility with minimum standards and regulations to assure acceptable standards of construction, maintenance, operation, personnel training, accounting and fiscal practices for the municipal telecommunications operators of public calling stations;
- e. Furnish technical assistance and personnel training programs for the municipal telecommunications operators of public calling stations;
- f. Monitor and evaluate local telecommunications and effect system integration and operations whenever economically and technically feasible.

Provided, however, That the approval of the provincial government of the province where any or all of the functions abovementioned are to be discharged is first secured.

SEC. 4. *Management of the Projects Office.*—A Projects Director, who shall be a person of integrity, competence and experience in technical fields related to the purposes of this Act, shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Transportation and Communications. He shall have the rank, position and emoluments of an undersecretary.

The Projects Director shall have the following powers and duties:

- a. To execute and administer the plans and projects for the realization of the policy set forth in this Act;
- b. To direct and supervise the operation and internal administration of the Projects Office and, for this purpose, to delegate some or any of his powers and duties to appropriate subordinate officials;
- c. Subject to the guidelines and policies established by the Secretary of Transportation and Communications, to appoint and in coordination with the Department of Budget and Management fix the number and compensation of officials and employees of the Projects Office, subject to Civil Service Law;
- d. To prepare an annual report on the activities of the Projects Office on or before the end of the first quarter after the fiscal year completed and to submit a copy thereof to the President of the Philippines and the Congress of the Philippines; and
- e. To exercise such other powers and duties that are proper or necessary to carry out the purposes of this Act as may be vested in him by the Secretary of Transportation and Communications.

SEC. 5. *Rights of First Option.*—All domestic telecommunications carriers or utilities existing at the time of the effectivity of this Act, and franchised to service a province or region which shall have been certified by the National Telecommunications Commission (NTC) as rendering satisfactory and competent service in its area of operation, are hereby given, under equal conditions and circumstances, the first option to provide, install and operate public calling stations or telephones in provincial communications network which shall be capable of voice and data transmission and shall be interconnected to the public switched telephone network or other national transmission facilities. The intention to exercise the option shall be made specifically in writing to the Projects Office within six (6) months of the effectivity of this Act, and shall indicate the preferred province and the time frame of development. Private operators or franchisees of such public calling stations shall be entitled to the same benefits and privileges enjoyed by those installed and operated by Government in so far as tax concessions and/or incentives are concerned.

SEC. 6. *Frequency Allocation.*—In order to accelerate the implementation of this project, the National Telecommunications Commission (NTC) is authorized to assign or reassign, when necessary, existing radio frequency users currently operating.

SEC. 7. *Rates and Mandatory Sharing of Toll Revenue.*—The NTC, subject to its standard guidelines and in consultation with the regional development councils concerned, shall fix an equitable, reasonable and uniform rate of charges for every