

[REPUBLIC ACT NO. 4617, June 19, 1965]

**AN ACT GRANTING THE RCA COMMUNICATIONS, INC. A
FRANCHISE TO ESTABLISH, OPERATE, AND MAINTAIN
COMMUNICATIONS SYSTEMS FOR THE RECEPTION AND
TRANSMISSION OF MESSAGES BETWEEN THE PHILIPPINES AND
POINTS EXTERIOR THERETO.**

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

SECTION 1. There is hereby granted to the RCA Communications, Inc., hereinafter referred to as the grantee, the right and privilege of constructing, maintaining and operating communications systems by radio, wire, satellites, and other means now known to science or which in the future may be developed for the reception and transmission of messages between any point in the Philippines to points exterior thereto, including airplanes, airships or vessels, even though such airplanes, airships or vessels may be located within the territorial limits of the Philippines.

SEC. 2. Subject to the limitations and procedure prescribed by law, the grantee is authorized to exercise the right of eminent domain insofar as may be reasonably necessary to further the establishment and efficient maintenance and operation of its communications systems, and, with the prior approval of the Secretary of Public Works and Communications, the grantee is authorized to construct and maintain its works of public utility and service over and across public property of the Philippines, including streets, highways, squares and reservations, and other similar property of the Government of the Philippines and its branches.

SEC. 3. For the purpose of carrying out the privilege granted herein, the grantee may establish stations in such places in the Philippines as the grantee may select and the Secretary of Public Works and Communications may approve. The grantee may likewise avail of, or utilize, through purchase, lease, or other forms of arrangement with third parties, any other kind or means of communications systems now known to science or which in the future may be developed.

SEC. 4. (a) The Secretary of Public Works and Communications shall have the power to allot to the grantee the frequencies and wave lengths to be used thereunder, and determine the stations to and from which each such frequency and wave length may be used, and issue to the grantee a license for such use.

(b) The Secretary of Public Works and Communications, on reasonable notice to the grantee, may at any time change or cancel, or modify, in whole or in part, any or all of the allotments of frequencies or wave lengths to be used. He may take such action (1) whenever in his judgment such frequencies and wave lengths have been used, or there is danger that they will be used by the grantee to impair electrical communication, or stifle competition, or to obtain a monopoly in electrical com-

munication, or to secure unreasonable rates for such communication, or otherwise to violate the laws or public policy of the Philippines; (2) whenever in his judgment the public interests of the Philippines require that such frequencies or wave lengths should be used for other purposes than those of the grantee, either by the Government of the Philippines or by other individuals or corporations licensed by it; (3) whenever in his judgment for any reason the public interests of the Philippines so require.

SEC. 5. The Public Service Commission is hereby given jurisdiction over the grantee only with respect to the rates which the grantee may charge the public, subject to international commitments made or adhered to by the Republic of the Philippines.

SEC. 6. A special right is reserved to the Government of the Republic of the Philippines, in time of war, insurrection, or domestic trouble, to take over and operate the said stations upon the order and direction, of any authorized department of the Government of the Philippines, such department to compensate the grantee for the use of said stations during the period when they shall be so operated by the said Government.

SEC. 7. The grantee shall keep a separate account of the gross receipts of the business transacted by it in the Philippines, and shall furnish the Auditor General and the Treasurer of the Philippines a copy of such account not later than the thirty-first day of January of each year for the preceding year. For the purpose of auditing accounts so rendered to the Auditor General and National Treasurer, all of the books and accounts of the grantee, shall be subject to the official inspection of the Auditor General or his authorized representatives, and the audit and approval of such accounts shall be final and conclusive evidence as to the amount of said gross receipts, except that the grantee shall have the right to appeal to the courts of the Philippines, under the terms and conditions provided in the laws of the Philippines.

SEC. 8. (a) The grantee shall be liable to pay the same taxes on its real estate, buildings, and personal property, exclusive of the franchise, as other persons or corporations are now or hereafter may be required by law to pay.

(b) The grantee shall further pay to the Treasurer of the Philippines each year, within ten days after the audit and approval of the accounts as prescribed in this Act, five *per centum* of all gross receipts from business transacted under this franchise by the said grantee in the Philippines.

SEC. 9. The grantee shall hold the national, provincial, and municipal governments of the Philippines, harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the stations of the grantee.

SEC. 10. The grantee shall be subject to corporation laws of the Philippines now existing or hereafter enacted.

SEC. 11. The franchise hereby granted shall be subject to amendment, alteration, or repeal by the Congress of the Philippines, and the rights to use and occupy public property and places hereby granted shall revert to the respective government entities, upon the termination of this franchise, by such repeal or by forfeiture, or expiration in due course. Unless earlier terminated by any such repeal or forfeiture,