

[ Acts No. 1842, May 30, 1908 ]

**AN ACT TO PROVIDE FOR THE GRANTING OF A FRANCHISE TO  
CONSTRUCT, MAINTAIN, AND OPERATE TELEPHONE AND  
TELEGRAPH SYSTEMS, AND TO CARRY ON OTHER ELECTRICAL  
TRANSMISSION BUSINESS IN AND BETWEEN THE PROVINCES  
AND MUNICIPALITIES OF THE ISLAND OF PANAY.**

*" By authority of the United States, be it enacted by the Philippine Legislature, that:*

SECTION 1. Authority is hereby granted and given for the location, construction, equipment, maintenance, and operation of a telephone and telegraph system on the Island of Panay, and the Governor-General is hereby authorized on behalf of the Government of the Philippine Islands to offer for public bidding the franchise set forth in this Act and to grant said franchise to the best bidder upon such terms as to percentage of gross receipts to be paid in lieu of all taxes on the franchise or earnings thereof and the highest rates to be charged by the grantees of said franchise for (his) their services to subscribers, and under such conditions as to time of advertisement and manner of bidding as he may deem fit.

SEC. "2. The franchise referred to in section one hereof shall be substantially in the following form:

FRANCHISE.

"ARTICLE 1. There is hereby granted for a period of fifty years from and after the date of the acceptance of this franchise, upon the considerations and conditions herein contained, to .....and (his) their successors or assigns, the right and privilege to construct, maintain, and operate in the Island of Panay, and in and between the provinces and municipalities thereof, a telephone and telegraph system, to carry on the business of transmitting messages and signals by means of electricity in and between said provinces and municipalities, and for the purpose of operating said telephone and telegraph system and of transmitting messages and signals by means of electricity, "to construct telephone and telegraph lines in and between said provinces and municipalities, to construct, maintain, and operate and use all apparatus, conduits, and appliances necessary for the electrical transmission of messages and signals, to erect poles, string wires, build conduits, lay cables, and to construct, maintain, and use such other approved and generally accepted means of electrical conduction in on, over, or under the public roads, highways, lands, bridges, streets, lanes, alleys, avenues, and sidewalks of said provinces and municipalities as may be necessary and best adapted to the transmission of messages and signals by means of electricity: *Provided, however,* That all poles erected and all conduits constructed or used by the grantees, (his) their successors or assigns, shall be located in places designated by provincial or municipal authorities, as the case may be, and poles shall be straight and smooth and enacted and painted in a good, substantial and workmanlike manner to the satisfaction of such authorities, but it shall not be obligatory on the

grantees, (his) their successors or assigns, to paint poles shall be straight of population or poblaciones of municipalities: *And provided further*, That said poles shall be of such a height and the wires or conductors strung or used by said grantees, (his) their successors or assigns, shall be so placed and safeguarded as to prevent danger to life or property by reason of contact with electric light, power, or street railway wires or conductors: *And provided further*, That upon reasonable notice and by resolution of the proper Insular, provincial, or municipal authorities, the grantees, (his) their successors or assigns, may be required to relocate poles or remove or raise wires or other conductors so as to permit the passage of buildings or other structures from one place to another, one-half the actual cost of such relocation of poles or raising or removal of wires or oilier conductors to be paid by the person at whose instance the building or structure is moved; and, at the expense of the grantees, (his) their successors or assigns, to relocate conduits, poles, and wires and to raise or remove wires or other conductors when the Insular Government or any provincial or municipal government declares that the public interest so requires: *Provided, however*, That from any order or regulation of a provincial or municipal government requiring the grantees, (his) their successors or assigns, to relocate conduits, poles, or wires, or to raise or remove wires or other conductors, the said grantees, (his) their successors or assigns, shall have the right of appeal to the Governor-General, whose decision in the matter shall be final and conclusive.

"Should the grantees, (his) their successors or assigns, fail, refuse, or neglect within a reasonable time to relocate (his) their poles, conduits, wires, or other conductors, or to raise (his) their wires or other conductors when so directed by the proper Insular, provincial, or municipal authorities, then said authorities may relocate said poles, conduits, wires, or other conductors or raise said wires or other conductors at the expense of the grantees, (his) their successors or assigns: *Provided*, That the installation of all instruments, (he inside wiring, and all outside construction work shall he done in accordance with the rules, regulations, or ordinances covering electrical work adopted by the Insular/ provincial or municipal authorities: *And provided further*, That whenever twenty-live or more pairs of open wires or other conductors are carried on one line of poles in any city or municipal center, said wires or conductors shall be placed in one cable and that whenever more than two hundred and fifty pairs of wires or other conductors in cables are carried on one line of poles, said cables shall be placed underground by the grantees, (his) their successors or assigns, whenever ordered so to do by the proper Insular, provincial, or municipal authorities: *And provided further*, That the poles erected, wires and cables strung, or conduits laid by virtue of this franchise shall be so placed as not to impair the efficient and effective transmission of messages or signals by any other company whose poles are erected, whose wires and cables are strung, or whose conduits are actually laid at the time that poles are to be erected, wires and cables are to be strung, or conduits are to be laid under and by virtue of this franchise.

"ART. II. For the purpose of erecting and maintaining poles or other

supports for said wires or other conductors or for the purpose of laying and maintaining underground said wires, cables, or other conductors, it shall be lawful for the grantees, (his) their successors or assigns, under such regulations and orders as may be prescribed by Insular, provincial, or municipal authorities, to make excavations and lay conduits in any of the public places, lands, roads, highways, streets, lanes, alleys, avenues, bridges, or sidewalks in or between the said provinces or municipalities: *Provided, however,* That any public place, road, highway, street, lane, alley, avenue, bridge, or sidewalk disturbed, altered, or changed by reason of the erection of poles or other supports, or the laying underground of wires or other conductors or of conduits shall wherever disturbed, altered, or changed, be repaired and replaced in a good, substantial, and workmanlike manner by said grantees, (his) their successors or assigns, to the satisfaction of the Insular, provincial, or municipal authorities, as the case may be. Should the grantees, (his) their successors or assigns, after reasonable written notice from said authorities, fail, refuse, or neglect to repair and replace in a good, substantial, and workmanlike manner to the satisfaction of said Insular, provincial, or municipal authorities any part of a public place, road, highway, street, lane, alley, avenue, bridge, or sidewalk altered, changed, or disturbed by said grantees, (his) their successors or assigns, then the Insular, provincial, or municipal authorities, as the case may be, shall have the right to have the same properly repaired and placed in good order and condition at the cost and expense of the grantees, (his) their successors or assigns.

"Art. III. All telephone and telegraph lines and systems for the transmission of messages and signals by means of electricity owned, maintained, or operated by the grantees, (his) their successors or assigns, shall be maintained and operated at all times in a complete, modern, and first-class style as understood in the United States, and it shall be the further duty of said grantees, (his) their successors or assigns, to modify, improve, and change such telephone and telegraph system or systems, for the transmission of messages and signals by means of electricity, in such manner and to such extent as the progress of science and improvements in the method of transmission of messages and signals by means of electricity may make reasonable and proper.

"ART. IV. The grantees, (his) their successors or assigns, shall keep a separate account of the gross receipts of the telephone, telegraph, and electrical transmission business transacted by them in the municipality of Iloilo and in each of the municipalities of the various provinces of the island of Panay, and shall furnish to the Insular Auditor and the Insular Treasurer a copy of such account not later than the thirty-first day of July of each year for the twelve months preceding the first day of July. For the purpose of auditing the accounts so rendered to the insular Auditor and the Insular Treasurer all of the books and accounts of the grantees, (his) their successors or assigns, shall be subject to the official inspection of the Insular Auditor, or his authorized representatives. and in the absence of fraud or mistake the audit and approval by the Insular Auditor of the accounts so rendered to him and to the Insular Treasurer shall be final and conclusive evidence as to the amount of said gross receipts.

"ART. V. The grantees, (his) their successors or assigns, shall be liable to pay the same taxes on their real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay, of In addition, the grantees, (his) their successors or assigns, shall pay to the Insular Treasurer each year, within ten days after the audit and approval of the accounts as prescribed in Article IV of this franchise ..... per centum of all gross receipts of the telephone, telegraph, or other electrical transmission business transacted under this franchise by the grantees, (his) their, successors or assigns, and Ihc said percentage shall be in lieu of nil taxes on this franchise or earnings thereof.

"ART. VI As fl guaranty that this franchise has been accepted and operation or good faith and that within eighteen months from the date of the acceptance hereof the grantees, (his) their successors or assigns, will begin the business of transmitting messages by telephone and will be fully equipped and ready to operate according to the terms of this franchise two hundred telephones in the municipality of Iloilo, the said grantees shall deposit at the time of such acceptance, with the Insular - Treasurer, five thousand pesos, or negotiable bonds of the United States or other securities, approved by the Secretary of Commerce and Police, or the face value of five thousand pesos: *Provided, however,* That if the deposit is made in money the same shall be deposited at interest in some interest-paying bank approved by the Secretary of Commerce and Police, and all interest accruing and due on such deposit shall be collected by the Insular Treasurer and paid to the grantees (his) their successors or assigns, on demand: *And provided further,* That if the deposit made with the Insular Treasurer be negotiable bonds of the United States or other interest-bearing securities approved by the Secretary of Commerce and Police the interest on such bonds or securities shall be collected by the Insular Treasurer and paid over to the grantees, (his) their successors or assigns, on demand.

"Should the said grantees, (his) their successors or assigns, for any other cause than the act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause, fail, refuse, or neglect to "begin within eighteen months from the dale of the acceptance of this franchise the business of transmitting messages by telephone, or fail, refuse, or neglect to lie fully equipped and ready to operate within eighteen months from the dale of the acceptance of this franchise two hundred telephone's in the municipality of Iloilo according to the terms of then the deposit prescribed by this article to be with the Insular Treasurer, whether in money, bonds, or securities, shall become the property of the Insular Government as liquidated damages caused to such Government by such refusal, or neglect, and thereafter.no interest on paid bonds deposited shall be paid to the grantees, (his) successors or assigns. Should the said grantees, (his) their or assigns. begin the business of transmitting messages by one and be ready to operate according to the terms of this disc two hundred telephones in the municipality of Iloilo eighteen months from the date of the acceptance of this franchise, then and in that event the deposit