

[Act No. 1368, July 06, 1905]

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, CITIES, AND MUNICIPALITIES OF THE ISLAND OF LUZON.

By authority of the United States, be it enacted by the Philippine Commission, that:

SECTION 1. There is hereby granted, for a period of fifty years from and after the passage of this Act, upon the considerations and conditions herein contained, to John I. Sabin and Louis Glass and their successors or assigns the right and privilege to construct, maintain, and operate in the Island of Luzon and in and between the provinces, cities, and municipalities thereof a telephone and and telegraph system, to carry on the business of transmitting messages and signals by means of electricity in and between said provinces, cities, 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, cities, and municipalities, to construct, maintain, and operate and use all apparatus, conduits, and appliances necessary for the electrical transmission of messages mid 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, cities, and municipalities as may lie necessary and best adapted to the transmission of messages and signals by means of electricity: Provided, however. That c all poles erected and all conduits constructed or used by the grantees, their successors or assigns, shall lie located in the places designated by provincial, city, or municipal authorities, as the case may be, and poles shall be straight and smooth and erected and painted in a good, substantial, and workmanlike manner to the satisfaction of such authorities, but it shall not be obligator on the grantees, their successors or assigns, to paint poles except in cities and centers of population of municipalities: *And provided further*, That 1 said poles shall be of such a height and the wires or conductors strung or used by said grantees 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, city, or municipal authorities, the grantees, 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 other conductors to be paid by the person at whose instance the building or structure is moved; and, at the expense of the grantees, their successors or assigns, to relocate conduits, poles, and wires and to raise or remove wires or other conductors when the public interest so requires in order to enable Insular, provincial, city, or municipal authorities to prosecute and complete any public work.

Should the grantees, their successors or assigns, fail, refuse, or neglect within a reasonable time to relocate their poles, conduits, or wires or other conductors or to raise their wires or other conductors when so directed by the proper Insular,

provincial, city, or municipal authorities, then said authorities may relocate said poles, conduits, or wires or other conductors or raise said wires or other conductors at the expense of the grantees, their successors or assigns: And provided further. That whenever twenty-five 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 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.

SEC. 2. 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, their successors or assigns, under such regulations and orders as may be prescribed by Insular, provincial, city, 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, cities, 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 shall wherever disturbed, altered, or changed be repaired and replaced in a good, substantial, and workmanlike manner by said grantees, their successors or assigns, to the satisfaction of the Insular, provincial, city, or municipal authorities, as the case may be. Should the grantees, 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, city, 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, their successors or assigns, then the Insular, provincial, city, or municipal authorities, as the case may be, shall have the right to have the same property repaired and placed in good order and condition at the cost and expense of the grantees, their successors or assigns.

SEC. 3. All telegraph and telephone lines and systems for the transmission of messages and signals by means of electricity owned, maintained, or operated by the grantees, their successors or assigns, shall be maintained and operated at all times in a complete, modern, first-class style as understood in the United States, and it shall be the further duty of said grantees, their successors or assigns, to modify, improve, and change such telephone and telegraph system, or system for the transmission of messages 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.

SEC. 4. The grantees, 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 city of Manila and in each of the municipalities of the various provinces 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 twelve¹ months preceding the first day of July. For the purpose of auditing the accounts so rendered to the Insular Auditor and Insular Treasurer all of the books and accounts of the grantees, 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.

SEC. 5. The grantees, their successors or assigns, shall be liable to pay the same taxes on their 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. The grantees, their successors or assigns, shall further pay to the Insular Treasurer each year, within ten days after the and it and approval of the accounts as proscribed in section four of this Act, two per centum of all gross receipts of the telephone, telegraph, or other electrical transmission business transacted under this franchise by the grantees, their successors or assigns, and the said percentage shall be in lieu of all taxes on the franchise or earnings thereof.

SEC. 6. As a guaranty that the franchise has been accepted in good faith and that within eighteen months from the date of the passage of this Act, the grantees, or 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 one thousand telephones in the city of Manila, the said grantees shall deposit at the time of such acceptance, with the Insular Treasurer, fifty thousand pesos or negotiable bonds of the United States or other securities, approved by the Governor-General, of the face value of fifty 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 Governor-General and all interest accruing and due on such deposit shall be collected by the Insular Treasurer and paid to the grantees, 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 Governor-General, the interest on such bonds or securities shall be collected by the Insular Treasurer and paid over to the grantees, their successors or assigns, on demand. Should the said grantees, their successors or assigns, for any cause other 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 date of the passage of this Act, the business of transmitting messages by telephone, or fail, refuse, or neglect to be fully equipped and ready to operate within eighteen months from the date of the passage of this Act one thousand telephones in the city of Manila according in the terms of this franchise, then the deposit prescribed by this section to be made with the Insular Treasurer, whether in money, 'bond', or other securities, shall become the property of the Insular Government as liquidated damages caused to such Government by such failure, refusal, or neglect, and thereafter no interest on said bonds or other securities deposited shall be paid to the grantees, their successors or assigns. Should the said grantees, their successors or assigns, begin the business of transmitting messages by telephone and be ready to operate according to the terms of this franchise one thousand telephones in the city of Manila within eighteen months from the date of the passage of this Act, then and in that event the deposit prescribed by this section shall be returned by the Insular Government to the grantees, their successors or assigns.

SEC. 7. The books and accounts of the grantees, their successors or assigns, shall be subject to official inspection at any and all times by the Insular Auditor or his authorized representatives.

SEC. 8. The rights herein granted shall not be exclusive, and the right and power