

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 2230

Introduced by **HON. JOSE MA. F. ZUBIRI III**

EXPLANATORY NOTE

CAPWIRE's franchise was initially granted to Mr. Ricardo P. Ocampo. After two (2) amendments to the law granting the franchise, all its rights, privileges and conditions were subsequently transferred to Capitol Wireless, Inc. However, in the process of fine tuning the subsequent laws in order to protect the government and the public, and to make it comply with existing laws and rules, the constitutionally mandated and fixed duration of such a franchise was left out.

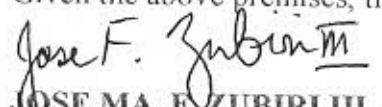
In order to comply with Section 11, Article XII of the Constitution, which provides that no franchise or any form of authorization for the operation of a public utility shall be granted for a period longer than fifty (50) years, said franchise should be amended by establishing a definite period of effectivity.

Section 11, Article XII of the 1987 Constitution provides:

Section 11. No franchise, certificate, or any other form of authorization for the operation of a public utility shall be granted except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least sixty per centum of whose capital is owned by such citizens, nor shall such franchise, certificate, or authorization be exclusive in character or for a longer period than fifty years. Neither shall any such franchise or right be granted except under the condition that it shall be subject to amendment, alteration, or repeal by the Congress when the common good so requires. The State shall encourage equity participation in public utilities by the general public. The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines. (Emphasis supplied).

In addition, despite the approval and transfer of the franchise to CAPWIRE through an amendment made to Republic Act 2037, the title of the latter was not amended such that it still refers to Mr. Ocampo, not CAPWIRE, as the grantee of the franchise. Thus, the title of Republic Act Numbered 2037 should also be amended accordingly.

Given the above premises, the urgent passage of this bill is earnestly sought.


JOSE MA. F. ZUBIRI III
Representative
3rd District, Bukidnon

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AN ACT
ESTABLISHING A FIXED PERIOD OF EFFECTIVITY FOR THE FRANCHISE OF
CAPITOL WIRELESS, INC., THEREBY AMENDING REPUBLIC ACT NUMBERED
2037, AS AMENDED BY REPUBLIC ACTS 2373 AND 4387

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

Section 1. The title of Republic Act Numbered 2037 is hereby amended to read, as follows:

“An Act granting Capitol Wireless, Inc., a franchise to construct, install, establish and operate public radiotelephone and radiotelegraph coastal stations, with the corresponding relay stations, and public fixed and public based land mobile stations and radio-paging system for the reception and transmission of radiotelephone and radiotelegraph communications within the Philippines.”

Section 2. Section 3 of Republic Act Numbered 2037, as amended by Republic Act Numbered 2373 and Republic Act Numbered 4387, is hereby reinstated, to read, as follows:

“Section 3. This franchise shall continue to be in force for a period of fifty (50) years from the effectivity of this Act.”

Section 3. All other provisions, terms and conditions contained in Republic Act Numbered 2037 as amended by Republic Act Numbered 2373 and Republic Act Numbered 4387, which are otherwise not affected hereby are made integral parts of this Act.

Section 4. This Act shall take effect fifteen (15) days from the date of its publication in at least two newspapers of general circulations in the Philippines.

Approved,