

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

4658
HOUSE BILL No. _____



Introduced by REPRESENTATIVE CELSO L. LOBREGAT

EXPLANATORY NOTE

Based on the pronouncement of the United Nations Human Rights Council (UNHRC), internet is a basic human right and not just a privilege of every human being.

In 2003, the UNHRC convened a summit that made reference on the importance of freedom of expression in the information society.

The members of the Council discussed that an individual has the right to seek, receive and impart information and ideas of all kinds through the internet that enables individual to seek, receive and impart information and ideas of all kinds instantaneously and inexpensively across national borders.

The Council further argued that not providing internet and cutting off internet access regardless of justification provided is a violation of basic human rights and calls upon all states to ensure that internet access is maintained at all times.

While the United Nation Human Right Council considers restriction and cutting off of internet connection as a violation of basic human right, the United States view it as an economic sabotage. The United States statistic shows that by doubling the speed of internet, it has a direct effect in the Gross Domestic Product (GDP) by .003%.

Considering therefore that internet has become an indispensable tool for realizing a range of human rights, accelerating development human progress, ensuring universal access to the internet should be a priority for all states.

The Philippines is considered as the country which has the slowest internet connection, thereby thwarting the entry of information and business opportunities.

In response to the call of UNHRC, the US and the commitment of Ermita Electronics Inc. (presently known as G. Telecoms Inc.), to provide innovative ways to deliver public services and to ensure that access to the internet is broadly available to the areas in the Philippines where the big players are not servicing, Ermita Electronics, Incorporated (presently known as G. Telecoms, Inc.) is seeking the renewal of its franchise granted for another twenty-five (25) years.

In view, hereof, the passage of this bill is earnestly requested.


HON. CELSO L. LOBREGAT

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HOUSE BILL No. **4658**

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AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO ERMITA ELECTRONICS INCORPORATED (PRESENTLY KNOWN AS G. TELECOMS INC.) AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8196, ENTITLED "AN ACT GRANTING THE ERMITA ELECTRONICS, INCORPORATED, A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, MAINTAIN AND OPERATE RADIO COMMUNICATIONS SYSTEMS IN THE PHILIPPINES"

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

1 SECTION 1. Section 1 of Republic Act No. 8196 is hereby amended to read as
2 follows:

3 "Section 1. *Name, RENEWAL, and Scope of Franchise.*— Subject to the
4 provisions of the Constitution and applicable laws, rules and regulations, [there is
5 hereby] THE FRANCHISE granted to Ermita Electronics, Incorporated,
6 (PRESENTLY KNOWN AS G. TELECOMS, INC.), hereunder referred to as the
7 grantee, its successors or assignees UNDER REPUBLIC ACT NO. 8196, IS
8 HEREBY RENEWED FOR ANOTHER TWENTY-FIVE (25) YEARS to construct,
9 ESTABLISH, install, maintain, and operate for commercial purposes and in the
10 public interest, IN THE PHILIPPINES AND BETWEEN THE PHILIPPINES AND
11 OTHER COUNTRIES AND TERRITORIES, [radio stations for the reception and
12 transmission of messages in the foreign and domestic public fixed point-to-point,
13 public base, aeronautical, and land mobile and including coastal marine service with
14 the corresponding relay stations for the reception and transmission of wireless
15 messages on radiotelegraph and/or radiotelephone, radioteletype, radiophoto,
16 facsimile, advertisements, and such other types of emission from or to foreign
17 countries and within the Philippines and with vessels at sea and aircrafts over the air,
18 irrespective of whether such vessels and aircrafts are within or without the

Philippines.] WIRE AND/OR WIRELESS TELECOMMUNICATIONS SYSTEMS INCLUDING INTERNATIONAL AND LOCAL EXCHANGE CARRIER (LEC), INTERNATIONAL AND DOMESTIC GATEWAY FACILITY, INTERNATIONAL AND DOMESTIC SUBMARINE CABLE LANDING STATIONS, MOBILE CELLULAR, COPPER SWITCHES, AND THEIR VALUE-ADDED SERVICES SUCH AS THE TRANSMISSION OF VOICE, DATA, FACSIMILE, CONTROL SIGNS, AUDIO AND VIDEO, INFORMATION SERVICES AND ALL OTHER TELECOMMUNICATIONS SYSTEMS TECHNOLOGIES AS ARE AT PRESENT AVAILABLE OR WILL BE MADE AVAILABLE THROUGH TECHNOLOGICAL ADVANCES OR INNOVATIONS IN THE FUTURE; AND/OR CONSTRUCT, ACQUIRE, LEASE AND OPERATE, OR MANAGE TRANSMITTING AND RECEIVING STATIONS, LINES, CABLES, OR SYSTEMS AS ARE CONVENIENT OR ESSENTIAL TO EFFICIENTLY CARRY OUT THE PURPOSE OF THIS FRANCHISE."

SEC. 2. A new section is hereby inserted after Section 3 of Republic Act No. 8196, to read as follows:

"SEC. 4. *EXCAVATION AND RESTORATION WORKS.* . – FOR THE PURPOSE OF ERECTING AND MAINTAINING POLES OR OTHER SUPPORTS FOR SAID WIRES OR OTHER CONDUCTORS FOR THE PURPOSE OF LAYING AND MAINTAINING UNDERGROUND WIRES, CABLES OR OTHER CONDUCTORS, IT SHALL BE LAWFUL FOR THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, WITH THE PRIOR APPROVAL OF THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH) OR THE LOCAL GOVERNMENT UNIT (LGU) CONCERNED, AS MAY BE APPROPRIATE, TO MAKE EXCAVATIONS OR LAY CONDUITS IN ANY OF THE PUBLIC PLACES, ROADS, HIGHWAYS, STREETS, LANES, ALLEYS, AVENUES, SIDEWALKS, OR BRIDGES OF THE PROVINCE, CITIES, AND/OR MUNICIPALITIES: *PROVIDED, HOWEVER*, THAT A PUBLIC PLACE, ROAD, HIGHWAY, STREET, LANE, ALLEY, AVENUE, SIDEWALK, OR BRIDGE DISTURBED, ALTERED OR CHANGED BY REASON OF ERECTION OF POLES OR OTHER SUPPORTS OR THE UNDERGROUND LAYING OF WIRES, OTHER CONDUCTORS OR CONDUITS, SHALL BE REPAIRED AND REPLACED IN WORKMANLIKE MANNER BY SAID GRANTEE, ITS SUCCESSORS OR ASSIGNEES, IN ACCORDANCE WITH THE STANDARDS

1 SET BY DPWH OR THE LGU CONCERNED. SHOULD THE GRANTEE, ITS
2 SUCCESSORS ASSIGNEES, AFTER THE TEN (10) DAY NOTICE FROM THE
3 SAID AUTHORITY, FAIL, REFUSE OR NEGLECT TO REPAIR OR REPLACE ANY
4 PART OF PUBLIC PLACE, ROAD, HIGHWAY, STREET, LANE, ALLEY, AVENUE,
5 SIDEWALK, OR BRIDGE ALTERED, CHANGED OR DISTURBED BY THE SAID
6 GRANTEE, ITS SUCCESSORS OR ASSIGNEES, THEN THE DPWH OR THE LGU
7 CONCERNED SHALL HAVE THE RIGHT TO HAVE THE SAME REPAIRED AND
8 PLACED IN GOOD ORDER AND CONDITION AT DOUBLE EXPENSE TO BE
9 CHARGED AGAINST THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES."

10 SEC. 3. All sections are to be renumbered accordingly.

11 SEC. 4. Section 7 of Republic Act No. 8196 is hereby amended to read as follows:

12 "SEC. 8. *Term of Franchise.* – This franchise shall be in effect for a period of
13 twenty-five (25) years from the date of the effectivity of this Act, unless sooner
14 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the
15 grantee fails to OPERATE CONTINUOUSLY FOR TWO (2) YEARS. [comply with
16 any of the following conditions: (a) Commence operations within three (3) years from
17 the approval of its permit by the National Telecommunications Commission;

18 (b) Operate continuously for two (2) years; and

19 (c) Commence operations within five (5) years from the effectivity of this Act.]

20 SEC. 5. Section 8 of Republic Act No. 8196 is hereby amended to read as follows:

21 "SEC. 9. *Acceptance and Compliance.* – Acceptance of this franchise shall be
22 given in writing TO THE CONGRESS OF THE PHILIPPINES, THROUGH THE
23 COMMITTEE ON LEGISLATIVE FRANCHISES OF THE HOUSE OF
24 REPRESENTATIVES AND THE COMMITTEE ON PUBLIC SERVICES OF THE
25 SENATE, within sixty (60) days [after] FROM the effectivity of this Act. Upon giving
26 such acceptance, the grantee shall exercise the privileges granted under this Act.
27 Nonacceptance shall render the franchise void."

28 SEC. 6. Section 10 of Republic Act No. 8196 is hereby repealed

1 SEC. 7. A new section is hereby inserted after Section 8 of Republic Act No. 8196 to
2 read as follows:

3 "SEC. 10. *RIGHT OF INTERCONNECTION.* – THE GRANTEE IS HEREBY
4 AUTHORIZED TO CONNECT OR DEMAND CONNECTION OF ITS
5 TELECOMMUNICATIONS SYSTEMS TO OTHER TELECOMMUNICATIONS
6 SYSTEMS INSTALLED, OPERATED, AND MAINTAINED BY ANY OTHER DULY
7 AUTHORIZED PERSON OR ENTITY IN THE PHILIPPINES FOR THE PURPOSE
8 OF PROVIDING EXTENDED AND IMPROVED TELECOMMUNICATIONS
9 SERVICES TO THE PUBLIC, UNDER THE TERMS AND CONDITIONS
10 MUTUALLY AGREED UPON BY THE PARTIES CONCERNED, THIS RIGHT
11 SHALL BE SUBJECT TO THE REVIEW AND MODIFICATION OF THE NTC."

12 SEC. 8. Section 14 of Republic Act No. 8196 is hereby amended to read as follows:

13 "SEC. 15. *Sale, Lease, Transfer, Usufruct, [etc.] OR ASSIGNMENT OF*
14 *FRANCHISE.* - The grantee shall not SELL, lease, transfer, grant the usufruct of[,
15 sell] nor assign this franchise or the rights and privileges acquired thereunder to any
16 person, firm, company, corporation or OTHER COMMERCIAL OR LEGAL entity,
17 NOR MERGE WITH ANY OTHER CORPORATION OR ENTITY, nor shall
18 TRANSFER the controlling interest of the grantee [be transferred], whether as a
19 whole or in part[s], and whether simultaneously or contemporaneously, to any [such]
20 person, firm, company, corporation, or entity without the prior approval of the
21 Congress of the Philippines[.]: PROVIDED, THAT CONGRESS SHALL BE
22 INFORMED OF ANY SALE, LEASE, TRANSFER, GRANT OF USUFRUCT, OR
23 ASSIGNMENT OF FRANCHISE OR THE RIGHTS OR PRIVILEGES ACQUIRED
24 THEREUNDER, OR OF THE MERGER, OR TRANSFER OF CONTROLLING
25 INTEREST OF THE GRANTEE, WITHIN SIXTY (60) DAYS AFTER THE
26 COMPLETION OF SAID TRANSACTION: PROVIDED, FURTHER, THAT FAILURE
27 TO REPORT TO CONGRESS SUCH CHANGE OF OWNERSHIP SHALL RENDER
28 THE FRANCHISE IPSO FACTO REVOKED: PROVIDED, FINALLY, THAT [A]any
29 person or entity to which this franchise is sold, transferred, or assigned, shall be
30 subject to the same conditions, terms, restrictions, and limitations of this Act.

1 SEC. 9. Section 16 of Republic Act No. 8196 is hereby amended to read as follows:

2 "SEC. 17. *EQUALITY CLAUSE.* - ANY ADVANTAGE, FAVOR, PRIVILEGE,
3 EXEMPTION, OR IMMUNITY GRANTED UNDER OTHER EXISTING
4 FRANCHISES, OR WHICH MAY HEREAFTER BE GRANTED, UPON PRIOR
5 REVIEW AND APPROVAL OF CONGRESS, SHALL BECOME PART OF THIS
6 FRANCHISE AND SHALL BE ACCORDED IMMEDIATELY AND
7 UNCONDITIONALLY TO THE HEREIN GRANTEE: *PROVIDED*, THAT THE
8 FOREGOING SHALL NEITHER APPLY TO NOR AFFECT THE PROVISIONS OF
9 TELECOMMUNICATIONS FRANCHISES CONCERNING TERRITORY COVERED
10 BY THE FRANCHISE, THE LIFE SPAN OF THE FRANCHISE, OR THE TYPE OF
11 SERVICE AUTHORIZED BY THE FRANCHISE."

12 SEC. 10. Section 19 of Republic Act No. 8196 is hereby amended to read as follows:

13 "SEC. 20. *Reportorial Requirement.* - The grantee shall submit an annual
14 report to the Congress of the Philippines, THROUGH THE COMMITTEE ON
15 LEGISLATIVE FRANCHISES OF THE HOUSE OF REPRESENTATIVES AND THE
16 COMMITTEE ON PUBLIC SERVICES OF THE SENATE, on its compliance with the
17 terms and conditions of the franchise and on its operations ON OR BEFORE APRIL
18 30 OF EVERY YEAR DURING THE TERM OF ITS FRANCHISE.. THE
19 REPORTORIAL COMPLIANCE CERTIFICATE ISSUED BY CONGRESS SHALL BE
20 REQUIRED BEFORE ANY APPLICATION FOR PERMIT OR CERTIFICATE IS
21 ACCEPTED BY THE NTC."

22 SEC. 11. *Penalty Clause.* - Failure of the grantee to submit the requisite annual
23 report to Congress shall be penalized with a fine in the amount of Five hundred
24 pesos (P500.00) per working day of noncompliance. The fine shall be collected by
25 the NTC from delinquent franchise grantee separate from the reportorial penalties
26 imposed by the NTC.

27 SEC. 12. *Adoption of Provisions Not Inconsistent with this Act.* - All other provisions
28 of Republic Act 8196, which are not inconsistent with the provisions of this Act, shall
29 continue to be in full force and effect.

1 SEC. 13. *Separability Clause.* – If any of the sections or provisions of this Act is held
2 invalid, all other provisions not affected thereby shall remain valid.

3 SEC. 14. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject
4 to amendment, alteration, or repeal by the Congress of the Philippines when the
5 public interest so requires and shall not be interpreted as an exclusive grant of the
6 privilege herein provided for.

7 SEC. 15 *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
8 in the *Official Gazette* or in a newspaper of general circulation.

9 Approved,