

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 6774



INTRODUCED BY REPRESENTATIVE XAVIER JESUS D. ROMUALDO

EXPLANATORY NOTE

The Apo Associated Radio Electronic and Communications Company, Inc. (APOCOMM) was incorporated in 1991 to engage primarily in the business of communications and electronics. In 2001, Congress, through Republic Act No. 8994, granted APOCOMM a franchise to establish and operate radiotelegraph and radio telephone communication stations and systems and radiophoto and facsimile service stations and to provide radio communication services and equipment.

APOCOMM is presently operating as a channel partner of various Internet service providers and Very Small Aperture Terminal service providers connected through wired and wireless local loop transport leased facilities, offering solutions to private companies and commercial institutions.

This measure seeks to amend the legislative franchise of APOCOMM in order for it to take advantage of new technologies and innovations in telecommunications and offer new and better products and services to the public, as well as allow the entry of new investors to the company. This is in line with APOCOMM's commitment to maintain high quality of service and offer cost-effective solutions to the public.

The support of the Members of Congress for the prompt and timely passage of this measure is earnestly sought.

XAVIER JESUS D. ROMUALDO

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AN ACT
AMENDING THE FRANCHISE GRANTED TO APO ASSOCIATED RADIO
ELECTRONICS AND COMMUNICATIONS COMPANY, INC. UNDER REPUBLIC ACT
NO. 8994 TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN RADIO
TELEPHONE AND RADIOTELEGRAPH COASTAL STATIONS, AERONAUTICAL AND
PUBLIC FIXED AND PUBLIC BASED LAND-MOBILE STATIONS FOR THE RECEPTION
AND TRANSMISSION OF RADIO COMMUNICATIONS WITHIN THE PHILIPPINES,
AND FOR OTHER PURPOSES

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

1 SECTION 1. Section 1 of Republic Act (RA) No. 8994 is hereby amended to read as follows:

2 SECTION 1. *Nature and Scope of the Franchise.* – Subject to the provisions of
3 the Constitution and applicable laws, rules, and regulations, there is hereby
4 granted to the Apo Associated Radio Electronics and Communications Company,
5 Inc., hereinafter referred to as the Grantee, its successors, or assigns, a franchise
6 to construct, install, establish, LEASE, CO-USE, PURCHASE, operate, and
7 maintain for commercial purposes and in the public interest, IN THE
8 PHILIPPINES AND BETWEEN THE PHILIPPINES AND OTHER
9 COUNTRIES AND TERRITORIES, FOR PUBLIC DOMESTIC AND
10 INTERNATIONAL TELECOMMUNICATIONS, radiotelegraph and/or radio
11 telephone communication stations, and/or telecommunications systems, with
12 corresponding relay stations in the interisland, maritime, aeronautical and
13 international public services, and stations in the radiophoto and facsimile services,

1 both national and/or international, AND to provide radio communication services
2 and equipment, WIRE AND WIRELESS COMMUNICATIONS, INCLUDING,
3 BUT NOT LIMITED TO, MOBILE, CELLULAR, PAGING, COPPER, FIBER
4 OPTICS, TV WHITE SPACE, SATELLITE TRANSMIT AND RECEIVE
5 SYSTEM SWITCHES, INTERNATIONAL AND DOMESTIC LANDING
6 SERVICE, AND THEIR VALUE-ADDED SERVICES, SUCH AS, BUT NOT
7 LIMITED TO, TRANSMISSION OF VOICE, DATA, FACSIMILE, CONTROL
8 SIGNS, AUDIO AND VIDEO, INFORMATION SERVICE BUREAU, AND
9 ALL OTHER TELECOMMUNICATIONS SYSTEM TECHNOLOGIES AS
10 ARE PRESENTLY AVAILABLE OR WILL BE MADE AVAILABLE
11 THROUGH TECHNOLOGICAL ADVANCES OR INNOVATION IN THE
12 FUTURE, AND CONSTRUCT, ACQUIRE, LEASE, AND OPERATE OR
13 MANAGE TRANSMITTING AND RECEIVING STATIONS, LINES,
14 CABLES, OR SYSTEMS AS IS, OR ARE, CONVENIENT OR ESSENTIAL
15 TO EFFICIENTLY CARRY OUT THE PURPOSE OF THIS FRANCHISE. [to
16 private firms, companies and corporations within their respective internal frame,
17 and/or to communicate from within the grantee's station or stations.]

18 SEC. 2. A new Section 4 is hereby inserted after Section 3 of the said Act, to read as follows:

19 SECTION 4. *EXCAVATION AND RESTORATION WORKS.* – FOR THE
20 PURPOSE OF ERECTING AND MAINTAINING POLES AND OTHER
21 SUPPORTS FOR WIRES OR OTHER CONDUCTORS AND LAYING AND
22 MAINTAINING UNDERGROUND WIRES, CABLES, OR OTHER
23 CONDUCTORS, THE GRANTEE AND ITS SUCCESSORS OR ASSIGNS
24 ARE AUTHORIZED TO MAKE EXCAVATIONS OR LAY CONDUITS IN
25 ANY OF THE PUBLIC PLACES, ROADS, HIGHWAYS, STREETS, LANES,
26 ALLEYS, AVENUES, SIDEWALKS, OR BRIDGES IN PROVINCES, CITIES,
27 AND MUNICIPALITIES, SUBJECT TO THE PRIOR APPROVAL OF THE
28 DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH) OR THE
29 LOCAL GOVERNMENT UNIT (LGU) CONCERNED, AS MAY BE

1 APPROPRIATE; *PROVIDED*, THAT ANY PUBLIC PLACE, ROAD,
2 HIGHWAY, STREET, LANE, ALLEY, AVENUE, SIDEWALK, OR BRIDGE
3 DISTURBED, ALTERED, OR CHANGED, BY REASON OF THE ERECTION
4 OF POLES OR OTHER SUPPORTS OR THE LAYING OF UNDERGROUND
5 WIRES, CABLES, OR OTHER CONDUCTORS OR CONDUITS, SHALL BE
6 REPAIRED OR REPLACED IN WORKMANLIKE MANNER AT THE
7 EXPENSE OF THE GRANTEE, ITS SUCCESSORS OR ASSIGNS, IN
8 ACCORDANCE WITH THE STANDARDS SET BY THE DPWH OR THE
9 LGU CONCERNED; *PROVIDED, FURTHER*, THAT IF THE GRANTEE, ITS
10 SUCCESSORS, OR ASSIGNS, FAIL TO COMMENCE, AFTER 10 DAYS
11 FROM RECEIPT OF A WRITTEN NOTICE FROM THE DPWH OR THE LGU
12 CONCERNED, THE REPAIR OR REPLACEMENT OF ANY PART OF
13 THE PUBLIC PLACE, ROAD, HIGHWAY, STREET, LANE, ALLEY,
14 AVENUE, SIDEWALK, OR BRIDGE DISTURBED, ALTERED, OR
15 CHANGED, THE DPWH OR THE LGU CONCERNED SHALL HAVE THE
16 RIGHT TO HAVE THE SAME REPAIRED OR REPLACED IN GOOD
17 ORDER AND CONDITION AND CHARGE THE GRANTEE, ITS
18 SUCCESSORS, OR ASSIGNS, THE AMOUNT OF THE COSTS AND
19 EXPENSES FOR SUCH REPAIR OR REPLACEMENT.

20 SEC. 3. Section 4 of the same Act is hereby renumbered as Section 5 and amended to read as
21 follows:

22 SECTION 5. *Responsibility to the Public.* – The Grantee shall conform to the
23 ethics of honest enterprise and shall not use its stations for obscene or indecent
24 transmission or for dissemination of deliberately false information or willful
25 misrepresentation, or assist in subversive or treasonable acts.

26 The Grantee shall provide basic or enhanced telephone service in any CITY OR
27 municipality in the Philippines where it has an approved certificate of public
28 convenience and necessity for the establishment, operation, and maintenance of a
29 local exchange service, without discrimination to any applicant therefor, in the

1 order of the date of their applications, up to the limit of the capacity of its local
2 telephone exchange, and should the demand for the telephone service at any time
3 increase beyond the capacity thereof, the Grantee shall increase the same to meet
4 such demand; Provided, that, in case the total demand to be satisfied by the
5 expansion is less than the smallest viable local exchange available in the market
6 as determined by the Commission, the Grantee shall not be obliged to furnish
7 such service, unless the applicant for telephone service defrays the actual
8 expenses for the installation of the telecommunication apparatus necessary for
9 such services and, in such case, the Commission may extend the time within
10 which the Grantee shall furnish such service.

11 The Grantee shall operate and maintain all its stations, lines, cables, systems, and
12 equipment for the transmission and reception of messages, signals, and pulses in a
13 satisfactory manner at all times, and as far as economical and practicable, modify,
14 improve, or change such stations, lines, cables, systems, and equipment to keep
15 abreast with the advances in science and technology.

16 SEC. 4. Sections 5 and 6 of the same Act are hereby renumbered as Sections 6 and 7,
17 respectively.

18 SEC. 5. Section 7 of the same Act is hereby renumbered as Section 8 and amended to read as
19 follows:

20 SECTION 8. *Term of the Franchise.* – This franchise shall be for a term of
21 twenty-five (25) years from the date of effectivity of this Act AND SHALL BE
22 EXTENDED FOR ANOTHER TWENTY-FIVE (25) YEARS THEREAFTER,
23 unless sooner revoked or cancelled. This franchise shall be deemed *ipso facto*
24 revoked in the event the Grantee, ITS SUCCESSORS, OR ASSIGNS fail to
25 OPERATE CONTINUOUSLY FOR TWO (2) YEARS. [comply with any of the
26 following conditions:

27 (a) Commence operations within three (3) years from the approval of its operating
28 permit or provisional authority by the NTC;

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

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

3 SEC. 6. Sections 8 and 16 of the same Act are hereby repealed.

4 SEC. 7. Sections 17, 18, and 19 of the same Act are hereby renumbered as Sections 16, 17, and
5 18, respectively.

6 SEC. 8. Section 20 of the same Act is hereby renumbered as Section 19 and amended to read as
7 follows:

8 SECTION 19. *ANNUAL REPORT TO THE CONGRESS.* – THE GRANTEE, ITS
9 SUCCESSORS, OR ASSIGNS SHALL SUBMIT AN ANNUAL REPORT TO
10 THE CONGRESS OF THE PHILIPPINES, THROUGH THE COMMITTEE ON
11 LEGISLATIVE FRANCHISES OF THE HOUSE OF REPRESENTATIVES
12 AND THE COMMITTEE OF PUBLIC SERVICES OF THE SENATE, ON ITS
13 COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE
14 FRANCHISE AND ON ITS OPERATIONS ON OR BEFORE THE THIRTIETH
15 OF APRIL OF EVERY YEAR. SUCH REPORT SHALL INCLUDE AN
16 UPDATE ON THE DEVELOPMENT OR EXPANSION OF THE GRANTEE'S
17 BUSINESS, THE GRANTEE'S AUDITED FINANCIAL STATEMENTS, AS
18 CERTIFIED BY THE SECURITIES AND EXCHANGE COMMISSION, AND
19 THE GRANTEE'S LATEST GENERAL INFORMATION SHEET.

20 REPORTORIAL COMPLIANCE CERTIFICATIONS ISSUED BY THE
21 HOUSE OF REPRESENTATIVES AND THE SENATE SHALL BE
22 REQUIRED BEFORE ANY APPLICATION OR PETITION BY THE
23 GRANTEE IS ACCEPTED BY THE COMMISSION.

24 THE GRANTEE, ITS SUCCESSORS, OR ASSIGNS SHALL BE PENALIZED
25 WITH A FINE OF P1,000.00 FOR EVERY DAY THAT IT SHALL FAIL TO
26 SUBMIT ITS ANNUAL REPORT TO THE CONGRESS OF THE
27 PHILIPPINES. SUCH FINE SHALL BE COLLECTED BY THE

1 COMMISSION, WHICH SHALL BE SEPARATE AND DISTINCT FROM
2 THE PENALTIES IT MAY IMPOSE FOR NON-COMPLIANCE WITH ITS
3 REPORTORIAL REQUIREMENTS. [Reportorial Requirement. - The grantee
4 shall submit an annual report to the Congress of the Philippines on its compliance
5 with the terms and conditions of the franchise and on its operations within sixty
6 (60) days from the end of every year.]

7 SEC. 8. Section 21 of the same Act is hereby renumbered as Section 20.

8 SEC. 9. The transfer, sale, or assignment of the controlling interest in the capital stock of Apo
9 Associated Radio Electronics and Communications Company, Inc. to Jason G. Cheng is hereby
10 authorized and approved.

11 SEC. 10. All other provisions of RA No. 8994 that are not inconsistent with the provisions of this
12 Act and remain unrepealed shall continue to be in full force and effect. All other laws, decrees,
13 executive orders and issuances, rules and regulations, and other issuances, or parts thereof, that
14 are inconsistent with the provisions of this Act are hereby repealed or modified accordingly

15 SEC. 11. If any of provision of this Act is declared invalid or unconstitutional, the other
16 provisions not affected thereby shall remain in full force and effect.

17 SEC. 12. This Act shall take effect fifteen (15) days after its publication in the Official Gazette
18 or in a newspaper of general circulation.

19 Approved,