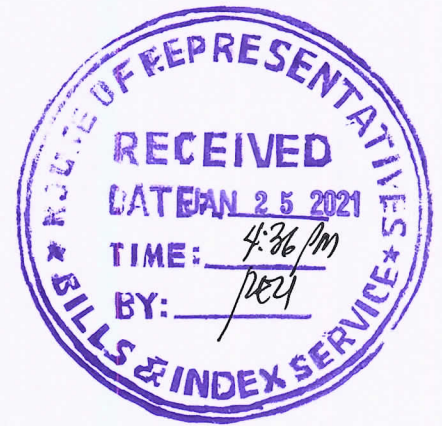


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8476



Introduced by **REP. BERNADETTE HERRERA**

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO RADIUS TELECOMS INC. (FORMERLY POLARIS TELECOMMUNICATIONS, INC.) UNDER REPUBLIC ACT 8955, ENTITLED "AN ACT GRANTING THE POLARIS TELECOMMUNICATIONS, INC. A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN TELECOMMUNICATIONS SYSTEMS THROUGHOUT THE PHILIPPINES"

SECTION 1. *Nature and Scope of Franchise.* – Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to Radius Telecommunications, Inc., hereunder referred to as the grantee, its successors or assigns, a franchise to construct, install, establish, operate and maintain for commercial purposes and in the public interest, the business of providing basic and enhanced telecommunications services, in and between provinces, cities and municipalities in the Philippines and between the Philippines and other countries and territories, including mobile, cellular and wired or wireless, fiber optics, multi-channel distribution systems, local multipoint distribution system, satellite transmit and receive systems, and other telecommunications systems, and their value-added services such as, but not limited to, transmission of voice, data facsimile, control signals, audio and video, information service bureau and all other telecommunications systems technologies as are presently available or will be available through technical advances and innovations in the future; and/or construct, acquire, lease, manage and operate, transmitting and receiving stations and switching stations, both for local and international services, lines, cables or systems, as are convenient or essential to effectively and efficiently carry out the purpose of this franchise, is hereby renewed for another twenty-five (25) years from the effectivity of this Act.

1 SEC. 2. *Manner of Operation of Stations or Facilities.* – The stations or facilities of the
2 grantee shall be constructed and operated in a manner as will, at most, result only in the
3 minimum interference on the wavelengths or frequencies of existing stations or other
4 stations which may be established by law, without in any way diminishing its own right to use
5 its assigned wavelengths or frequencies and the quality of transmission or reception thereon
6 as should maximize rendition of the grantee's services or the availability thereof.

7 SEC. 3. *Authority of the National Telecommunications Commission.* – The grantee shall
8 secure from the National Telecommunications Commission (NTC) a Certificate of Public
9 Convenience and Necessity or the appropriate permits and licenses for the construction,
10 installation and operation of its telecommunications systems or facilities. In issuing the
11 certificate, the NTC shall have the power to regulate and impose such conditions relative to
12 the construction, operation, maintenance, or service level of the telecommunications systems
13 or facilities. Such certificate shall state the areas covered and the date the grantee shall
14 commence the service. The grantee shall not use any frequency in the radio spectrum without
15 authorization from the NTC. The NTC, however, shall not unreasonably withhold or delay the
16 grant of such authority, permit or license.

17 SEC. 4. *Excavation and Restoration Works.* – For the purpose of erecting and
18 maintaining poles or other supports for said wires or other conductors for the purpose of
19 laying and maintaining underground wires, cables, or other conductors, it shall be lawful for
20 the grantee, its successors or assignees, with the prior approval of the Department of Public
21 Works and Highways (DPWH) or the local government unit (LGU) concerned, as may be
22 appropriate, to make excavations or lay conduits in any of the public places, roads, highways,
23 streets, lanes, alleys, avenues, sidewalks, or bridges of the province, cities, or municipalities:
24 *Provided, however,* That a public place, road, highway, street, lane, alley, avenue, sidewalk,
25 or bridge disturbed, altered, or changed by reason of erection of poles or other supports or
26 the underground laying of wires, other conductors or conduits, shall be repaired and replaced
27 in workmanlike manner by said grantee, its successors or assignees, in accordance with the
28 standards set by the DPWH or the LGU concerned. Should the grantee, its successors or
29 assignees, after the ten (10) day notice from the said authority, fail, refuse, or neglect to repair
30 or replace any part of public place, road, highway, street, lane, alley, avenue, sidewalk, or

1 bridge altered, changed or disturbed by the said grantee, its successors or assignees, then the
2 DPWH or the LGU concerned shall have the right to have the same repaired and placed in
3 good order and condition, and charge the grantee, its successors or assignees at double the
4 amount of the costs and expenses for such repair or replacement.

5
6 **SEC. 5. *Responsibility to the Public.*** - The grantee shall conform to the ethics of honest
7 enterprise and not use its stations or facilities for obscene or indecent transmission, or for
8 dissemination of deliberately false information, or willful misrepresentation, or assist in
9 subversive or treasonable acts.

10
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, improve,
14 or change such stations, lines, cables, systems, and equipment to keep abreast with the
15 advances in science and technology.

16
17 The grantee shall improve and extend its services in areas not yet served, and in
18 hazard- and typhoon-prone areas that shall be determined by the National Disaster Risk
19 Reduction and Management Council, or its legal successor, in coordination with the NTC.

20
21 The grantee shall also improve and upgrade its equipment, facilities and services, in
22 order to ensure effective compliance with the objectives of Republic Act No. 10639 or the
23 "Free Mobile Disaster Alerts Act".

24 **SEC. 6. *Rates for Services.*** – The charges and rates for telecommunications services of
25 the grantee, except the rates and charges on those that may hereafter be declared or
26 considered as non-regulated services, whether flat rates or measured rates or variation
27 thereof, shall be subject to the approval of the NTC or its legal successor.

28 **SEC. 7. *Right of Government.*** – The radio spectrum is a finite resource that is part of
29 the national patrimony and the use thereof is a privilege conferred upon the grantee by the
30 State and may be withdrawn any time after due process.

1
2 A special right is hereby reserved to the President of the Philippines, in times of war,
3 rebellion, public peril, calamity, emergency, disaster, or disturbance of peace and order: to
4 temporarily take over and operate the stations, transmitters, facilities, or equipment of the
5 grantee; to temporarily suspend the operation of any station, transmitter, facility, or
6 equipment in the interest of public safety, security, and public welfare; or to authorize the
7 temporary use and operation thereof by any agency of the government, upon due
8 compensation to the grantee for the use of the stations, transmitters, facilities, or equipment
9 during the period when these shall be so operated.

10 SEC. 8. *Term of Franchise.* – This franchise shall be extended and in effect for a period of
11 twenty-five (25) years from the date of the effectivity of this Act, unless sooner revoked or
12 cancelled. This franchise shall be deemed *ipso facto* revoked in the event the grantee fails to
13 operate continuously for two (2) years.

14
15 SEC. 9. *Right of Interconnection.* – The grantee is hereby authorized to connect or
16 demand connection of its telecommunications systems to other telecommunications systems
17 installed, operated, and maintained by any other duly authorized person or entity in the
18 Philippines for the purpose of providing extended and improved telecommunications services
19 to the public, under the terms and conditions mutually agreed upon by the parties concerned.
20 This right shall be subject to review and modification by the NTC.

21
22 SEC. 10. *Mobile Number Portability.* – The grantee shall provide mobile number
23 portability (MNP) and its implementing mechanism, and shall interconnect, directly or
24 indirectly, with the infrastructure, facilities, systems, or equipment of other
25 telecommunications franchise grantees. It shall not install network features, functions, or
26 capabilities that will impede the implementation of a nationwide MNP system. The NTC shall
27 issue rules and regulations for this purpose, the effectivity of which shall commence upon
28 applicability with other telecommunications franchise grantees

29 SEC. 11. *Warranty in Favor of the National and Local Governments.* - The grantee shall
30 hold the national, provincial, city, and municipal governments of the Philippines free from all

1 claims, liabilities, accounts, demands, or actions arising out of accidents causing injury to
2 persons or damage to properties, during the construction or operation of the stations,
3 transmitters, facilities, or equipment of the grantee.

4
5 SEC. 12. *Sale, Lease, Transfer, Grant of Usufruct, or Assignment of Franchise.* – The
6 grantee shall not sell, lease, transfer, grant the usufruct of, nor assign this franchise or the
7 rights and privileges acquired thereunder to any person, firm, company, corporation, or other
8 commercial or legal entity, nor merge with any other corporation or entity, nor the controlling
9 interest of the grantee be transferred, simultaneously or contemporaneously, to any person,
10 firm, company, corporation, or entity without the prior approval of the Congress of the
11 Philippines. Congress shall be informed of any sale, lease, transfer, grant of usufruct, or
12 assignment of franchise or the rights and privileges acquired thereunder, or of the merger or
13 transfer of the controlling interest of the grantee, within sixty (60) days after the completion
14 of the said transaction. Failure to report to Congress such change of ownership shall render
15 the franchise *ipso facto* revoked. Any person or entity to which this franchise is sold,
16 transferred, or assigned shall be subject to the same conditions, terms, restrictions, and
17 limitations of this Act.

18
19 SEC. 13. *Dispersal of Ownership.* - In accordance with the constitutional provision to
20 encourage public participation in public utilities, the grantee shall continue to offer to Filipino
21 citizens at least thirty percent (30%) or a higher percentage that may hereafter be provided
22 by law of its common stocks in any securities exchange in the Philippines within five (5) years
23 from the renewal of its franchise: *Provided*, That in cases where public offer of shares is not
24 applicable, other methods of encouraging public participation by citizens and corporations
25 operating public utilities must be implemented. Noncompliance therewith shall render the
26 franchise *ipso facto* revoked.

27
28 SEC. 14. *Commitment to Provide and Promote the Creation of Employment*
29 *Opportunities.* – The grantee shall create employment opportunities and shall allow on-the-
30 job trainings in their franchise operation: *Provided*, That priority shall be accorded to the
31 residents of the place where their principal office is located: *Provided further*, That the
32 grantee shall follow the applicable labor standards and allowance entitlement under existing

labor laws, rules and regulations and similar issuances: *Provided, finally*, That the employment opportunities or jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to the Securities and Exchange Commission (SEC) annually.

SEC. 15. *Reportorial Requirement.* – The grantee shall submit an annual report to the Congress of the Philippines, through the Committee on Legislative Franchises of the House of Representatives and the Committee on Public Services of the Senate, on its compliance with the terms and conditions of the franchise and on its operations on or before April 30 of every year during the term of its franchise.

The annual report shall include an update on the roll-out, development, operation and/or expansion of business; audited financial statements; latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the status of its permits and operations; and an update on the dispersal of ownership undertaking, if applicable.

The reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.

SEC. 16. *Fine.* – Failure of the grantee to submit the requisite annual report to Congress shall be penalized with a fine in the amount of One million pesos (P1,000,000.00) per working day of noncompliance, the effectivity of which shall commence upon applicability with other telecommunications franchise grantees: *Provided*, That in the interim, the grantee shall be liable to pay the fine of Five hundred pesos (P500.00) per working day of noncompliance. The fine shall be collected by the NTC from the delinquent franchise grantee separate from the reportorial penalties imposed by the NTC, and the same shall be remitted to the Bureau of Treasury.

SEC. 17. *Equality Clause.* – Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or which may hereafter be granted, upon prior review and approval of Congress, shall become part of this franchise and shall be accorded immediately and unconditionally to the herein grantee: *Provided*, That the foregoing shall neither apply to

1 nor affect the provisions of telecommunications franchises concerning territorial coverage,
2 the term, or the type of service authorized by the franchise.

3
4 SEC. 18. *Repealability and Nonexclusivity Clause.* – This franchise shall be subject to
5 amendment, alteration, or repeal by the Congress of the Philippines when the public interest
6 so requires and shall not be interpreted as an exclusive grant of the privilege herein provided
7 for.

8
9 SEC. 19. *Separability Clause.* – If any of the sections or provisions of this Act is held
10 invalid, all other provisions not affected thereby shall remain valid.

11
12 SEC. 20. *Repealing Clause.* – All laws, decrees, orders, resolutions, instructions, rules
13 and regulations, and other issuances or parts thereof which are inconsistent with the
14 provisions of this Act are hereby repealed, amended, or modified accordingly.

15
16 SEC. 21. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in
17 the Official Gazette or in a newspaper of general circulation.

18
Approved,


REP. BERNADETTE HERRERA