



HOUSE OF REPRESENTATIVES

H. No. 6913

BY REPRESENTATIVES VARGAS, ROMUALDO, ALVAREZ (F.) AND
SY-ALVARADO, PER COMMITTEE REPORT NO. 552

AN ACT RENEWING THE FRANCHISE GRANTED
TO RADIO MARINE NETWORK, INCORPORATED,
UNDER REPUBLIC ACT NO. 4607, AS AMENDED
BY REPUBLIC ACT NO. 7512

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

1 SECTION 1. *Nature and Scope of Franchise.* – Subject to the
2 provisions of the Constitution and applicable laws, rules and
3 regulations, the franchise granted to Radio Marine Network,
4 Incorporated under Republic Act No. 4607, as amended by Republic
5 Act No. 7512, hereunder referred to as the grantee, its successors or
6 assignees, to construct, install, establish, operate, and maintain for
7 commercial purposes and in the public interest, within or without
8 the Philippines, wire and/or wireless telecommunications systems
9 including mobile cellular, copper, fiber optics, satellite transmit and
10 receive systems, switches, and their value-added services such as
11 the transmission of voice, data, control signs, audio and video and

1 information services; radio stations for the reception and
2 transmission of messages on radio stations in the domestic public
3 fixed point-to-point and public base, aeronautical and land mobile
4 stations, including coastal marine service with the corresponding
5 relay stations for the reception and transmission of wireless
6 messages on radiotelegraphy and/or radiotelephony, radioteletype,
7 radiophoto, facsimile and such other types of emissions or both with
8 vessels at sea and aircraft in the air within or without the
9 Philippines; and all other telecommunications system technologies
10 as are at present available or will be made available through
11 technological advances or innovations in the future; and/or
12 construct, acquire, lease and operate, or manage transmitting and
13 receiving stations, lines, cables, or systems as are convenient or
14 essential to efficiently carry out the purpose of this franchise, is
15 hereby renewed for another twenty-five (25) years from the
16 effectivity of this Act.

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

26 SEC. 3. *Authority of the National Telecommunications*
27 *Commission.* – The grantee shall secure from the National
28 Telecommunications Commission (NTC) a Certificate of Public

1 Convenience and Necessity or the appropriate permits and licenses
2 for the construction, installation and operation of its
3 telecommunications systems or facilities. In issuing the certificate,
4 the NTC shall have the power to impose such conditions relative to
5 the construction, operation, maintenance, or service level of the
6 telecommunications system. The NTC shall have the authority to
7 regulate the construction and operation of its telecommunications
8 systems. The grantee shall not use any frequency in the radio
9 spectrum without authorization from the NTC. Such certificate
10 shall state the areas covered and the date the grantee shall
11 commence the service. The NTC, however, shall not unreasonably
12 withhold or delay the grant of such authority, permit or license.

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

1 its successors or assignees, after the ten (10)-day notice from the
2 said authority, fail, refuse, or neglect to repair or replace any part of
3 public place, road, highway, street, lane, alley, avenue, sidewalk, or
4 bridge disturbed, altered or changed by the said grantee, its
5 successors or assignees, then the DPWH or LGU concerned shall
6 have the right to have the same repaired and placed in good order
7 and condition at double the amount spent for such repair or
8 replacement, to be charged against the grantee, its successors or
9 assignees.

10 SEC. 5. *Responsibility to the Public.* – The grantee shall
11 conform to the ethics of honest enterprise and not use its stations or
12 facilities for obscene or indecent transmission, or for dissemination
13 of deliberately false information, or willful misrepresentation, or
14 assist in subversive or treasonable acts.

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

21 The grantee shall improve and extend its services in areas not
22 yet served, and in hazard- and typhoon-prone areas that shall be
23 determined by the National Disaster Risk Reduction and
24 Management Council in coordination with the NTC.

25 The grantee shall also improve and upgrade its equipment,
26 facilities and services, in order to ensure effective compliance with
27 the objectives of Republic Act No. 10639 or “The Free Mobile
28 Disaster Alerts Act”.

1 SEC. 6. *Rates for Services.* – The charges and rates for
2 telecommunications services of the grantee, except the rates and
3 charges on those that may hereafter be declared or considered as
4 nonregulated services, whether flat rates or measured rates or
5 variation thereof, shall be subject to the approval of the NTC or its
6 legal successor. The rates to be charged by the grantee shall be
7 unbundled, separable and distinct among the services offered and
8 shall be determined in a manner that regulated services do not
9 subsidize the unregulated ones.

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

14 A special right is hereby reserved to the President of the
15 Philippines, in times of war, rebellion, public peril, calamity,
16 emergency, disaster, or disturbance of peace and order:
17 to temporarily take over and operate the stations, transmitters,
18 facilities, or equipment of the grantee; to temporarily suspend the
19 operation of any station, transmitter, facility, or equipment in the
20 interest of public safety, security, and public welfare; or to authorize
21 the temporary use and operation thereof by any agency of the
22 government, upon due compensation to the grantee, for the use of
23 said stations, transmitters, facilities, or equipment during the
24 period when these shall be so operated.

25 SEC. 8. *Term of Franchise.* – This franchise shall be in
26 effect for a period of twenty-five (25) years from the date of the
27 effectivity of this Act, unless sooner revoked or cancelled.

1 This franchise shall be deemed *ipso facto* revoked in the event
2 the grantee fails to operate continuously for two (2) years.

3 SEC. 9. *Acceptance and Compliance.* – Acceptance of this
4 franchise shall be given in writing to the Congress of the
5 Philippines, through the Committee on Legislative Franchises of the
6 House of Representatives and the Committee on Public Services of
7 the Senate, within sixty (60) days from the effectivity of this Act.
8 Upon giving such acceptance, the grantee shall exercise the
9 privileges granted under this Act. Refusal or failure to accept the
10 franchise shall render the franchise void.

11 SEC. 10. *Right of Interconnection.* – The grantee is
12 hereby authorized to connect or demand connection of its
13 telecommunications systems to other telecommunications
14 systems installed, operated, and maintained by any other
15 duly authorized person or entity in the Philippines for the
16 purpose of providing extended and improved telecommunications
17 services to the public, under the terms and conditions mutually
18 agreed upon by the parties concerned. This right shall be
19 subject to the review and modification of the NTC.

20 SEC. 11. *Warranty in Favor of the National and Local*
21 *Governments.* – The grantee shall hold the national, provincial,
22 city, and municipal governments of the Philippines free from all
23 claims, liabilities, accounts, demands, or actions arising out of
24 accidents causing injury to persons or damage to properties, during
25 the construction or operation of the stations, transmitters, facilities,
26 or equipment of the grantee.

27 SEC. 12. *Sale, Lease, Transfer, Usufruct, or Assignment of*
28 *Franchise.* – The grantee shall not sell, lease, transfer, grant

1 the usufruct of, nor assign this franchise or the rights and
2 privileges acquired thereunder to any person, firm, company,
3 corporation or other commercial or legal entity, nor shall transfer
4 the controlling interest of the grantee, whether as a whole or in
5 part, and whether simultaneously or contemporaneously, to any
6 person, firm, company, corporation, or entity without the prior
7 approval of the Congress of the Philippines and compliance with
8 legal requirements stipulated in other statutes: *Provided*, That any
9 person or entity to which this franchise is validly sold, transferred,
10 or assigned shall be subject to the same conditions, terms,
11 restrictions, and limitations of this Act.

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

22 SEC. 14. *Compliance with Labor Standards*. – The grantee,
23 its successors or assignees shall comply with the applicable labor
24 standards under existing labor laws, rules and regulations and such
25 other issuances as may be promulgated by the Department of Labor
26 and Employment, taking into consideration the nature and
27 peculiarities of the telecommunications industry.

1 SEC. 15. *Reportorial Requirement.* – The grantee shall
2 submit an annual report to the Congress of the Philippines, through
3 the Committee on Legislative Franchises of the House of
4 Representatives and the Committee on Public Services of the
5 Senate, on its compliance with the terms and conditions of the
6 franchise and on its operations on or before April 30 of every year
7 during the term of its franchise. The reportorial compliance
8 certificate issued by Congress shall be required before any
9 application for permit or certificate is accepted by the NTC.

10 SEC. 16. *Penalty Clause.* – Failure of the grantee to submit
11 the requisite annual report to Congress shall be penalized by a fine
12 in the amount of five hundred pesos (P500.00) per working day of
13 noncompliance. The fine shall be collected separately by the NTC
14 distinct from the penalties it imposes for noncompliance of its own
15 reportorial requirements.

16 SEC. 17. *Equality Clause.* – Any advantage, favor, privilege,
17 exemption, or immunity granted under existing franchises, or
18 which may hereafter be granted for radio and/or television
19 broadcasting, upon prior review and approval of Congress, shall
20 become part of this franchise and shall be accorded immediately and
21 unconditionally to the herein grantee: *Provided*, That the foregoing
22 shall neither apply to nor affect the provisions of a broadcasting
23 franchise pertaining to the term, type of service, or territorial
24 coverage of the franchise.

25 SEC. 18. *Repealability and Nonexclusivity Clause.* – This
26 franchise shall be subject to amendment, alteration, or repeal by the
27 Congress of the Philippines when the public interest so requires and

1 shall not be interpreted as an exclusive grant of the privileges
2 herein provided for.

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

6 SEC. 20. *Repealing Clause.* – All laws, decrees, executive
7 orders, rules and regulations, or parts or provisions thereof which
8 are not consistent with this Act are hereby repealed, amended, or
9 modified accordingly.

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

Approved,

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