

REPUBLIC ACT NO. 8153

AN ACT GRANTING THE REX ELECTRONICS COMMUNICATIONS SYSTEM, INC., A FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN PUBLIC RADIOTELEPHONE AND RADIOTELEGRAPH STATIONS FOR THE RECEPTION AND TRANSMISSION OF RADIOTELEPHONE AND RADIOTELEGRAPH COMMUNICATIONS WITHIN THE PHILIPPINES

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

SECTION 1. Subject to the provisions of the Constitution and applicable laws, rules and regulations, there is hereby granted to the Rex Electronics Communications Systems, Inc., hereafter referred to as the "grantee", its successors and assigns, a franchise to construct, maintain and operate public radiotelephone and radiotelegraph stations for the reception and transmission of radiotelephone and radiotelegraph communications within the Philippines: *Provided*, That in no case shall the grantee engage in local exchange operation or provision of international gateway facility, international or national transmission service, domestic record services, radio paging, private mobile trunked radio, cellular telephony, cable television or broadcasting.

SEC. 2. A special right is reserved to the President of the Philippines in times of war, rebellion, public peril, calamity, emergency, disaster or disturbance of peace and order to take over and operate the said stations or to authorize the temporary use and operation thereof by any department of the government upon due compensation to the grantee for the use of said stations during the period when they shall be so operated.

SEC. 3. The President of the Philippines shall have the power and authority to permit the construction of said stations or any of them on any land of the public domain upon such terms and conditions as the President may prescribe.

SEC. 4. This franchise shall be for a period of twenty-five (25) years from the date of the effectivity of this Act, unless sooner revoked or cancelled. In the event the grantee fails to operate continuously for two (2) years, this franchise shall be deemed *ipso facto* revoked.

SEC. 5. The grantee, its heirs, successors and assigns shall so construct and operate its radio stations as not to interfere with the operation of other radio stations maintained and operated in the Philippines.

SEC. 6. No private property shall be taken for any purpose by the grantee of this franchise, its heirs, successors and assigns, without proper condemnation proceedings and just compensation paid or tendered therefor, and any authority to take and occupy land contained herein shall not authorize the taking, use or occupation of any land except such as is required for the actual necessary purposes for which this franchise is granted. All lands or rights of use and occupation of lands granted to the grantee, its heirs, successors or assigns, shall upon the termination of this franchise or upon its revocation or repeal, revert to the national, provincial or municipal government to which such land or right to use and occupy belonged at the time of the grantee thereof the right to use and occupy the same was conceded to the grantee herein, its heirs, successors and assigns.

SEC. 7. The right is hereby reserved to the government of the Republic of the Philippines, through the National Telecommunications Commission, or such other government agency as may hereafter be duly authorized to fix the maximum rates or charges to be charged by the grantee.

SEC. 8. The grantee, its successors or assigns, shall be liable to pay the same taxes on their real estate, buildings and

personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition thereto, the grantee, its successors or assigns, shall pay a franchise tax of three percent (3%) of all gross receipts of the business transacted under this franchise by the grantee, its successors or assigns, and the said percentage shall be in lieu of all taxes of this franchise or earnings thereof: *Provided*, That the grantee, its successors or assigns, shall continue to be liable for income taxes payable under Title II of the National Internal Revenue Code pursuant to Section 2 of Executive Order No. 72, unless the latter enactment is amended or repealed, in which case the amendment or repeal shall be applicable thereto.

SEC. 9. In compliance to the constitutional mandate to democratize ownership of public utilities, the herein grantee shall make public offering through the stock exchange of at least thirty percent (30%) of its common stocks within a period of three (3) years from the date of the effectivity of this Act.

SEC. 10. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or entity, nor merge with any other corporation or entity without the prior approval of the Congress of the Philippines. Neither shall the controlling interest in the grantee be transferred, whether as a whole or in parts, and whether simultaneously or contemporaneously, to any such person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines. Any person or entity to which this franchise is validly sold, transferred or assigned shall be subject to all the same conditions, terms, restrictions and limitations of this Act.

SEC. 11. The franchise hereby granted shall be subject to amendment, alteration or repeal by the Congress of the Republic of the Philippines when the common good so requires.

SEC. 12. In addition to the terms and conditions herein provided, the grantee shall submit an annual report to Congress of the Republic of the Philippines on its compliance with the terms and conditions of the franchise and its operation within sixty (60) days from the end of every year.

SEC. 13. This Act shall take effect fifteen (15) days from the date of its publication in at least two (2) newspapers of general circulation in the Philippines.

Lapsed into law on September 23, 1995 without the President's signature, pursuant to Sec. 27(1), Article VI of the Constitution.