

H. No. 5559

Republic of the Philippines
Congress of the Philippines
Metro Manila
Seventeenth Congress
Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.

[REPUBLIC ACT NO. 11204]

AN ACT EXTENDING 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:

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

“SECTION 1. *Nature and Scope of Franchise.*

– Subject to the provisions of the Constitution and applicable laws, rules and regulations on public telecommunications, the franchise granted to Ermita Electronics, Incorporated, presently known as G. Telecoms, Inc., hereunder referred to as the grantee, its successors or assignees under Republic Act No. 8196, to construct, establish, install, maintain, and operate for commercial purposes and in the public interest, in the Philippines and between the Philippines and other countries and territories, 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 is hereby extended for another twenty-five (25) years from the effectivity of this Act.”

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 and other supports for wires or other conductors and for the purpose of laying and maintaining underground wires, cables, pipes or other conductors, the grantee, its successors or assignees, is authorized 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 subject to the prior approval of the Department of Public Works and Highways (DPWH) and/or the local government unit (LGU) concerned, as may be appropriate: *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 at the expense of the said grantee, its successors or assignees, in accordance with the standards set by the DPWH or the LGU concerned. Should the grantee, its successors or assignees, after the ten (10)-day notice from the said authority, fail, refuse, or neglect to repair or replace any part of public place, road, highway, street, lane, alley, avenue, sidewalk, or bridge disturbed, altered or changed by the said grantee, its successors or assignees, then the DPWH or the LGU concerned shall have the right to have the same repaired and placed in good order and condition, and charge the grantee, its successors or assignees, at double the amount of the costs and expenses for such repair or replacement.”

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

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

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

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

“SEC. 9. *Acceptance of Franchise.* – Acceptance of the terms of this franchise shall be given in writing 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, within sixty (60) days from the effectivity of this Act. Upon giving such acceptance, the grantee shall exercise the privileges granted under this Act. Nonacceptance shall render the franchise void.”

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

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

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

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

“SEC. 15. *Sale, Lease, Transfer, Usufruct, or Assignment of Franchise.* – The grantee shall not sell, lease, transfer, grant the usufruct of, nor

assign this franchise or the rights and privileges acquired thereunder to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other corporation or entity, nor shall transfer the controlling interest of the grantee, whether as a whole or in parts, and whether simultaneously or contemporaneously, to any person, firm, company, corporation or entity without the prior approval of the Congress of the Philippines: *Provided*, That Congress shall be informed of any sale, lease, transfer, grant of usufruct, or assignment of franchise or the rights and privileges acquired thereunder, or of the merger, or transfer of controlling interest of the grantee, within sixty (60) days after the completion of said transaction: *Provided, further*, That failure to report to Congress such change of ownership shall render the franchise *ipso facto* revoked: *Provided, finally*, That any person or entity to which this franchise is sold, transferred, or assigned, shall be subject to the same conditions, terms, restrictions, and limitations of this Act.”

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

“SEC. 17. *Equality Clause.* – Except for taxes and customs duties, any advantage, favor, privilege, exemption, or immunity granted under other 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 nor affect the provisions of telecommunications franchises concerning territory, the term, or the type of service authorized by the franchise.”

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

“SEC. 20. *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 reportorial compliance certificate issued by Congress shall be required before any application for permit or certificate is accepted by the NTC.”

SEC. 11. *Fine.* – Failure of the grantee to submit the requisite annual report to Congress shall be penalized with a 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 it shall impose.

SEC. 12. *Adoption of Provisions Not Inconsistent with this Act.* – All other provisions of Republic Act No. 8196, which are not inconsistent with the provisions of this Act, shall continue to be in full force and effect.

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

SEC. 14. *Repealability and Exclusivity Clause.* – This franchise is granted with the understanding and upon condition that it shall be subject to amendment, alteration or repeal by the Congress of the Philippines when the public interest and common good so require and shall not be interpreted as an exclusive grant of the privilege herein provided for.

SEC. 15. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations or parts or provisions thereof which are not consistent with this Act are hereby repealed, amended, or modified accordingly.


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

Approved,


VICENTE C. SOTTO III
President of the Senate



GLORIA MACAPAGAL-ARROYO
Speaker of the House of Representatives


This Act which originated in the House of Representatives was passed by the House of Representatives and the Senate on May 15, 2017 and November 12, 2018, respectively.


MYRA MARIE D. VILLARICA
Secretary of the Senate


DANTE ROBERTO P. MALING
Acting Secretary General House of Representatives


Approved: FEB 14 2019


RODRIGO ROA DUTERTE
President of the Philippines



OFFICE OF THE PRESIDENT
MANAGING RECORDS OFFICE

CERTIFIED COPY


ATTY. CONCEPCION ZELY E. FERNANDEZ-ENAD
DIRECTOR IV

4. 28-2019

