Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5797

INTRODUCED BY REPRESENTATIVE JOSE “PINGPING” I. TEJADA

EXPLANATORY NOTE

The proposed law seeks to extend Bayan Telecommunications, Inc. (formerly “International Communications Corporation; hereinafter “Bayantel”) legislative franchise for another twenty-five (25) years.

Bayantel is a corporation organized and existing under the laws of Republic of the Philippines, and one hundred percent (100%) owned and controlled by Globe Telecom Inc. The registered address and principal place of business of Bayantel is Bayantel Operation Center, 234 Roosevelt Avenue, San Francisco Del Monte, Quezon City.

Bayantel provides wireline, data and corporate communications solutions to households and business clients under the Globe Group of Companies. It provides fixed-line telecommunications, wireless and fixed line broadband and convergent services, and networks for enterprise clients. It also offers wireline voice services, which offers businesses access to advanced telecommunications functions and features; and wireline data services, which provides business customers high-speed data services over a nationwide broadband network.

The National Telecommunications Commission (NTC), in Certificates of Public Convenience and Necessity (CPCN), granted Bayantel with the authority to install, construct, operate and maintain Local Exchange Carrier (LEC); International Gateway Facility (IGF); Cellular Mobile Telephone System (CMTS); digital telephone exchanges; trunk mobile radio system (Metro Manila); domestic (data and voice) communications at additional speeds; full duplex point-to-multi point radio communications network for data throughout the Philippines; and cable landing station and submarine cable system that links the Philippines and the United States of America. As of March 2019, Bayantel serves a total of not less than 110,000 subscribers in wired/fixed line, wireless home broadband, fixed line broadband - residential and business telecom services.
Bayanet’s franchise will expire on 09 August 2021. The extension thereof will allow Bayanetel to continue providing various telecommunications services throughout the Philippines and between the Philippines and other countries and territories at rates affordable to the consuming public.

The immediate passage of the measure, which will further amend and further extend Republic Act No. 3259, as amended by Republic Act No. 7633 will be, in essence, in recognition of Bayanet’s contribution in nation-building. Over the years, Bayanet has been rolling-out its fixed line, wireless broadband and fixed line broadband and telecommunication services throughout the country. Bayanet proved its financial and technical capability to operate and maintain a vast telecommunications network.

Extending Bayanet’s franchise will also ensure the uninterrupted and improved delivery of its services to the Filipino people and will allow Bayanetel to construct, establish, install, maintain, lease, co-use, purchase and operate the corresponding transmitting and receiving stations, satellites, lines, systems, networks, international gateways, local exchanges, and platforms as it may consider necessary and convenient, or reasonable.

It is to the best interest of the State and public that Bayanetel’s franchise be extended.

The immediate passage of the proposed law is earnestly sought.

JOSE “PINGPING” A. TEJADA
3rd District, Province of Cotabato
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
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5797

HOUSE BILL NO._____

INTRODUCED BY REPRESENTATIVE JOSE “PINGPING” I. TEJADA

AN ACT
EXTENDING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO
INTERNATIONAL COMMUNICATIONS CORPORATION PRESENTLY KNOWN AS BAYAN
TELECOMMUNICATIONS INC., FURTHER AMENDING CERTAIN SECTIONS OF
REPUBLIC ACT NO. 3259, ENTITLED “AN ACT GRANTING THE INTERNATIONAL
COMMUNICATIONS CORPORATION A FRANCHISE TO ESTABLISH RADIO STATIONS,
FOR DOMESTIC TELECOMMUNICATIONS, RADIOPHONE, BROADCASTING AND
TELECASTING” AS AMENDED BY REPUBLIC ACT NO. 7633, AND FOR OTHER
PURPOSES

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

Section 1. Section Four of Republic Act No. 3259, as amended by Republic Act No.
4905, which was further amended by Republic Act No. 7633 is hereby furthermore
amended to read as follows:

"Sec. 4. The franchise of the grantee, as herein amended, is hereby
extended by twenty-five (25) years from the expiration thereof on 9

Section 2. Section Five of Republic Act No. 7633 is hereby amended to read as follows:

"Sec. 5. SUBJECT TO THE REQUIREMENTS OF SECURITIES AND
EXCHANGE COMMISSION AND THE STOCK EXCHANGE CONCERNED
[In compliance which the constitutional mandate to democratize
ownership of public utilities], the herein grantee shall make public
utilities offering to the stock exchanges at least thirty percent (30%) of
its AUTHORIZED CAPITAL [common] stock IN ANY SECURITIES
EXCHANGE IN THE PHILIPPINES within a period of three (3) years from the date of effectivity of this Act [provided, that no single person or entity shall be allowed to own more than five percent (5%) of the stock] UNLESS THE GRANTEE IS WHOLLY OWNED BY A PUBLICLY LISTED COMPANY WITH AT LEAST THIRTY PERCENTUM (30%) OF WHOSE AUTHORIZED CAPITAL STOCK IS PUBLICLY OWNED.”

Section 3. Section Sixteen of Republic Act No. 7633 is hereby amended to read as follows:

“SECTION 16. 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, partnership, corporation or other commercial or legal entity, nor merge with any other person, firm, company, partnership or corporation organized for the same purpose WITHOUT THE PRIOR APPROVAL OF THE CONGRESS OF THE PHILIPPINES, except (A) where the grantee is the surviving corporation; (B) WHEN THE TRANSFER IS DONE THROUGH A STOCK EXCHANGE TRANSACTION; (C) WHEN THE TRANSFER IS DONE FOR PURPOSES OF QUALIFYING PERSONS FOR ELECTION TO THE BOARD; (D) WHEN THE TRANSFEREE IS A CORPORATION THAT IS CONTROLLED BY THE SAME STOCKHOLDERS AS THAT OF THE GRANTEE; (E) WHEN THE TRANSFEREE IS A PERSON, FIRM, COMPANY, CORPORATION OR ENTITY WITH A VALID AND EXISTING LEGISLATIVE FRANCHISE FOR TELECOMMUNICATIONS [without the prior approval of the Congress of the Philippines.]; PROVIDED, FURTHER, THAT ANY SUCH TRANSFER, SALE OR ISSUANCE IS IN ACCORDANCE WITH ANY APPLICABLE CONSTITUTIONAL PROVISION.

Any corporation to which this franchise may be sold, transferred or assigned shall be subject to [the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, partnership, corporation or other commercial or legal entity to which this franchise is sold, transferred or assigned shall be subject to] all conditions, terms, restrictions and limitations of this ACT [franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, partnership, corporation or other commercial or legal entity]."
Section 4. Section Eighteen of Republic Act No. 7633 is hereby amended to read as follows:

"SECTION 18. [Within sixty (60) days after effectivity of this Act, the grantee shall file with the National Telecommunications Commission its written acceptance of this Act and all the terms and conditions hereof and, in default of such acceptance, within the time so limited, this Act shall become null and void.] THE GRANTEE SHALL IMPROVE AND UPGRADE ITS EQUIPMENT, FACILITIES, AND SERVICES IN ORDER TO ENSURE EFFECTIVE COMPLIANCE WITH THE OBJECTIVES OF REPUBLIC ACT NO. 10639 OR THE ‘FREE MOBILE DISASTER ALERTS ACT’"

Section 5. The present Sections 20, 21 and 22 of Republic Act No. 7633 are hereby renumbered as Sections 23, 24 and 25 respectively.

Section 6. The new Section 20 shall now read as follows:

"SEC. 20. CONTRACT WITH PRIVATE ENTITIES. THE GRANTEE IS AUTHORIZED TO CONTRACT THE INSTALLATION AND OPERATIONS OF THE TELECOMMUNICATIONS SYSTEM WHICH IS THE SUBJECT OF THIS GRANT WITH ENTITIES WITH EXPERTISE IN THE FIELD OF TELECOMMUNICATIONS UNDER SUCH TERMS AND CONDITIONS AS MAY BE APPROVED BY THE NATIONAL TELECOMMUNICATIONS COMMISSION."

Section 7. The new Section 21 shall now read as follows:

"SECTION 21. REPORTORIAL REQUIREMENTS. – 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."
Section 8. The new Section 22 shall now read as follows:

"SECTION 22. EQUALITY CLAUSE. — ANY ADVANTAGE, FAVOR, PRIVILEGE, EXEMPTION, OR IMMUNITY GRANTED UNDER EXISTING FRANCHISE, 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 AND UNCONDITIONALLY TO THE HEREBIN GRANTEE: PROVIDED, THAT THE FOREGOING SHALL NEITHER APPLY NOR AFFECT PROVISIONS OF TELECOMMUNICATIONS FRANCHISES CONCERNING TERRITORY COVERED BY THE FRANCHISE, THE LIFESPAN OF THE FRANCHISE OR TYPE OF SERVICE AUTHORIZED BY THE FRANCHISE."

Section 9. All the other provisions, terms and conditions contained in Republic Act No. 3259 and Republic Act No. 7633 which are not inconsistent with the provisions of this act and remain unrepealed shall continue to be in full force and effect.

Section 10. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in an newspaper of general circulation in the Philippines.

Approved: