

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session



COMMITTEE REPORT NO. 1194

Submitted by the Committee on Legislative Franchises on September 8, 2021

Re: House Bill No. 10169

Recommending its approval in substitution of House Bill No. 9896

Sponsors: Representatives Franz E. Alvarez, and Jose Enrique "Joet" S. Garcia III

Mr. Speaker:

The Committee on Legislative Franchises to which was referred House Bill No. 9896, authored by Rep. Jose Enrique "Joet" S. Garcia III entitled:

"ACT GRANTING ASPIRE MEDIA TECHNOLOGIES AND VENTURES, INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE AND MAINTAIN TELECOMMUNICATIONS SYSTEMS IN THE PROVINCE OF BATAAN, THE PROVINCE OF ZAMBALES, AND THE CITY OF OLONGAPO"

has considered the same and recommends that the attached House Bill No. 10169 entitled:

"AN ACT GRANTING ASPIRE MEDIA TECHNOLOGIES AND VENTURES INC., A FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND MAINTAIN TELECOMMUNICATIONS SERVICES IN THE PROVINCE OF BATAAN"

be approved in substitution of House Bill No. 9896 with Reps. Jose Enrique "Joet" S. Garcia III, Franz E. Alvarez, Strike B. Revilla, Edward Vera Perez Maceda, Jericho Jonas B. Nograles, John Marvin "Yul Servo" C. Nieto, Xavier Jesus D. Romualdo, Alfredo A. Garbin, Jr., Deogracias Victor "DV" B. Savellano, Faustino "Inno" A. Dy, Ann K. Hofer, Claudine Diana D. Bautista, Emmarie "Lolypop" M. Quano-Dizon, Micaela S. Violago, and Gabriel H. Bordado, Jr. as authors thereof.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'Franz E. Alvarez', is positioned above the printed name.

FRANZ E. ALVAREZ
Chairperson
Committee on Legislative
Franchises

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 10169
(In substitution of House Bill No. 9896)

Introduced by Reps. Jose Enrique “Joet” S. Garcia III, Franz E. Alvarez, Strike B. Revilla, Edward Vera Perez Maceda, Jericho Jonas B. Nograles, John Marvin “Yul Servo” C. Nieto, Xavier Jesus D. Romualdo, Alfredo A. Garbin, Jr., Deogracias Victor “DV” B. Savellano, Faustino “Inno” A. Dy, Ann K. Hofer, Claudine Diana D. Bautista, Emmarie “Lolypop” M. Quano-Dizon, Micaela S. Violago, and Gabriel H. Bordado, Jr.

AN ACT
GRANTING ASPIRE MEDIA TECHNOLOGIES AND VENTURES INC., A
FRANCHISE TO CONSTRUCT, INSTALL, ESTABLISH, OPERATE, AND
MAINTAIN TELECOMMUNICATIONS SERVICES IN THE PROVINCE OF BATAAN

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 provisions of
2 the Constitution and applicable laws, rules and regulations, there is hereby granted to
3 ASPIRE MEDIA TECHNOLOGIES AND VENTURES INC., hereunder referred as the
4 Grantee, its successor or assignees, a franchise to construct, install, establish,
5 operate, and maintain for commercial purposes and in the public interest, throughout
6 the Province of Bataan, wired and wireless telecommunications systems, including
7 internet access, through copper, fiber optics, satellite systems, switches and all other
8 telecommunications system or information and communications technologies as are
9 at present available or will be made available through technological advances or
10 innovations in the future, and offer telecommunications services, value-added
11 services, including internet access service, or other electronic communication
12 services, such as the transmission and reception of voice, data, facsimile, control
13 signs, audio and video information services, or to construct, acquire, lease and
14 operate, or to manage transmitting and receiving stations, lines, cables or systems, as
15 are convenient or essential to efficiently carry out the purpose of this franchise.
16

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

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

13 In case of any violation of the provisions of this franchise, the NTC shall have
14 the authority to revoke or suspend, after due process, the permits or licenses it issued
15 pursuant to the franchise. The NTC may recommend to the Congress of the
16 Philippines (Congress) the revocation of the franchise for any violation of the
17 provisions of this franchise.
18

19 **SEC. 4. Excavation and Restoration Works.** – For the purpose of erecting
20 and maintaining poles or other supports for wires or other conductors, and for laying
21 and maintaining of underground wires, cables, or other conductors, it shall be lawful
22 for the Grantee, its successors or assignees, with the prior approval of the Department
23 of Public Works and Highways (DPWH) or the local government unit (LGU) concerned,
24 as may be appropriate, to make excavations or lay conduits in any of the public places,
25 roads, highways, streets, lanes, alleys, avenues, sidewalks, or bridges of the province,
26 cities, or municipalities: *Provided, however,* That a public place, road, highway, street,
27 lane, alley, avenue, sidewalk, or bridge disturbed, altered, or changed by reason of
28 erection of poles or other supports or the underground laying of wires, other
29 conductors or conduits, shall be repaired and replaced in workmanlike manner by the
30 Grantee, its successors or assignees, in accordance with the standards set by the
31 DPWH or the LGU concerned. Should the Grantee, its successors or assignees, after
32 the ten (10)-day notice from the said authority, fail, refuse, or neglect to repair or
33 replace any part of public place, road, highway, street, lane, alley, avenue, sidewalk,
34 or bridge altered, changed or disturbed by the Grantee, its successors or assignees,
35 then the DPWH or the LGU concerned shall have the right to have the same repaired
36 and placed in good order and condition, and charge the Grantee, its successors or
37 assignees, double the amount of the costs and expenses for such repair or
38 replacement.
39

40 **SEC. 5. Responsibility to the Public.** - The Grantee shall conform to the ethics
41 of honest enterprise and not use its stations or facilities for obscene or indecent
42 transmission, or for dissemination of deliberately false information, or willful
43 misrepresentation, or assist in subversive or treasonable acts.
44

45 The Grantee shall operate and maintain all its stations, lines, cables, systems,
46 and equipment for the transmission and reception of messages, signals, and pulses in
47 a satisfactory manner at all times, and as far as economical and practicable, modify,
48 improve, or change such stations, lines, cables, systems, and equipment to keep
49 abreast with the advances in science and technology.
50

51 The Grantee shall improve and extend its services in areas not yet served, and
52 in hazard-and typhoon-prone areas that shall be identified by the National Disaster

1 Risk Reduction and Management Council, or its legal successor, in coordination with
2 the NTC.

3 The Grantee shall also improve and upgrade its equipment, facilities and
4 services, in order to ensure effective compliance with the objectives of Republic Act
5 No. 10639, or the “Free Mobile Disaster Alerts Act”.

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

14
15 **SEC. 7. Right of Government.** – The radio spectrum is a finite resource that
16 is part of the national patrimony, and the use thereof is a privilege conferred upon the
17 Grantee by the State that may be withdrawn any time after due process.

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

27
28 **SEC. 8. Term of Franchise.** – This franchise shall be in effect for a period of
29 twenty-five (25) years from the date of the effectivity of this Act, unless sooner
30 cancelled. This franchise shall be deemed *ipso facto* revoked in the event that the
31 Grantee fails to comply with any of the following conditions:

- 32
33 (a) commencement of operations within three (3) years from the approval of
34 its operating permit by the NTC;
35 (b) commencement of operations within five (5) years from the effectivity of
36 this Act; and
37 (c) continuous operation for two (2) years.

38
39 **SEC. 9. Bond.** – The Grantee shall file a bond with the NTC, in the amount
40 that the NTC shall determine, to guarantee compliance with and fulfillment of the
41 conditions under which this franchise is granted. If, after three (3) years from the date
42 of approval of its permit by the NTC, the Grantee shall have fulfilled the same, the
43 bond shall be released by the NTC. Otherwise, the bond shall be forfeited in favor of
44 the government and the franchise *ipso facto* revoked.

45
46 **SEC. 10. Right of Interconnection.** – The Grantee is hereby authorized to
47 connect or demand connection of its telecommunications systems to other
48 telecommunications systems installed, operated, and maintained by any other duly
49 authorized person or entity in the Philippines for the purpose of providing extended
50 and improved telecommunications services to the public, under the terms and
51 conditions mutually agreed upon by the parties concerned. This right shall be subject
52 to the review and modification of the NTC.

1 SEC. 11. **Warranty in Favor of the National and Local Governments.** - The
2 Grantee shall hold the national, provincial, city, and municipal governments of the
3 Philippines free from all claims, liabilities, accounts, demands, or actions arising out of
4 accidents causing injury to persons or damage to properties, during the construction
5 or operation of the stations, transmitters, facilities, or equipment of the Grantee.
6

7 SEC. 12. **Sale, Lease, Transfer, Grant of Usufruct, or Assignment of**
8 **Franchise.** – The Grantee shall not sell, lease, transfer, grant the usufruct of, nor
9 assign this franchise or the rights and privileges acquired thereunder to any person,
10 firm, company, corporation, or other commercial or legal entity, nor merge with any
11 other corporation or entity, nor shall the controlling interest of the Grantee be
12 transferred, simultaneously or contemporaneously, to any person, firm, company,
13 corporation, or entity without the prior approval of Congress. The Grantee shall inform
14 Congress, through the Office of the Speaker of the House of Representatives and the
15 Office of the Senate President, of any sale, lease, transfer, grant of usufruct, or
16 assignment of franchise or the rights and privileges acquired thereunder, or of the
17 merger or transfer of the controlling interest of the Grantee, within sixty (60) days after
18 the completion of the said transaction. Failure to report to Congress such change of
19 ownership shall render the franchise *ipso facto* revoked. Any person or entity to which
20 this franchise is sold, transferred, or assigned shall be subject to the same conditions,
21 terms, restrictions, and limitations of this Act.
22

23 SEC. 13. **Dispersal of Ownership.** - In accordance with the constitutional
24 provision to encourage public participation in public utilities, the Grantee shall offer to
25 Filipino citizens at least thirty percent (30%) of its common stocks, or a higher
26 percentage that may hereafter be provided by law, in any securities exchange in the
27 Philippines within five (5) years from the effectivity of this Act: *Provided*, That in cases
28 where the public offer of shares is not applicable, other methods of encouraging public
29 participation by citizens and corporations operating public utilities must be
30 implemented. Noncompliance therewith shall render the franchise *ipso facto* revoked.
31

32 Sec. 14. **Commitment to Provide and Promote the Creation of Employment**
33 **Opportunities.** - The Grantee shall create employment opportunities and accept on-
34 the-job trainees in its franchise operations: *Provided*, That priority shall be accorded
35 to the residents of the place where the principal office of the Grantee is located:
36 *Provided, further*, That the Grantee shall comply with the applicable labor standards
37 and allowance entitlement under existing labor laws, rules and regulations, and similar
38 issuances.
39

40 The employment opportunities or jobs created shall be reflected in the General
41 Information Sheet (GIS) to be submitted to the Securities and Exchange Commission
42 (SEC) annually.
43

44 SEC. 15. **Reportorial Requirement.** – The Grantee shall submit an annual
45 report on its compliance with the terms and conditions of the franchise and on its
46 operations to the Congress of the Philippines, through the Committee on Legislative
47 Franchises of the House of Representatives and the Committee on Public Services of
48 the Senate, on or before April 30 of every year during the term of its franchise.
49

50 The annual report shall include an update on the commencement of activities,
51 development, operation, and expansion of business; audited financial statements;
52 latest GIS officially submitted to the SEC, if applicable; certification of the NTC on the

1 status of its permits and operations; and an update on the dispersal of ownership
2 undertaking, if applicable.

3
4 The reportorial compliance certificate issued by Congress shall be required
5 before any application for permit or certificate is accepted by the NTC.

6
7 SEC. 16. **Fine.** – The failure of the Grantee to submit the requisite annual report
8 to Congress shall be penalized with a fine in the amount of One million pesos
9 (P1,000,000.00) per working day of noncompliance, the effectivity of which shall
10 commence upon applicability with other telecommunications franchise grantees:
11 *Provided*, That in the interim, the Grantee shall be liable to pay the fine of Five hundred
12 pesos (P500.00) per working day of noncompliance. The fine shall be collected by the
13 NTC from the delinquent franchise Grantee separate from the reportorial penalties
14 imposed by the NTC, and the same shall be remitted to the Bureau of the Treasury.

15
16 SEC. 17. **Equality of Treatment in the Telecommunications Industry.** – Any
17 advantage, favor, privilege, exemption, or immunity granted under existing franchises,
18 or which may hereafter be granted for telecommunications, upon prior review and
19 approval of Congress, shall become part of this franchise and shall be accorded
20 immediately and unconditionally to the herein Grantee: *Provided*, That the foregoing
21 shall neither apply to nor affect the provisions of telecommunications franchises
22 concerning territorial coverage, the term, or the type of service authorized by the
23 franchise.

24
25 SEC. 18. **Repealability and Nonexclusivity Clause.** – This franchise shall be
26 subject to amendment, alteration, or repeal by Congress when the public interest so
27 requires and shall not be interpreted as an exclusive grant of the privilege herein
28 provided for.

29
30 SEC. 19. **Separability Clause.** – If any of the sections or provisions of this Act
31 is held invalid, all other provisions not affected thereby shall remain valid.

32
33 SEC. 20. **Repealing Clause.** – All laws, decrees, orders, resolutions,
34 instructions, rules and regulations, and other issuances or parts thereof which are
35 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
36 accordingly.

37
38 SEC. 21. **Effectivity.** – This Act shall take effect fifteen (15) days after its
39 publication in the *Official Gazette* or in a newspaper of general circulation.

40
41 Approved,