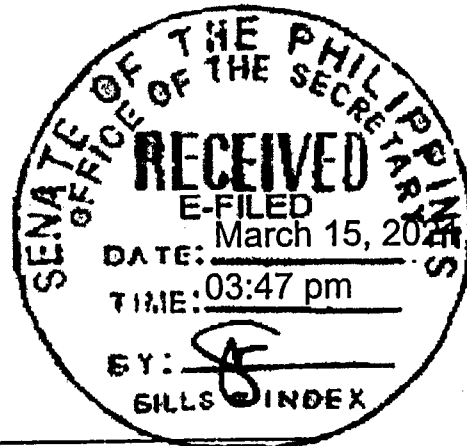


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE

COMMITTEE REPORT NO. 206

Submitted by the Committee on Public Services on March 15, 2021

Re: **House Bill No. 7332**

Recommending its approval with amendments.

Sponsor: **Senator Grace Poe**

MR. PRESIDENT:

The Committee on Public Services, to which was referred **House Bill No. 7332**, introduced by **Representatives Gatchalian, Alvarez (F.), and Savellano**, entitled:

AN ACT

RENEWING FOR ANOTHER TWENTY-FIVE (25) YEARS THE FRANCHISE GRANTED TO MINDANAO ISLAMIC TELEPHONE COMPANY, INC., PRESENTLY KNOWN AS DITO TELECOMMUNITY CORPORATION, UNDER REPUBLIC ACT NO. 8627, ENTITLED AN ACT GRANTING THE MINDANAO ISLAMIC TELEPHONE COMPANY, INC., A FRANCHISE TO CONSTRUCT, ESTABLISH, INSTALL, MAINTAIN AND OPERATE WIRE AND/OR WIRELESS TELECOMMUNICATIONS SYSTEM IN THE PHILIPPINES

has considered the same and has the honor to report back to the Senate with the recommendation that it be approved with the following amendments:

1. On page 4, Section 6, starting on line 16, after the word 'successor', delete the succeeding sentence;
2. On page 5, line 3, insert a new Section 9 to read as follows:

"SEC. 9. RENEWAL OR EXTENSION OF FRANCHISE. – THE GRANTEE SHALL APPLY FOR THE RENEWAL OR EXTENSION OF ITS FRANCHISE THREE (3) YEARS BEFORE ITS EXPIRATION WHICH SHALL BE RECKONED FROM FIFTEEN (15) DAYS AFTER THE

**PUBLICATION OF THE FRANCHISE IN THE OFFICIAL GAZETTE OR
IN A NEWSPAPER OF GENERAL CIRCULATION."**

Renumber the succeeding sections accordingly.

3. On the same page, line 12, after the word 'mechanism,', insert the phrase **'INCLUDING THE REQUIRED INFRASTRUCTURE AND PROCESSES,'**
4. On the same page, lines 15 to 17, delete the last sentence.

Section 11 shall now read as follows:

"SEC. 11. *Mobile Number Portability.* – The grantee shall provide mobile number portability (MNP) and its implementing mechanism, **INCLUDING THE REQUIRED INFRASTRUCTURE AND PROCESSES,** and shall interconnect, directly or indirectly, with the infrastructure, facilities, systems, or equipment of other telecommunications franchise grantees. It shall not install network features, functions, or capabilities that will impede the implementation of a nationwide MNP system.

5. On page 6, line 5, delete the word 'common' and replace it with **'OUTSTANDING CAPITAL';**
6. On the same page, line 32, delete the phrase 'its regularized employees and secure a compliance and clearance' and replace it with **'TRAINEES AND WORKERS WHOSE EMPLOYMENT STATUS ARE MADE REGULAR, AND APPEND THE APPROPRIATE'**

On the same page, line 33, delete the phrase 'and its relevant attached agencies' and replace it with **'ATTESTING THAT IT HAS COMPLIED WITH THE EMPLOYMENT REQUIREMENT UNDER THIS SECTION.'**

The last paragraph of the newly renumbered Section 16 shall now read as follows:

"The employment opportunities or jobs created shall be reflected in the General Information Sheet (GIS) to be submitted to the Securities and Exchange Commission (SEC) annually. In addition, the grantee shall include in its annual report to Congress the number of **TRAINEES AND WORKERS WHOSE EMPLOYMENT STATUS ARE MADE REGULAR, AND APPEND THE APPROPRIATE** certificate from the Department of Labor and Employment **ATTESTING THAT IT HAS COMPLIED WITH THE EMPLOYMENT REQUIREMENT UNDER THIS SECTION.'**

7. On page 7, line 3, insert a new Section 18, to read as follows:

"SEC. 18. TAX PROVISIONS. – THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, 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 WHICH ARE NOW OR HEREAFTER MAY BE

REQUIRED BY LAW TO PAY, EXCEPT RADIO TELECOMMUNICATIONS AND ELECTRONIC COMMUNICATIONS EQUIPMENT, MACHINERY AND SPARE PARTS NEEDED IN CONNECTION WITH THE BUSINESS OF THE GRANTEE WHICH SHALL BE EXEMPT FROM CUSTOMS DUTIES, TARIFFS AND OTHER TAXES, AS WELL AS THOSE DECLARED EXEMPT IN THIS SECTION. IN ADDITION THERETO, THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, SHALL PAY A VALUE-ADDED TAX ON ALL GROSS RECEIPTS OF THE BUSINESS TRANSACTED UNDER THIS FRANCHISE BY THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, IN THE PHILIPPINES, IN LIEU OF ANY AND ALL TAXES OF ANY KIND, NATURE OR DESCRIPTION LEVIED, ESTABLISHED OR COLLECTED BY AN AUTHORITY WHATSOEVER INCLUDING, BUT NOT LIMITED TO, CITY, MUNICIPAL, PROVINCIAL OR NATIONAL, FROM WHICH THE GRANTEE IS HEREBY EXPRESSLY EXEMPTED EFFECTIVE FROM THE DATE OF THE EFFECTIVITY OF THIS ACT: *PROVIDED*, THAT THE GRANTEE, ITS SUCCESSORS OR ASSIGNEES, 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.

THE GRANTEE SHALL FILE THE RETURN WITH AND PAY THE TAX DUE THEREON TO THE COMMISSIONER OF INTERNAL REVENUE OR HIS DULY AUTHORIZED REPRESENTATIVE IN ACCORDANCE WITH THE NATIONAL INTERNAL REVENUE CODE AND THE RETURN SHALL BE SUBJECT TO AUDIT BY THE BUREAU OF INTERNAL REVENUE."

Renumber the succeeding sections accordingly.

8. On page 7, line 29, after the word granted, insert the phrase:

"UPON PRIOR REVIEW AND APPROVAL OF CONGRESS"

The new Section 21 shall now read as follows:

"Any advantage, favor, privilege, exemption, or immunity granted under existing franchises, or may hereafter be granted **UPON PRIOR REVIEW AND APPROVAL OF CONGRESS**, shall *ipso facto* become part of previously granted telecommunications franchises and shall be accorded immediately and unconditionally to the grantees of such franchises: *Provided, however*, That the foregoing shall neither apply to nor affect provisions of telecommunications franchises concerning territory covered by the franchise, the life span of the franchise, or the type of service authorized by the franchise."

9. On page 7, line 35, insert a new Section 22 to read as follows:

"SEC. 22. APPLICABILITY. – ALL OTHER PROVISIONS OF REPUBLIC ACT NO. 8627 WHICH ARE NOT INCONSISTENT WITH THE PROVISIONS OF THIS ACT AND REMAIN UNREPEALED SHALL CONTINUE TO BE IN FULL FORCE AND EFFECT; PROVIDED, THAT ALL PENDING SUITS OF WHATEVER KIND OR NATURE, WHETHER CIVIL, CRIMINAL OR ADMINISTRATIVE FILED BY OR AGAINST THE GRANTEE IN CONNECTION WITH THE PROVISIONS OF REPUBLIC ACT NO. 8627 SHALL CONTINUE TO BE PROSECUTED UNDER THE SAID LAW: PROVIDED, FURTHER, THAT ALL VALID AND EXISTING LIABILITIES, FINES, PENALTIES, SURCHARGES AND/OR UNPAID TAX ASSESSMENTS OF THE GRANTEE FROM APRIL 19, 1998 UNTIL THE EFFECTIVITY OF THIS NEW ACT SHALL REMAIN VALID AND ENFORCEABLE UNDER REPUBLIC ACT NO. 8627."

Renumber the succeeding sections accordingly.

Respectfully submitted,


SEN. GRACE POE
Chairperson

Vice-Chairpersons:


SEN. RAMON BONG REVILLA JR.


SEN. WIN GATCHALIAN

Will interpellate


SEN. PANFILO M. LACSON

SEN. EMMANUEL "MANNY" D. PACQUIAO

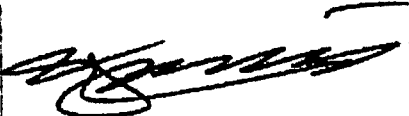
Members:



SEN. MARIA LOURDES NANCY S. BINAY



SEN. CHRISTOPHER BONG GO



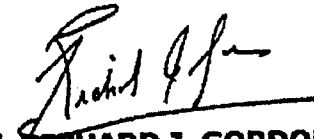
SEN. FRANCIS "TOL" N. TOLENTINO



SEN. JOEL VILLANUEVA



SEN. MANUEL "LITO" M. LAPID

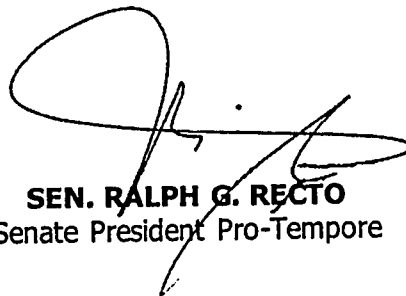


SEN. RICHARD J. GORDON

SEN. FRANCIS "KIKO" N. PANGILINAN

SEN. RISA HONTIVEROS

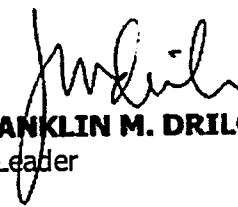
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SEN. RALPH G. RECTO
Senate President Pro-Tempore



SEN. JUAN MIGUEL F. ZUBIRI
Majority Leader



SEN. FRANKLIN M. DRILON
Minority Leader

HON. VICENTE C. SOTTO III
Senate President