


THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
Third Regular Session

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. 210

Submitted by the Committee on Public Services on 20 DEC 2006

Re : House Bill No. 5373

Recommending its approval with amendments.

Sponsor: Senator Arroyo

MR. PRESIDENT:

The Committee on Public Services, to which was referred House Bill No. 5373, introduced by Representatives Codilla, Cari, Zubiri, Veloso, Lagbas, Mitra, Badelles, Lopez (J.), Nicolas, Zamora (M.), Bueser, Taliño-Santos, Defensor (A.) and Malapitan, entitled:

**“AN ACT
AMENDING THE FRANCHISE OF ORMOC CITY TELEPHONE COMPANY,
INC. GRANTED UNDER REPUBLIC ACT NO. 3482, AND
EXTENDING/RENEWING THE TERM THEREOF TO ANOTHER TWENTY-FIVE
(25) YEARS FROM THE DATE OF EFFECTIVITY OF THIS ACT”**

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

1. On page 2, line 1, before the article “a”, delete the phrase, “its successors or assigns,”;
2. On page 8, before Section 10 (Gross Receipts), insert a new section to read as follows:


**“SEC. ____ . TAX PROVISIONS. – THE GRANTEE,
ITS SUCCESSORS OR ASSIGNS, SHALL BE
SUBJECT TO THE PAYMENT OF ALL TAXES,
DUTIES, FEES OR CHARGES AND OTHER
IMPOSITIONS UNDER THE NATIONAL INTERNAL
REVENUE CODE (NIRC) OF 1997, AS AMENDED,
AND OTHER APPLICABLE LAWS: PROVIDED,**

THAT NOTHING HEREIN SHALL BE CONSTRUED AS REPEALING ANY SPECIFIC TAX EXEMPTIONS, INCENTIVES OR PRIVILEGES GRANTED UNDER ANY RELEVANT LAW; *PROVIDED, FURTHER*, THAT ALL RIGHTS, PRIVILEGES, BENEFITS AND EXEMPTIONS ACCORDED TO EXISTING AND FUTURE TELECOMMUNICATIONS FRANCHISES SHALL LIKEWISE BE EXTENDED TO THE GRANTEE."

"THE GRANTEE SHALL FILE THE RETURN WITH THE CITY OR PROVINCE WHERE ITS FACILITY IS LOCATED AND PAY THE TAXES DUE THEREON TO THE COMMISSIONER OF INTERNAL REVENUE OR HIS DULY AUTHORIZED REPRESENTATIVES IN ACCORDANCE WITH THE NIRC AND THE RETURN SHALL BE SUBJECT TO AUDIT BY THE BUREAU OF INTERNAL REVENUE."

3. On the same page, between lines 5 and 6, after the word "grantee", delete the punctuation comma "," and the phrase "its successors or assigns,";
4. On the same page, line 13, after the word "grantee", delete the punctuation comma "," and the phrase "its successors or assigns,";
5. On page 9, line 7, delete the subtitle "Sale, Lease, Transfer, Usufruct, Etc." and in lieu thereof insert a new subtitle to read as "NONTRANSFERABILITY OF FRANCHISE";
6. On the same page and section, line 22, after the word "act.", add the sentence, "ANY TRANSFER OF FRANCHISE IN VIOLATION OF THIS SECTION SHALL RENDER THE FRANCHISE *IPSO FACTO* REVOKED."
7. On page 10, delete the entire Section 14. - Dispersal of Ownership;
8. On the same page, line 18, before the word "any", insert the phrase, "EXCEPT FOR TAXES,"; and
9. Renumber the sections accordingly.

Respectfully submitted:



JOKER P. ARROYO
Chairman

Members:



RALPH G. RECTO



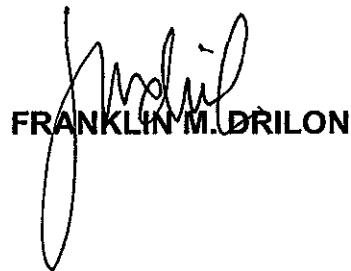
MAR ROXAS

RICHARD J. GORDON

Pro. J. Cayetano
"COMPAÑERA" PIA CAYETANO



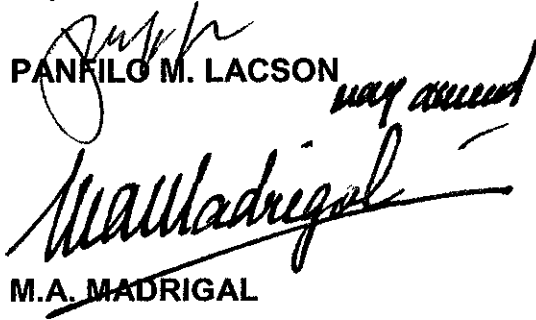
JUAN PONCE ENRILE



FRANKLIN M. DRILON

Ed / Mr
EDGARDO J. ANGARA
may amend

SERGIO OSMEÑA III

may amend

M.A. MADRIGAL

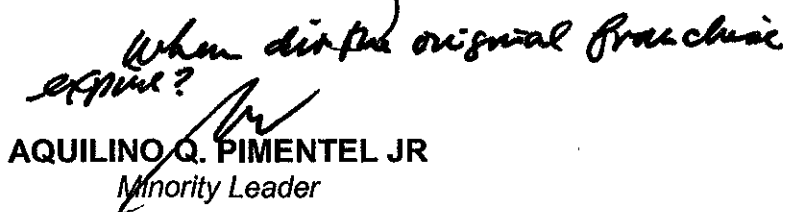
Ex-Officio Members:



JUAN M. FLAVIO
Pro-Tempore



FRANCIS N. PANGILINAN
Majority Leader

When does the original franchise expire?

AQUILINO Q. PIMENTEL JR
Minority Leader

Hon. MANNY VILLAR
President
Senate of the Philippines
Pasay City

CONGRESS OF THE PHILIPPINES
THIRTEENTH CONGRESS
Second Regular Session

}

HOUSE OF REPRESENTATIVES

H. No. 5373

BY REPRESENTATIVES CODILLA, CARI, ZUBIRI, VELOSO, LAGBAS, MITRA,
BADELLES, LOPEZ (J.), NICOLAS, ZAMORA (M.), BUESER, TALIÑO-
SANTOS, DEFENSOR (A.) AND MALAPITAN, PER COMMITTEE REPORT
NO. 1628

AN ACT AMENDING THE FRANCHISE OF ORMOC CITY TELEPHONE
COMPANY, INC. GRANTED UNDER REPUBLIC ACT NO. 3482,
AND EXTENDING/RENEWING THE TERM THEREOF TO
ANOTHER TWENTY-FIVE (25) YEARS FROM THE DATE OF
EFFECTIVITY OF THIS ACT

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

1 SECTION 1. The franchise of Ormoc City Telephone Company, Inc.
2 granted under Republic Act No. 3482, is hereby amended to read as follows:

3 "SECTION 1. *NATURE AND SCOPE OF FRANCHISE.* --

4 SUBJECT TO THE PROVISIONS OF THE CONSTITUTION AND

5 APPLICABLE LAWS, RULES AND REGULATIONS, THERE IS

6 HEREBY GRANTED TO THE ORMOC CITY TELEPHONE

7 COMPANY, INC., HEREUNDER REFERRED TO AS THE GRANTEE;

1 ITS SUCCESSORS OR ASSIGNS, A FRANCHISE TO CONSTRUCT,
2 INSTALL, ESTABLISH, OPERATE AND MAINTAIN FOR
3 COMMERCIAL PURPOSES AND IN THE PUBLIC INTEREST, LOCAL
4 EXCHANGE NETWORK, INCLUDING PUBLIC CALLING STATIONS
5 OR PAY TELEPHONE STATIONS OR WIRELESS LOCAL LOOP AND
6 THEIR VALUE-ADDED SERVICES IN THE PROVINCES OF LEYTE,
7 SOUTHERN LEYTE AND BILIRAN, INCLUDING ALL COMPONENT
8 AND CHARTERED CITIES THEREIN, AND FOR SUCH PURPOSE
9 PROVIDE BASIC TELEPHONE SERVICE CAPABLE OF ACCESSING
10 LOCAL, NATIONAL, INTERNATIONAL AND OTHER NETWORKS.

11 "SEC. 2. *MANNER OF OPERATION OF STATIONS OR*
12 *FACILITIES.* – THE STATIONS OR FACILITIES OF THE GRANTEE
13 SHALL BE CONSTRUCTED AND OPERATED IN A MANNER AS
14 WILL AT MOST RESULT ONLY IN THE MINIMUM INTERFERENCE
15 ON THE WAVELENGTHS OR FREQUENCIES OF EXISTING
16 STATIONS OR OTHER STATIONS WHICH MAY BE ESTABLISHED
17 BY LAW, WITHOUT IN ANY WAY DIMINISHING ITS OWN RIGHT
18 TO USE ITS SELECTED WAVELENGTHS OR FREQUENCIES AND
19 THE QUALITY OF TRANSMISSION OR RECEPTION THEREON AS
20 SHOULD MAXIMIZE RENDITION OF THE GRANTEE'S SERVICES
21 AND/OR THE AVAILABILITY THEREOF. IN NO WAY SHALL THE
22 OPERATIONS OF THE GRANTEE, NOR THE RADIATED POWER OF

1 ITS STATIONS OR FACILITIES, EXCEED THAT REQUIRED TO
2 COVER THE AREA WHERE IT IS ALLOWED TO OPERATE.

3 "SEC. 3. *AUTHORITY OF THE NATIONAL*
4 *TELECOMMUNICATIONS COMMISSION.* – THE GRANTEE SHALL
5 SECURE FROM THE NATIONAL TELECOMMUNICATIONS
6 COMMISSION (NTC), HEREINAFTER REFERRED TO AS THE
7 COMMISSION, A CERTIFICATE OF PUBLIC CONVENIENCE AND
8 NECESSITY OR THE APPROPRIATE PERMITS AND LICENSES FOR
9 THE CONSTRUCTION, INSTALLATION AND OPERATION OF ITS
10 TELECOMMUNICATIONS SYSTEMS/FACILITIES. IN ISSUING THE
11 CERTIFICATE, THE COMMISSION SHALL HAVE THE POWER TO
12 IMPOSE SUCH CONDITIONS RELATIVE TO THE CONSTRUCTION,
13 OPERATION, MAINTENANCE OR SERVICE LEVEL OF THE
14 TELECOMMUNICATIONS SYSTEM. THE COMMISSION SHALL
15 HAVE THE AUTHORITY TO REGULATE THE CONSTRUCTION AND
16 OPERATION OF ITS TELECOMMUNICATIONS SYSTEMS. THE
17 GRANTEE SHALL NOT USE ANY FREQUENCY IN THE RADIO
18 SPECTRUM WITHOUT HAVING BEEN AUTHORIZED BY THE
19 COMMISSION. SUCH CERTIFICATE SHALL STATE THE AREAS
20 COVERED AND THE DATE THE GRANTEE SHALL COMMENCE
21 THE SERVICE. THE COMMISSION, HOWEVER, SHALL NOT
22 UNREASONABLY WITHHOLD OR DELAY THE GRANT OF ANY
23 SUCH AUTHORITY, PERMITS OR LICENSES.

1 "SEC. 4. *RESPONSIBILITY TO THE PUBLIC.* - THE
2 GRANTEE SHALL CONFORM TO THE ETHICS OF HONEST
3 ENTERPRISE AND NOT USE ITS STATIONS/FACILITIES FOR
4 OBSCENE OR INDECENT TRANSMISSION OR FOR
5 DISSEMINATION OF DELIBERATELY FALSE INFORMATION OR
6 WILLFUL MISREPRESENTATION, OR ASSIST IN SUBVERSIVE OR
7 TREASONABLE ACTS.

8 "THE GRANTEE SHALL PROVIDE BASIC OR ENHANCED
9 TELEPHONE SERVICE WITHIN THE PROVINCES OF LEYTE,
10 SOUTHERN LEYTE AND BILIRAN, INCLUDING ALL COMPONENT
11 AND CHARTERED CITIES THEREIN, WHERE IT HAS AN
12 APPROVED CERTIFICATE OF PUBLIC CONVENIENCE AND
13 NECESSITY FOR THE ESTABLISHMENT, OPERATION AND
14 MAINTENANCE OF A LOCAL EXCHANGE SERVICE, WITHOUT
15 DISCRIMINATION TO ANY APPLICANT THEREFOR, IN THE
16 ORDER OF THE DATE OF THEIR APPLICATIONS, UP TO THE
17 LIMIT OF THE CAPACITY OF ITS LOCAL TELEPHONE
18 EXCHANGE, AND SHOULD THE DEMAND FOR THE TELEPHONE
19 SERVICE AT ANY TIME INCREASE BEYOND THE CAPACITY
20 THEREOF, THE GRANTEE SHALL INCREASE THE SAME TO MEET
21 SUCH DEMAND: *PROVIDED*, THAT IN CASE THE TOTAL DEMAND
22 TO BE SATISFIED BY THE EXPANSION IS LESS THAN THE
23 SMALLEST VIABLE LOCAL EXCHANGE AVAILABLE IN THE

1 MARKET AS DETERMINED BY THE COMMISSION, THE GRANTEE
2 SHALL NOT BE OBLIGED TO FURNISH SUCH SERVICE UNLESS
3 THE APPLICANT FOR TELEPHONE SERVICE DEFRAYS THE
4 ACTUAL EXPENSES FOR THE INSTALLATION OF THE
5 TELECOMMUNICATIONS APPARATUS NECESSARY FOR SUCH
6 SERVICES AND IN SUCH CASE, THE COMMISSION MAY EXTEND
7 THE TIME WITHIN WHICH THE GRANTEE SHALL FURNISH SUCH
8 SERVICE.

9 "THE GRANTEE SHALL OPERATE AND MAINTAIN ALL ITS
10 STATIONS, LINES, CABLES, SYSTEMS AND EQUIPMENT FOR THE
11 TRANSMISSION AND RECEPTION OF MESSAGES, SIGNALS AND
12 PULSES IN A SATISFACTORY MANNER AT ALL TIMES, AND AS
13 FAR AS ECONOMICAL AND PRACTICABLE, MODIFY, IMPROVE
14 OR CHANGE SUCH STATIONS, LINES, CABLES, SYSTEMS AND
15 EQUIPMENT TO KEEP ABREAST WITH THE ADVANCES IN
16 SCIENCE AND TECHNOLOGY.

17 "SEC. 5. *RATES FOR SERVICES.* - THE CHARGES AND
18 RATES FOR TELECOMMUNICATIONS SERVICES OF THE
19 GRANTEE, EXCEPT THE RATES AND CHARGES ON THOSE THAT
20 MAY HEREAFTER BE DECLARED OR CONSIDERED AS
21 NONREGULATED SERVICES, WHETHER FLAT RATES OR
22 MEASURED RATES OR VARIATION THEREOF, SHALL BE
23 SUBJECT TO THE APPROVAL OF THE COMMISSION OR ITS
24 LEGAL SUCCESSOR. THE RATES TO BE CHARGED BY THE

1 GRANTEE SHALL BE UNBUNDLED, SEPARABLE AND DISTINCT
2 AMONG THE SERVICES OFFERED AND SHALL BE DETERMINED
3 IN SUCH A MANNER THAT REGULATED SERVICES DO NOT
4 SUBSIDIZE THE UNREGULATED ONES.

5 "SEC. 6. *RIGHT OF GOVERNMENT.* - A SPECIAL RIGHT
6 IS HEREBY RESERVED TO THE PRESIDENT OF THE PHILIPPINES,
7 IN TIMES OF WAR, REBELLION, PUBLIC PERIL, CALAMITY,
8 EMERGENCY, DISASTER OR DISTURBANCE OF PEACE AND
9 ORDER, TO TEMPORARILY TAKE OVER AND OPERATE THE
10 STATIONS, TRANSMITTERS, FACILITIES OR EQUIPMENT OF THE
11 GRANTEE, TO TEMPORARILY SUSPEND THE OPERATION OF ANY
12 STATION, TRANSMITTER, FACILITY OR EQUIPMENT IN THE
13 INTEREST OF PUBLIC SAFETY, SECURITY AND PUBLIC
14 WELFARE, OR TO AUTHORIZE THE TEMPORARY USE AND
15 OPERATION THEREOF BY ANY AGENCY OF THE GOVERNMENT,
16 UPON DUE COMPENSATION TO THE GRANTEE, FOR THE USE OF
17 SAID STATIONS, TRANSMITTERS, FACILITIES OR EQUIPMENT
18 DURING THE PERIOD WHEN THEY SHALL BE SO OPERATED.

19 "THE RADIO SPECTRUM IS A FINITE RESOURCE THAT IS
20 PART OF THE NATIONAL PATRIMONY AND THE USE THEREOF IS
21 A PRIVILEGE CONFERRED UPON THE GRANTEE BY THE STATE
22 AND MAY BE WITHDRAWN ANYTIME AFTER DUE PROCESS.

1 “SEC. 7. *ACCEPTANCE AND COMPLIANCE.* —

2 ACCEPTANCE OF THIS FRANCHISE SHALL BE GIVEN IN
3 WRITING WITHIN SIXTY (60) DAYS FROM THE EFFECTIVITY OF
4 THIS ACT. UPON GIVING SUCH ACCEPTANCE, THE GRANTEE
5 SHALL EXERCISE THE PRIVILEGES GRANTED UNDER THIS ACT.
6 NONACCEPTANCE SHALL RENDER THE FRANCHISE VOID.

7 “SEC. 8. *BOND.* — THE GRANTEE SHALL FILE A BOND

8 ISSUED IN FAVOR OF THE NTC, WHICH SHALL DETERMINE THE
9 AMOUNT, TO GUARANTEE THE COMPLIANCE WITH AND
10 FULFILLMENT OF THE CONDITIONS UNDER WHICH THIS
11 FRANCHISE IS GRANTED. IF, AFTER FIVE YEARS FROM THE
12 DATE OF THE APPROVAL OF ITS PERMIT BY THE COMMISSION,
13 THE GRANTEE SHALL HAVE FULFILLED THE SAME, THE BOND
14 SHALL BE CANCELLED BY THE COMMISSION. OTHERWISE,
15 THE BOND SHALL BE FORFEITED IN FAVOR OF THE
16 GOVERNMENT AND THE FRANCHISE *IPSO FACTO* REVOKED.

17 “SEC. 9. *RIGHT OF INTERCONNECTION.* — THE GRANTEE

18 IS HEREBY AUTHORIZED TO CONNECT OR DEMAND
19 CONNECTION OF ITS TELECOMMUNICATIONS SYSTEMS TO ANY
20 OTHER TELECOMMUNICATIONS SYSTEMS INSTALLED,
21 OPERATED AND MAINTAINED BY ANY OTHER DULY
22 AUTHORIZED PERSON OR ENTITY IN THE PHILIPPINES FOR THE
23 PURPOSE OF PROVIDING EXTENDED AND IMPROVED

1 TELECOMMUNICATIONS SERVICES TO THE PUBLIC, UNDER
2 SUCH TERMS AND CONDITIONS MUTUALLY AGREED UPON BY
3 THE PARTIES CONCERNED AND THE SAME SHALL BE SUBJECT
4 TO THE REVIEW AND MODIFICATION OF THE COMMISSION.

5 "SEC. 10. *GROSS RECEIPTS.* — THE GRANTEE, ITS
6 SUCCESSORS OR ASSIGNS, SHALL KEEP A SEPARATE ACCOUNT
7 OF THE GROSS RECEIPTS OF THE BUSINESS TRANSACTED BY IT
8 AND SHALL FURNISH THE COMMISSION ON AUDIT (COA) AND
9 THE NATIONAL TREASURY A COPY OF SUCH ACCOUNT NOT
10 LATER THAN THE THIRTY-FIRST (31ST) DAY OF JANUARY OF
11 EACH YEAR FOR THE PRECEDING TWELVE (12) MONTHS.

12 "SEC. 11. *BOOKS AND ACCOUNTS.* — THE BOOKS AND
13 ACCOUNTS OF THE GRANTEE, ITS SUCCESSORS OR ASSIGNS,
14 SHALL ALWAYS BE OPEN TO THE INSPECTION OF THE
15 COMMISSIONER ON AUDIT OR HIS AUTHORIZED
16 REPRESENTATIVES AND IT SHALL BE THE DUTY OF THE
17 GRANTEE TO SUBMIT TO THE COA TWO COPIES OF THE
18 QUARTERLY REPORTS ON THE GROSS RECEIPTS, THE NET
19 PROFITS AND THE GENERAL CONDITION OF THE BUSINESS.

20 "SEC. 12. *WARRANTY IN FAVOR OF THE NATIONAL AND*
21 *LOCAL GOVERNMENTS.* — THE GRANTEE SHALL HOLD THE
22 NATIONAL, PROVINCIAL, CITY AND MUNICIPAL GOVERNMENTS

1 OF THE PHILIPPINES FREE FROM ALL CLAIMS, ACCOUNTS,
2 DEMANDS OR ACTIONS ARISING OUT OF ACCIDENTS OR
3 INJURIES, WHETHER TO PROPERTY OR TO PERSONS, CAUSED
4 BY THE CONSTRUCTION OR OPERATION OF THE STATIONS,
5 TRANSMITTERS, FACILITIES AND EQUIPMENT OF THE
6 GRANTEE.

7 "SEC. 13. *SALE, LEASE, TRANSFER, USUFRUCT, ETC.* —
8 THE GRANTEE SHALL NOT LEASE, TRANSFER, GRANT THE
9 USUFRUCT OF, SELL NOR ASSIGN THIS FRANCHISE OR THE
10 RIGHTS AND PRIVILEGES ACQUIRED THEREUNDER TO ANY
11 PERSON, FIRM, COMPANY, CORPORATION OR OTHER
12 COMMERCIAL OR LEGAL ENTITY, NOR MERGE WITH ANY
13 OTHER CORPORATION OR ENTITY, NOR SHALL THE
14 CONTROLLING INTEREST OF THE GRANTEE BE TRANSFERRED,
15 WHETHER AS A WHOLE OR IN PARTS AND WHETHER
16 SIMULTANEOUSLY OR CONTEMPORANEOUSLY, TO ANY SUCH
17 PERSON, FIRM, COMPANY, CORPORATION OR ENTITY WITHOUT
18 THE PRIOR APPROVAL OF THE CONGRESS OF THE PHILIPPINES.
19 ANY PERSON OR ENTITY TO WHICH THIS FRANCHISE IS SOLD,
20 TRANSFERRED OR ASSIGNED, SHALL BE SUBJECT TO THE SAME
21 CONDITIONS, TERMS, RESTRICTIONS AND LIMITATIONS OF
22 THIS ACT.

1 “SEC. 14. *DISPERSAL OF OWNERSHIP.* -- IN
2 ACCORDANCE WITH THE CONSTITUTIONAL PROVISION TO
3 ENCOURAGE PUBLIC PARTICIPATION IN PUBLIC UTILITIES, THE
4 GRANTEE SHALL OFFER AT LEAST THIRTY PERCENTUM (30%)
5 OF ITS OUTSTANDING CAPITAL STOCK OR A HIGHER
6 PERCENTAGE THAT MAY HEREAFTER BE PROVIDED BY LAW IN
7 ANY SECURITIES EXCHANGE IN THE PHILIPPINES WITHIN TEN
8 (10) YEARS FROM THE COMMENCEMENT OF ITS OPERATIONS
9 OR FROM THE DATE OF EFFECTIVITY OF THIS ACT,
10 WHICHEVER IS LATER. NONCOMPLIANCE THEREWITH SHALL
11 RENDER THE FRANCHISE *IPSO FACTO* REVOKED.

12 “SEC. 15. *REPORTORIAL REQUIREMENT.* -- THE
13 GRANTEE SHALL SUBMIT AN ANNUAL REPORT TO THE
14 CONGRESS OF THE PHILIPPINES ON ITS COMPLIANCE WITH
15 THE TERMS AND CONDITIONS OF THE FRANCHISE AND ON ITS
16 OPERATIONS WITHIN SIXTY (60) DAYS FROM THE END OF
17 EVERY YEAR.

18 “SEC. 16. *EQUALITY CLAUSE.* -- ANY ADVANTAGE,
19 FAVOR, PRIVILEGE, EXEMPTION OR IMMUNITY GRANTED
20 UNDER EXISTING FRANCHISE, OR MAY HEREAFTER BE
21 GRANTED, SHALL *IPSO FACTO* BECOME PART OF PREVIOUSLY
22 GRANTED TELECOMMUNICATIONS FRANCHISES AND SHALL BE
23 ACCORDED IMMEDIATELY AND UNCONDITIONALLY TO THE

1 GRANTEES OF SUCH FRANCHISES: *PROVIDED, HOWEVER, THAT*
2 THE FOREGOING SHALL NEITHER APPLY TO NOR AFFECT THE
3 PROVISIONS OF TELECOMMUNICATIONS FRANCHISES
4 CONCERNING TERRITORY COVERED BY THE FRANCHISE, THE
5 LIFE SPAN OF THE FRANCHISE OR THE TYPE OF SERVICE
6 AUTHORIZED BY THE FRANCHISE.

7 “SEC. 17. *SEPARABILITY CLAUSE.* – IF ANY OF THE
8 SECTIONS OR PROVISIONS OF THIS ACT IS HELD INVALID, ALL
9 OTHER PROVISIONS NOT AFFECTED THEREBY SHALL REMAIN
10 VALID.

11 “SEC. 18. *REPEALABILITY AND NONEXCLUSIVITY*
12 *CLAUSE.* – THIS FRANCHISE SHALL BE SUBJECT TO
13 AMENDMENT, ALTERATION OR REPEAL BY THE CONGRESS OF
14 THE PHILIPPINES WHEN THE PUBLIC INTEREST SO REQUIRES
15 AND SHALL NOT BE INTERPRETED AS AN EXCLUSIVE GRANT OF
16 THE PRIVILEGES HEREIN PROVIDED FOR.”

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

1 SEC. 3. *Effectivity Clause.* – This Act shall take effect fifteen (15)
2 days from the date of its publication, upon the initiative of the grantee, in at
3 least two newspapers of general circulation in the Philippines.

Approved,

O